

SNOW, CHRISTENSEN & MARTINEAU P.C.

SALT LAKE CITY • ST. GEORGE

John E. Gates
Kim R. Wilson
Michael R. Carlston
Max D. Wheeler
David W. Slaughter
Shawn E. Draney
John R. Lund
Rodney R. Parker
Richard A. Van Wagoner
Andrew M. Morse
Camille N. Johnson
Elizabeth L. Willey
E. Scott Awerkamp
Dennis V. Dahle
Korey D. Rasmussen
Terence L. Rooney
Jill L. Dunyon
David L. Pinkston
Julianne Blanch
Brian P. Miller
Judith D. Wolferts
Keith A. Call
Kara L. Pettit
Heather S. White
Robert R. Harrison
Robert W. Thompson
Scott H. Martin
Maralyn M. English
Kenneth L. Reich
Bradley R. Blackham
Robert J. Shelby
D. Jason Hawkins
Richard A. Vazquez
David F. Mull
P. Matthew Cox
Derek J. Williams
Tammy B. Georgelas
R. Scott Young
Matthew W. Starley
John S. Treu
Christopher W. Droubay
Scott C. Powers
Nathan R. Skeen
Brian A. Mills
Melinda K. Bowen
Dani N. Cepernich
Tsutomu Johnson

Of Counsel
Harold G. Christensen
Reed L. Martineau
A. Dennis Norton
Allan L. Larson
Sam Harkness

March 12, 2013

Contact Writer
(801) 322-9138
sed@scmlaw.com

VIA HAND DELIVERY

Kent L. Jones, P.E.
Utah State Engineer
Utah Division of Water Rights
1594 West North Temple, #220
Salt Lake City, Utah 84116-3156

Re: Salt Lake City Response to State Engineer Letter dated February 28,
2013
Water Right Number 57-7800 (a28548)
Request for clarification of 1934 Contract(s)

Dear Mr. Jones:

This letter responds to your letter to me dated February 28, 2013.

Enclosed please find copies of the following:

1. July 18, 1934 contract between Salt Lake City and Lewis B. And Emma A. Maxfield.
2. Salt Lake City Council minutes of August 8, 1934 containing a report of the City Engineer regarding the 1934 contracts.
3. Warranty Deed from Rulon T. Jeffs, the successor to the Maxfields, conveying back to Salt Lake City the right to receive 500 gpd of winter water that the Maxfields received under the July 18, 1934 contract.
4. Three drawings depicting the 6" diameter pipe off the Murray Penstock discussed in the July 18, 1934 contract between Salt Lake City and Lewis B. And Emma A. Maxfield and the August 8, 1934 contract among Salt Lake City and the 5 South Despain Ditch families.

RECEIVED

MAR 12 2013 SC

WATER RIGHTS
SALT LAKE

1886
2011

5. The 1963 contract between Little Cottonwood Water Company and Canyonlands, Inc.

You will note that the August 8, 1934 agreement with the 5 South Despain Ditch families that you already have in your files says, in the first recital, that the 5 families are the owners of all of the South Despain Ditch first primary award. The July 18, 1934 contract with the Maxfields is a stark contrast. It references the Maxfield interest as a "claim."

We assume this Maxfield claim could only have been something of an adverse possession claim. We understand that neither the Maxfields, nor their predecessors, appear in the Morse Decree. The Maxfield (later Jeffs) property is depicted as located south of the Harold Bentley property on the State Engineer's 1968 maps reflecting initial adjudication work in the area, maps 129 and 139. The Rulon Jeffs property shows up marked 162 at the very bottom of map 129, just right of center, and at the top of map 139, again, just right of center. This same property is called out faintly as the Lewis B. Maxfield property in the map that is a part of the scanned documents in your file for Water Right Number 57-9001. The 6 Applicants here, of course, claim through Harold Bentley, by way of alleged apputenancy up to the Applicants' predecessor Lynn Christensen Biddulph.

The July 18, 1934 contract does not appear to be meaningful to the matters at issue before the State Engineer regarding the 6 related change applications. As reflected in the August 8, 1934 agreement between Salt Lake City and the 5 South Despain Ditch families, as well as 57-9001, all of the right to divert and use winter water under the South Despain Ditch first primary award belongs to Salt Lake City, excepting only 7,500 gpd which is to be diverted into the Murray Penstock and delivered by Salt Lake City from the 6" diameter line off the Murray Penstock.

In our view, no terms of the August 8, 1934 agreement, including the point of diversion and the point of delivery, can be amended without Salt Lake City's consent. We are not aware of any support for the proposition that the State Engineer or the Applicants may amend contracts via change application.

At the hearing and more recently there has been discussion about what we believe to be the 1963 contract between Little Cottonwood Water Company (LCWC) and Canyonlands, Inc. Salt Lake City assumed the obligations of LCWC under LCWC water contracts as a part of the dissolution of LCWC. The 1963 Canyonlands, Inc. contract was for 50 gpd per cabin for up to 35 cabins in the Albion Basin Subdivision. The lots of Dr. Tolton and Mrs. Maack which are the proposed places of use under their respective change applications are in what is commonly called the Cecret Lake Subdivision, which is not a platted subdivision.

Even if Dr. Tolton or Mrs. Maack owned property described in the 1963 Canyonlands, Inc. contract, it is our understanding that contract rights and obligations -- relating to water or

Kent L. Jones, P.E.
March 12, 2013
Page 3

otherwise -- do not pass by appurtenancy unless the contract says so. This contract does not contain such a clause.

