

Miscellaneous Record No. T3, San Juan County, Utah

TOWN OF MONTICELLO

By K. S. Summers
President

Geo. M. Palmer
Clerk of the Board

(SEAL)

State of Utah :
 : ss.
County of San Juan :

On the 4th day of February, 1942, personally appeared before me H. Lloyd Hansen, who being by me duly sworn did say that he is the President of the Blue Mountain Irrigation Company, and that said instrument was signed in behalf of said corporation by authority of its resolution of its Board of Directors, and said H. Lloyd Hansen acknowledged to me that said corporation executed the same.

Frank Halls
Notary Public
Residing at Monticello, Utah
My commission expires 1/11/43

(SEAL)

Recorded this 11th day of February, 1943
at 10 o'clock A. M. in Book T-3 of Miscellaneous, pages
428-429.

Frank Bailey Recorder

Ab - 4 of water notes - 220-28

A-13907

AGREEMENT

THIS AGREEMENT, made in triplicate, and entered into this 20th day of September, 1941 at Monticello, San Juan County, State of Utah, by and between MONTICELLO, a municipal corporation, incorporated as a town under and by virtue of the laws of the State of Utah, and situated in the County of San Juan, State of Utah, hereinafter called "Monticello," and the VANADIUM CORPORATION OF AMERICA, a corporation organized under and by virtue of the laws of the State of Delaware, with its principal place of business at 420 Lexington Avenue, New York City, New York, duly qualified to transact business in the State of Utah, hereinafter called "Vanadium", WITNESSETH;

WHEREAS, Monticello is the owner and operator of its own municipal water system for the benefit of Monticello and its inhabitants and patrons, whose source of water lies within the drainage area between the Blue Mountain on the west and the situs of Monticello, having as its chief supply area the waters of Pole Canyon, Innis Springs, Copper Queen Springs also know as Peachman Springs, Dalton Springs, Bankhead Springs, and North Creek Canyon. The said Monticello now having diverting works and pipe lines operating in the present system of transportation; and

WHEREAS, there is ample water owned by Monticello, in excess of all necessary municipal use and use of all patrons, if adequate facilities are installed for proper storage, diversion and transportation, but that the present system of operation and the present set up actually is inadequate and insufficient to supply the municipal uses of Monticello and domestic uses of its patrons; and

WHEREAS, Monticello has caused a survey to be made and an estimate of the cost to enlarge and properly equip its facilities to supply the full needs of Monticello and its patrons; such estimate having been made by one Carl Nyman, civil and hydraulic engineer of Price, Utah, whose specifications and estimates of cost are contained in contract specifications of Pipe Line & Reservoir filed with the Clerk of Monticello marked "Exhibit and for reference made a part of this agreement, from which it clearly appears the Monticello system and its water supply may be enlarged to an extent that Monticello will have a surplus of water for use in excess of one second foot per second of time, and that such surplus may be used from time to time and made to yield an additional revenue to Monticello.

WHEREAS, it now appears, from negotiations with Vanadium that proper facilities for expansion, enlargement and improvement of Monticello water system can be made without cost to Monticello, and without, in any manner or form, depreciating the abundant supply of water to Monticello, and its patrons; and

WHEREAS, Monticello, in contemplation of gaining additional revenue: from its surplus waters and in order to assure a contractual supply, has, in contemplation of this agreement or other agreements of this character, secured a long time lease of an extra second foot of water from the Blue Mountain Irrigation Company, at a nominal cost of \$100.00 per annum, to supplement its present or future water needs; and

WHEREAS, Vanadium is desirous of constructing and equipping a plant and facilities for the treatment of minerals in the vicinity of the situs of Monticello, and is desirous of acquiring a necessary supply of water for use in connection with such enterprise; and

WHEREAS, Monticello is without available funds to properly improve and equip its water system and without source from which said funds can be made available; and

WHEREAS, the contracting parties herein are fully advised as to the source of Monticello water supply