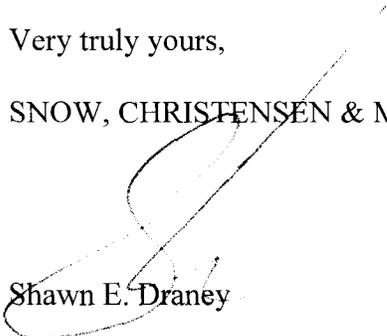
Canyonlands, Inc. has been dissolved since 1971. We do not believe any water was ever delivered pursuant to that contract. Any obligation of LCWC or its successor Salt Lake City was subject to Canyonlands, Inc. first meeting certain conditions as described in the contract. The law seems clear that if no deadline is expressed in a contract for conditions precedent to be met, then the contract will be interpreted as requiring conditions precedent be met within a reasonable time, or the contract expires by its own implied terms. We believe such is the case with the 1963 Canyonlands, Inc. contract.

In any event, the 1963 Canyonlands, Inc. contract is not mentioned in the change applications as something which supports the proposed changes.

Thank you for your attention to this matter. Should you have any further questions, please do not hesitate to contact me.

Very truly yours,

SNOW, CHRISTENSEN & MARTINEAU



Shawn E. Draney

SED:sd

Enclosures

Cc: SLCPU
Kevin Tolton
Judith Maack
Dan Jensen
All Protestants



80000 SERIES • 30% PC.W.
www.kleer-fax.com



FSC
www.fsc.org

MIX

Paper from
responsible sources

FSC® C014618

Separate Agreement

THE
P.T. JEFFS
3615 E 9400 So.
G.D. J. 4840

A G R E E M E N T

SALT LAKE CITY is about to enter into an agreement with the owners of the primary waters decreed to the South Despain Ditch located near the mouth of Little Cottonwood Canyon, in Salt Lake County.

WHEREAS, Lewis B. Maxfield and Emma A. Maxfield, his wife, claims to have enjoyed a right to culinary and domestic water from said South Despain Ditch.

WHEREAS, it is the intention of Salt Lake City to construct a pipe line system for the delivery of culinary water reserved by the owners of the primary water above referred to, the effect of which will be to dry up the South Despain Ditch during the winter or non-irrigation season from October 1st until April 1st of each year following:

NOW, THEREFORE, in consideration of the construction of a branch service pipe, (with tap outlet at corral), of sufficient size and pressure to deliver at least 500 gallons per day, to the premises of Lewis B. Maxfield and the delivery therein of not to exceed 500 gallons of water per day during such time as the same is available from the water of the South Despain reserve, during the winter or nonirrigation season from October 1st until April 1st of each year following, the said Lewis B. Maxfield and Emma A. Maxfield, their successors or assigns, hereby agree that the use of all water from said branch service pipe shall be in lieu of the winter right claimed by them in said ditch and shall be subject to all rules, regulations and ordinances of Salt Lake City and that all thereof shall be paid for at prevailing city meter rates, excepting however the 500 gallons per day above mentioned. Furthermore, Salt Lake City shall be under no obligation to deliver water through said service pipe line during the summer or irrigation season from April 1st until October 1st, but if water is delivered and used therefrom, then the said Lewis B. Maxfield and Emma A. Maxfield,

their successors or assigns, shall pay for all of the water so used at prevailing city meter rates.

Furthermore, the said Lewis B. Maxfield and Emma A. Maxfield, his wife, their successors or assigns, agree to maintain the said branch service pipe line from the meter box the outlet end.

IN WITNESS WHEREOF, we have hereunto set our hands this 16th day of July, 1934.

Lewis B. Maxfield

Emma A. Maxfield

WITNESS

Rose E. Marks

Accepted by Salt Lake City,

By Louis Marcus
Mayor.

S E A L

Ethel Macdonald
City Recorder



80000 SERIES • 30% P.C.W.
www.kleer-fax.com



FSC
www.fsc.org

MIX

Paper from
responsible sources

FSC® C014618

Mr. Marcus moved that the report be filed and the City Attorney directed to prepare resolution fixing the tax levy at 13 mills, which motion carried, all members voting aye.

33 From the City Treasurer,

Gentlemen:

On account of the rapid depletion of our Revenue Funds due to extraordinary demands made upon it on account of the Emergency Water Development Program, together with authorized payments for this same account still to be paid, it will be necessary for the City to borrow on Tax Anticipation Notes the sum of \$300,000.00. I therefore ask that the accompanying resolution authorizing said borrowing be approved.

Respectfully submitted,
MILTON E. LIPMAN
City Treasurer

Mr. Marcus moved that the report be filed and the resolution laid over to come up in regular order, which motion carried, all members voting aye.

34 From the City Treasurer,

Gentlemen:

In handing you the enclosed petition of J. A. Rockwood calling for the segregation of four feet as indicated in the petition, I will say that the segregation will in no way alter or jeopardize the City's lien against this frontage and I recommend that the petition be approved. (Property located in lot 3, Block 1, Rockwood Subdivision).

Respectfully submitted,
MILTON E. LIPMAN
City Treasurer

Mr. Marcus moved that the report be filed and the segregation of property authorized, which motion carried, all members voting aye.

35 From the City Treasurer,

Gentlemen:

Herewith find City Treasurer's report of receipts for the month ending July 31, 1934.

Yours very truly,
MILTON E. LIPMAN
City Treasurer

Mr. Marcus moved that the report be filed for record, which motion carried, all members voting aye.

23 From the City Engineer,

Gentlemen:

I am transmitting herewith a signed agreement negotiated by the Engineering department, with the owners of the primary waters decreed to the South Despain Ditch on Little Cottonwood Creek.

This agreement contemplates conveying the water represented by the primary water rights of the South Despain Ditch (Morse Decree) through the Murray Pipe Line whenever the str is below 30 second feet at the intake to the Murray Pipe Line, to a designated point on the Murray Pipe Line, thence through a pipe line to be constructed by the City to the Despain Ditch and to the individual owners at an estimated cost of \$2500.00.

By this arrangement the City will be able to save one and one-half second feet of seepage water when the flow of the stream at the intake to the Murray Pipe Line is 30 second feet or less, and will acquire the Despain Ditch rights during the non-irrigation season by delivering to the owners 9,000 gallons per day, whereas they now, under the decree, are entitled to 161,500 gallons per day.

In addition to the attached contract, I understand that Attorney Fisher Harris is negotiating a contract with Murray City to carry this water through their pipe line and make a diversion from the pipe line for the Despain rights. If this contract is not already signed, this should be taken care of at once and installation made.

I recommend that this contract be approved and installation be made at once.

Respectfully submitted,
W. D. BEERS
City Engineer

Mr. Keyser moved that the report be filed, the agreement amended in the fourth paragraph of the first page, eighth line, to read "said branch line to be maintained by parties of the second part", the agreement approved as amended and the Mayor and City Recorder authorized to execute same on behalf of the City, which motion carried, all members voting aye.



80000 SERIES • 30% PC.W.
www.kleer-fax.com



FSC
www.fsc.org

MIX

Paper from
responsible sources

FSC® C014618

4848116

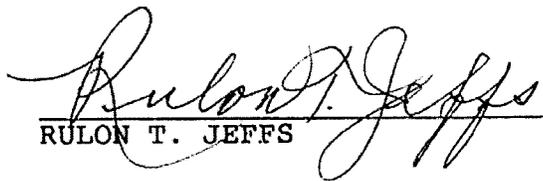
10 FEB

4848116
NOVEMBER 27 10:26 AM
KATIE L. DIXON
RECORDER, SALT LAKE COUNTY, UTAH
S.L. CITY PUBLIC UTILITIES
1530 S WEST TEMPLE BLVD, 84115
REC BY: REBECCA GRAV DEPUTY

WARRANTY DEED

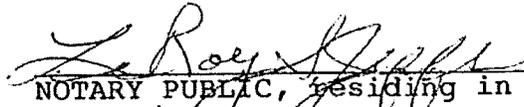
RULON T. JEFFS, "GRANTOR", successor in interest to the water rights of Lewis B. Maxfield and Emma A. Maxfield, his wife, who obtained their right as successors through the South Despain Irrigation Company water rights, hereby conveys and warrants to SALT LAKE CITY CORPORATION, a municipal corporation of the State of Utah, "GRANTEE", for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the right to receive 500 gallons of water per day through the South Despain Ditch as more particularly set forth in that certain Agreement dated July 18, 1934 between the Grantee, and Lewis B. Maxfield and Emma A. Maxfield copy attached hereto and by this reference made part hereof.

WITNESS the hand of said Grantor this 31st day of October, 1989.


RULON T. JEFFS

STATE OF UTAH)
 : ss.
County of Salt Lake)

On the 31ST day of OCTOBER, 1989,
personally appeared before me LEROY T. JEFFS, the
signer of the foregoing instrument, who duly acknowledge to
me that he ~~she~~ executed the same.


NOTARY PUBLIC, residing in
SANDY, UTAH

My Commission Expires:

11/9/92

RLM:cc

NOTARY PUBLIC
LEROY S. JEFFS
9493 Ksal Drive
Sandy, Utah 84092
My Commission Expires
November 9, 1992
STATE OF UTAH

BOOK 6176 PAGE 74

Despaign Agreement

*P. T. JEFFS
3615 E 9400 So.
G.D. 4840*

A G R E E M E N T

SALT LAKE CITY is about to enter into an agreement with the owners of the primary waters decreed to the South Despaign Ditch located near the mouth of Little Cottonwood Canyon, in Salt Lake County.

WHEREAS, Lewis B. Maxfield and Emma A. Maxfield, his wife, claims to have enjoyed a right to culinary and domestic water from said South Despaign Ditch.

WHEREAS, it is the intention of Salt Lake City to construct a pipe line system for the delivery of culinary water reserved by the owners of the primary water above referred to, the effect of which will be to dry up the South Despaign Ditch during the winter or non-irrigation season from October 1st until April 1st of each year following:

NOW, THEREFORE, in consideration of the construction of a branch service pipe, (with tap outlet at corral), of sufficient size and pressure to deliver at least 500 gallons per day, to the premises of Lewis B. Maxfield and the delivery therein of not to exceed 500 gallons of water per day during such time as the same is available from the water of the South Despaign reserve, during the winter or nonirrigation season from October 1st until April 1st of each year following, the said Lewis B. Maxfield and Emma A. Maxfield, their successors or assigns, hereby agree that the use of all water from said branch service pipe shall be in lieu of the winter right claimed by them in said ditch and shall be subject to all rules, regulations and ordinances of Salt Lake City and that all thereof shall be paid for at prevailing city meter rates, excepting however the 500 gallons per day above mentioned. Furthermore, Salt Lake City shall be under no obligation to deliver water through said service pipe line during the summer or irrigation season from April 1st until October 1st, but if water is delivered and used therefrom, then the said Lewis B. Maxfield and Emma A. Maxfield,

their successors or assigns, shall pay for all of the water so used at prevailing city meter rates.

Furthermore, the said Lewis B. Maxfield and Emma A. Maxfield, his wife, their successors or assigns, agree to maintain the said branch service pipe line from the meter box the outlet end.

IN WITNESS WHEREOF, we have hereunto set our hands this 18th day of July, 1934.

Lewis B. Maxfield

Emma A. Maxfield

WITNESS

Rose E. Marks

Accepted by Salt Lake City,

By Louis Marcus
Mayor.

S E A L

Ethel Macdonald
City Recorder

LITTLE COTTONWOOD WATER RIGHTS

Lake City, an easement for the construction and maintenance of the pipe line, reserving unto themselves the surface rights.

The city agreed to install a meter in the main pipe line between the Murray pipe line and the North Despain Ditch and to deliver the decreed primary water into the pipe system as measured through the meter and the responsibility for the distribution of the water among the parties shall rest with the South Despain owners above named.

The city also agreed to install an outlet from the 6' pipe line at the North Despain Ditch of sufficient size to discharge that portion of the primary water now owned by L. E. Despain and to lay a metered service pipe from the aforementioned branch service to the premises of Lewis B. Maxfield for delivering to said Maxfield 500 gallons of water per day during the winter season from Oct. 1st to April 1st following, the 500 gallons per day being a part of the 8,000 gallons per day reserved.

The Maxfield home is located near the South Despain Ditch a short distance below the junction of the extension Ditch and Lewis B. Maxfield claimed a dipping right from the ditch. Negotiations were completed and on the 10th day of July, 1934, an agreement was signed by Lewis B. Maxfield and Emma A. Maxfield, his wife, whereby they relinquished any claim to a dipping right from this ditch during the winter or non-irrigating season, conditioned upon the delivery to them of 500 gallons of water per day, through a service pipe to be built by the city, with a tap outlet at their corral, during such winter season. The city is under no obligation to deliver any water to Maxfield during the period from April 1st to October 1st, but if water is delivered and used from this service during this period, then the said Lewis B.

LITTLE COTTONWOOD WATER RIGHTS

Maxfield and Emma A. Maxfield, their successors or assigns, shall pay for all water used at prevailing city meter rates.

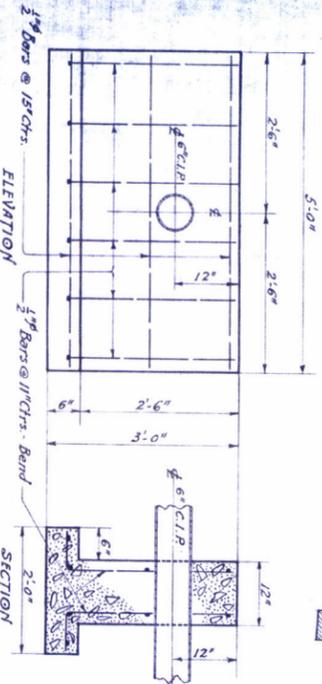
The North Despain primary water amounting to 0.20 sec. ft. is owned by L. E. Despain and the decree states that this water is to be taken from a spring near the head of said ditch unless the water therefrom falls below .20 sec. ft., then the balance is to be taken from the creek. By an informal exchange, this spring water was traded to Sandy Pipe Line Company for creek water. This exchange is not recorded, nor has the point of diversion been changed by application to the State Engineer. In constructing the 6" pipe heretofore referred to, provision was made for delivering this 0.20 sec. ft. into the North Despain Ditch, at such time as the stream is all being diverted into the Murray City pipe line.

Another precaution that was taken in designing the main 6" pipe line was to provide a 4" outlet valve at Little Cottonwood Creek which not only serves as a blow-off, but also can be used as an outlet to furnish the Sandy Ditch Water, if the springs and creek inflow fails to yield enough water to satisfy the Sandy Ditch and Sandy pipe line rights.

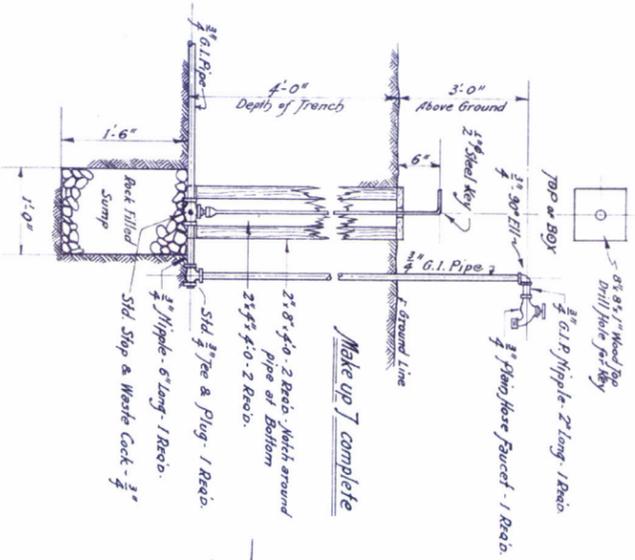
The South Despain Extension Ditch has no decreed primary right; however, this company owns stock in the Little Cottonwood Water Company and by reason of such ownership obtain 0.17 sec. ft. or 5.6% of the 3.03 sec. ft. saving covered by application #3704. The water from White Pine Lake (application #10760) is also owned by this company and is usually released at the rate of approximately 1.0 sec. ft. This can be carried through the 6" pipe to the South Despain Ditch when the flow is all diverted at Wasatch. The South Despain Extension owners incorporated in 1909 as the South Despain Ditch

NUMBER - 272
ACCOUNT - 272
DRAWING - 1
3-20-27

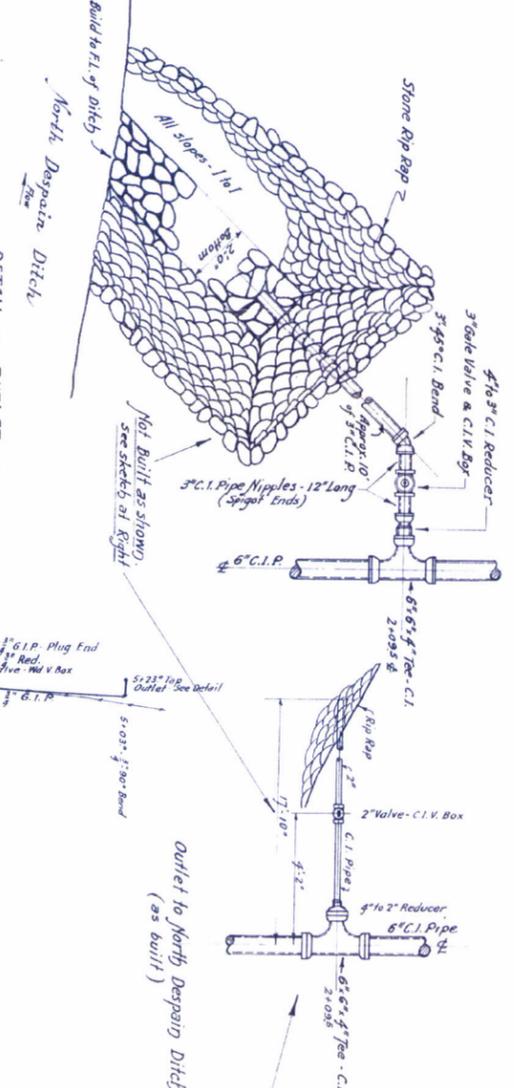
DETAIL OF CONCRETE ANCHOR
Scale: 1/2" = 1'-0"
(Not Built)
One Required



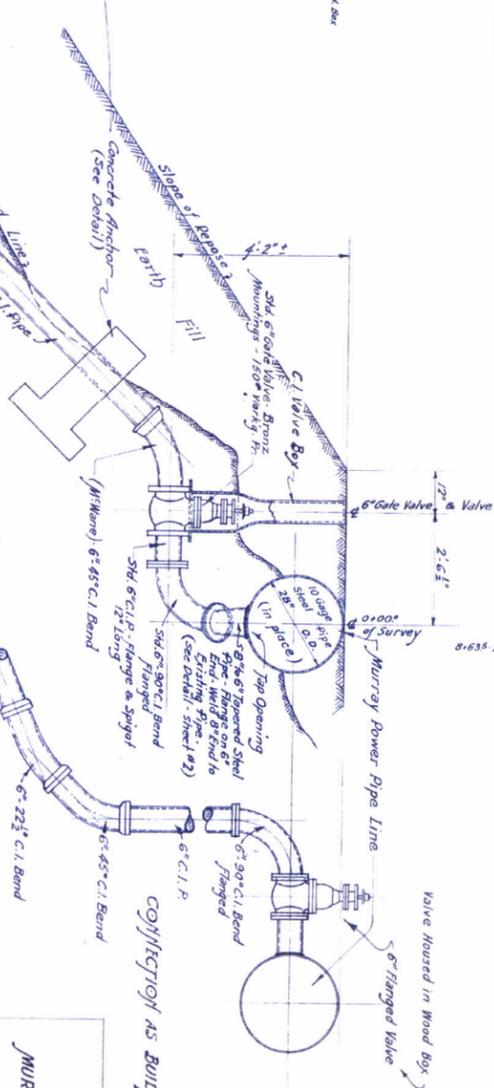
DETAIL OF TAP OUTLET
Scale: 1/2" = 1'-0"



DETAIL OF OUTLET INTO NORTH DESPAIR DITCH
Scale: 3/8" = 1'-0"



DETAIL OF CONNECTION MURRAY POWER PIPE LINE
Scale: 3/4" = 1'-0"
Not Built as shown - see sketch at right



SALT LAKE CITY WATER SUPPLY
PIPE LINE
MURRAY POWER PIPE LINE TO SOUTH DESPAIR DITCH
& DESPAIR CULINARY SYSTEM
AS CONSTRUCTED
Scale: 1" = 100'
Engineering Department
Salt Lake City
February - 1935
W. D. Beers
City Engineer
Drawn by Myers - Checked by Tiplon



Exhibit #17

S W ¹/₄ N W ⁴ SECTION 12 T. 3 S., R. 1 E.

SALT LAKE BASE & MERIDIAN

SCALE 1" = 100'

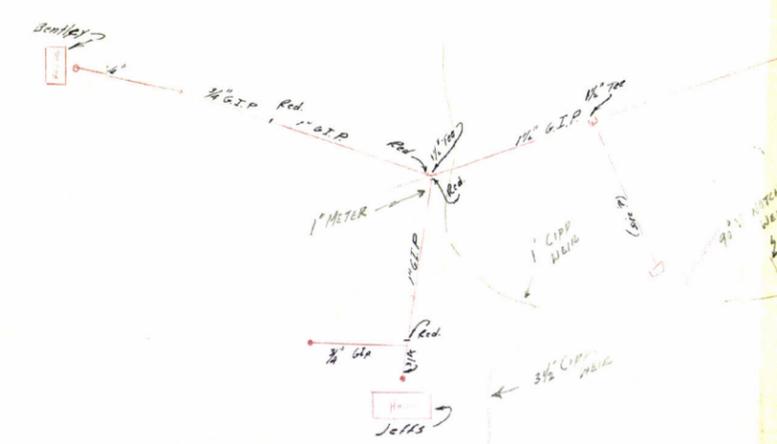
7-7-54
 MAXFIELD AGREEMENT
 10-1 to 4-1
 ALLOWED 500 G.P.D.
 BILL EXCESS AT CITY RATE
 ASSIGN - R.T. JEFFS

5-8-54
 DESIGN AGREEMENT
 10-1 to 4-1
 ALLOW 7500 G.P.D.
 EXCESS BILL AT CITY RATE

4-1 to 10-1
 NO ALLOWANCE

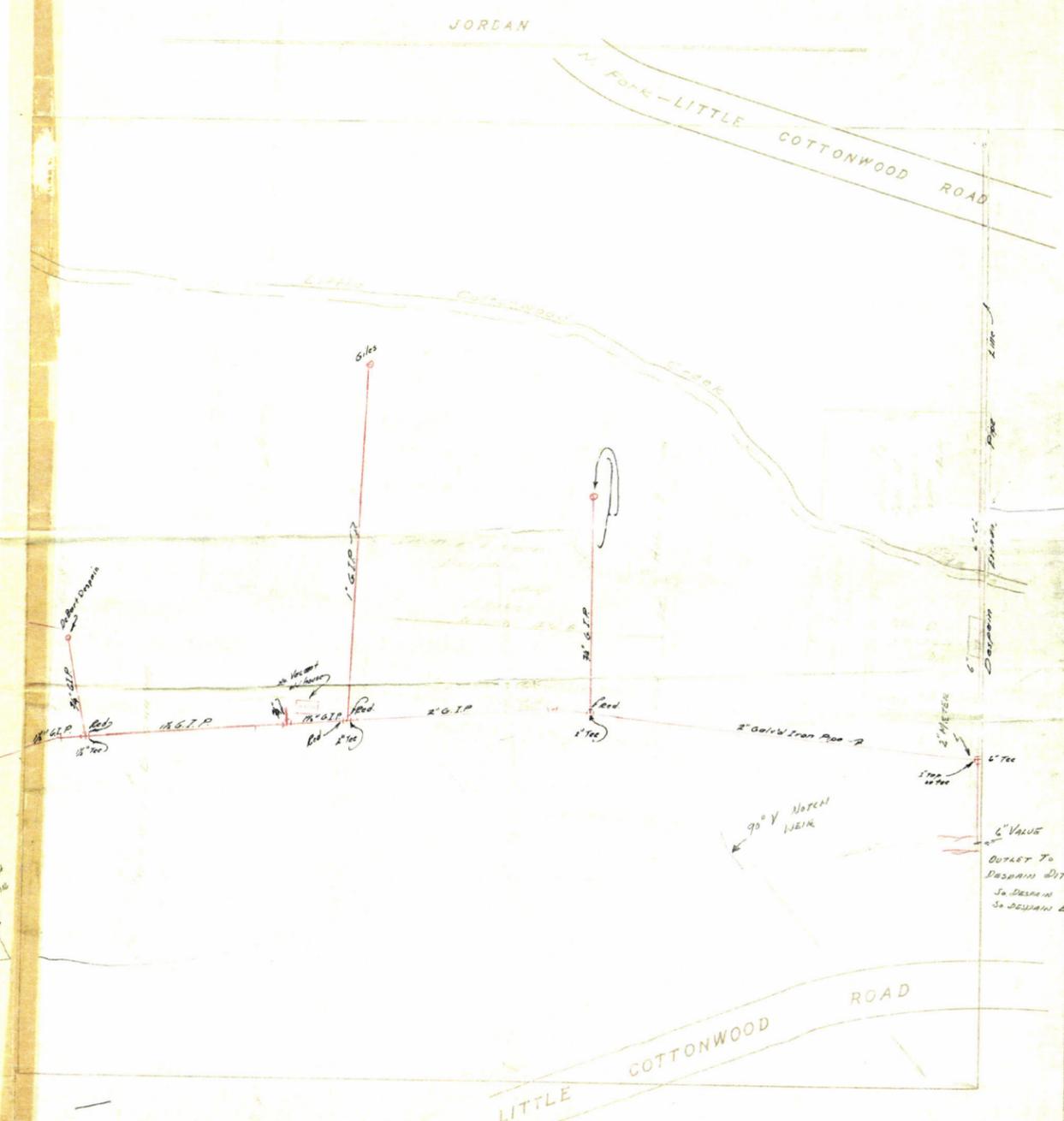
ASSIGNS

- BEIL 1 Home
- CHES 1 Home
- WIMBUSH 1 Home (SANDHILL)
- BENTLEY - 2 HOMES
- RENNAN 1 "
- JENSON - (OWNERS DOWN) 1964

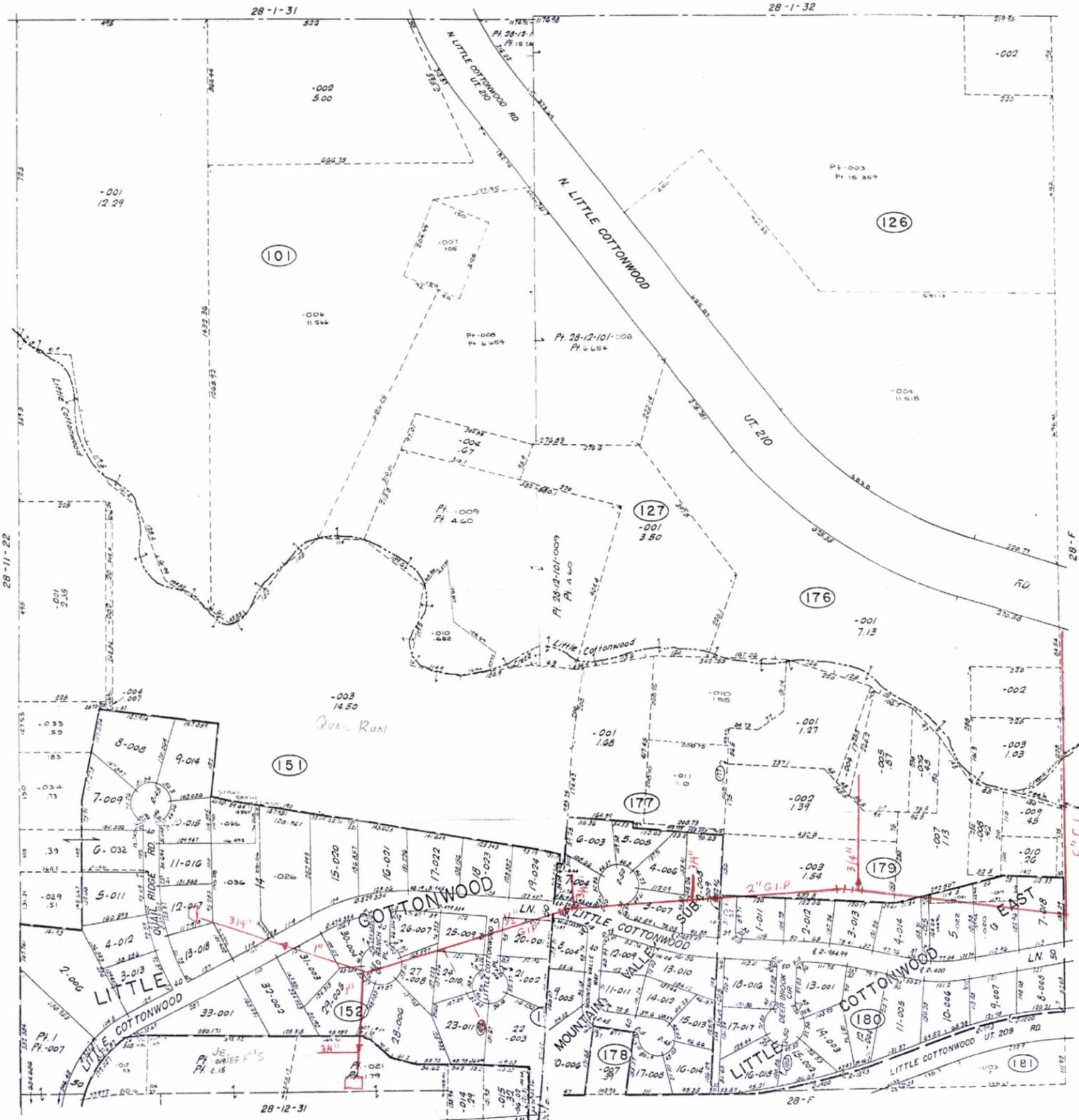


S.E. ¹/₄ N.W. ¹/₄ SECTION 12 TR. 3S. R. 1E

SALT LAKE MERIDIAN
 SCALE 100 FEET = ONE INCH



MAY 1961



2613

SCALE: 1" = 100'
28-12-11

SALT LAKE CO.
W. 1/2 N.W. 1/4 SEC. 12 T.3S. R.1E.

2614

SCALE: 1" = 100'
28-12-12

SALT LAKE CO.
E. 1/2 N.W. 1/4 SEC. 12 T.3S. R.1E.



80000 SERIES • 30% PCW
www.kleer-fax.com



www.fsc.org

MIX

Paper from
responsible sources
FSC® C014618

A G R E E M E N T

Between Little Cottonwood Water Company, and Canyonlands, Inc., a Utah corporation relative to the use of water for Domestic Purposes in Little Cottonwood Canyon.

THIS AGREEMENT, made and entered into this 22nd day of ^{May} ~~March~~, 1963, between Little Cottonwood Water Company, an irrigation corporation of the state of Utah, hereinafter called the WATER COMPANY, and Canyonlands, Inc., a Utah corporation, hereinafter called the USER, WITNESSETH:

1. That the User is the equitable owner of the surface rights of the following described patented mining claims, situated in Little Cottonwood canyon, Salt Lake County, Utah:

Helena, Survey No. 5733; Damfool and Fleur De Lis, Survey No. 4922, in the Little Cottonwood Mining District, Salt Lake County, Utah, and particularly in part of the S.E. $\frac{1}{4}$ of Section 4 and the North East quarter of Section 9, Township 3 South, Range 3 East, S.L.B. & M.

That said land, or a substantial part of same has been subdivided, and a subdivision plat has been approved by the Planning Board and other agencies of Salt Lake County, and the User represents that all of the legal requirements pre-requisite to the issuance of building permits have been fully met with respect to said subdivision.

2. The User proposes to construct not to exceed 35 cabins upon said property, and will require a water connection for each such cabin or dwelling.

3. The User represents that it has an agreement with the Salt Lake City Board of Health relative to sanitation and sewage disposal problems incident to the construction and occupancy of said dwellings.

4. The Water Company is the owner or charged with the responsibility for the distribution of the waters of Little Cottonwood creek, which encompasses all of the waters arising in Little Cottonwood canyon tributary to said creek, and some of said waters can be made available to the User pursuant to the terms of this agreement. NOW THEREFORE, it is agreed between the parties hereto as follows:

(1. The source of water from which the water will be conveyed by pipeline to cabins on the above described property is from (a) spring and mine tunnel located North $6^{\circ} 31' E.$ 415 feet from the point of beginning described in said subdivision plat, which is also the north corner of said subdivision; and (b) the Alta-Helena mine tunnel, the portal of which is located on Lot 1-A as shown in the subdivision plat of the Albion Basin subdivision, a copy of which plat is made a part of this agreement by reference, and same having been recorded in the office of the county recorder of Salt Lake County, Utah.

57-10015 (a16841)

2. The User agrees to construct from the points of diversion to the dwellings to be constructed on the land hereinbefore described, a pipeline adequate to carry water from the point of diversion to said cabins, said pipelines to be constructed solely at the cost of the User, and the User, and its successors and assigns agree to maintain said pipeline and to repair the same, together with any tanks, pumps, or other facilities necessary or incidental to the movement of the water from the point of diversion to the dwellings, and the Water Company shall have no obligation whatsoever to the User or any of its lessees, assigns or purchasers in regard to the construction, maintenance or repair of said facilities, and the User agrees that the same will at all times be so maintained as to prevent any loss or waste of water. Said pipeline shall be so constructed that there will be a turn-off valve at a convenient point outside of each dwelling, so water to said dwelling can be shut off and service discontinued. It is expressly understood and agreed that said pipeline shall not under any circumstances be extended to supply any properties or facilities not wholly situated upon the land hereinbefore described.

3. The User will, on or before June 1 of each calendar year, furnish to the Water Company a written statement showing each and every cabin or other structure situated upon the property hereinbefore described, and appropriately identifying each to which water under this contract is to be delivered during any part of said calendar year, and at said time to pay to the Water Company the sum of \$15.00 (subject to adjustments hereafter set forth) for each such cabin or structure to which water is delivered pursuant to this agreement. Should any cabin or structure be built subsequent to June 1 of any calendar year and a water connection made to the same, the Water Company shall be promptly advised and the annual yearly payment herein provided shall be made. The annual payment herein provided for shall entitle the User to use at each such cabin or other structure to which said pipeline is connected, a quantity of water not to exceed 50 gallons per day, averaged on a monthly basis. The annual rental of \$15.00 per year will be adjusted upwards in any year in which Salt Lake City increases its water rates, said increase to be proportionate to the increase made in Salt Lake City's domestic water rates.

4. The use of water shall be limited to domestic use only, and shall not be used for irrigation or sprinkling.

5. The User will take such water as is, with no representations by the Water Company as to quality or purity. The Water Company is under no obligation to render said water fit or suitable for human consumption.

6. It is understood and agreed that the Water Company is under obligation to deliver water to other persons, firms and corporations, and this agreement is made only as to waters in excess of the Water Company's other obligations, and if at any time the Water Company is unable to furnish the water provided for by this agreement, it may cancel and terminate the same on giving written notice thereof to the User or its successors, said notice to be served either personally or by registered mail at the last known address of the User or its successors.

7. It is understood and agreed that the Water Company may terminate the delivery of water under and pursuant to this agreement for the violation of any of the terms and conditions hereof by the User, including failure to pay the annual rental herein provided, or for the violation of any of the sanitary regulations of the Salt Lake City Board of Health in effect from time to time.

IN WITNESS WHEREOF, the Water Company has caused these presents to be executed by its officers thereunto duly authorized, and the User has hereunto affixed its name and seal by its officers thereunto duly authorized, all the day and year first hereinbefore written.

Attest:

Charles W. Wilson
Secretary

LITTLE COTTONWOOD WATER COMPANY

by Chas. Thornblad
Its President

Attest:

G. A. White
Secretary

CANYONLANDS, Inc., a corporation

by Joy E. Ferguson
Its President

Now
SLVAD