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D. BRENT ROSE  
JAMES L. WARLAUMONT  
H. MIFFLIN WILLIAMS III  
STEPHEN B. DOXEY  
ANNELI R. SMITH  
  
\* ALSO ADMITTED IN WASHINGTON, D.C.

# CLYDE, PRATT & SNOW

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
200 AMERICAN SAVINGS PLAZA  
77 WEST SECOND SOUTH  
SALT LAKE CITY, UTAH 84101

TELEPHONE  
(801) 322-2518  
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RECEIVED  
MAY 20 1991

WATER RIGHTS  
SALT LAKE

May 16, 1991

Mr. Jim Riley, P.E.  
Division of Water Rights  
1636 West North Temple, Suite 200  
Salt Lake City, Utah 84106

Re: RED CEDAR CORPORATION--GEORGE DOUGLASS

Dear Jim:

As you may be aware, I filed suit against Mr. Douglass about a year ago on behalf of my client Red Cedar Corporation in order to bring an end to the interference problems that they had been having with each other. That litigation has now been resolved by a stipulated settlement and a formal Judgment on Stipulation has been submitted to the court for entry.

I have enclosed a copy of the Stipulation and the proposed Judgment for your review and information. I will forward to you a copy of the Judgment once it has been signed by the court.

As you will note, the settlement contemplates the State Engineer will appoint a River Commissioner to supervise the distribution of water and the recording of water measurement data by the parties. The River Commissioner's salary and expenses are to be paid by the parties in accordance with the terms of the judgment. He will obviously need to be appointed by the State Engineer and brought under the supervision of the State Engineer's distribution section. I assume that Lee Sim will have supervisory control over the commissioner that will be appointed.

As you may be aware, both parties have discussed with Cecil Garland the possibility of his serving in the capacity of river commissioner. He has apparently agreed to do so. I suggest that either you or Lee should contact him and confirm this and then make the necessary appointment once the Judgment has been entered by the Court.

Red Cedar Corporation has as a part of the settlement entered into a lease agreement with Mr. Douglass that will provide Mr.

CLYDE, PRATT & SNOW

Mr. Jim Riley  
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Douglass some small quantity of water to provide for his domestic needs. The River Commissioner should also be aware of this arrangement so that the leased flows can be taken into account in connection with the distribution of water in accordance with the stipulated Judgment.

If you have any questions about this, please let me or Lee Kapaloski know.

Best regards.

Very truly yours,

CLYDE, PRATT & SNOW P.C.



STEVEN E. CLYDE

Enclosure

CC: Glen Allred  
Lee Kapaloski

RECEIVED

MAY 20 1991

WATER RIGHTS  
SALT LAKE

LEASE OF WATER

This lease agreement is made and entered into this 6th day of May, 1991, by and between Red Cedar Corporation, a Utah Corporation and George G. Douglass and Veronica F. Douglass, his wife, as Joint Tenants as follows:

1. LEASEHOLD INTEREST

Lessor hereby leases to Lessee the right to take at a continuous rate of flow up to 20 gallons of water per minute from Lessor's pipeline at any time during the term of the lease under Lessor's water rights 18-32 and 18-33, for domestic, irrigation and livestock watering purposes, hereinafter referred to as Leased Water.

2. TERM

This lease shall commence on January 1, 1991 and shall terminate on December 31, 1991, unless earlier terminated as provided for herein. The lease term may be extended for additional one year terms on the following basis:

A. Lessee shall be in full compliance with the terms and conditions of a Judgment entered on Stipulation of the parties hereto in an action entitled Red Cedar Corporation vs. George C. Douglass, et. al., Civil Number 4684 in the Fourth Judicial District Court for Juab County, State of Utah at the end of the initial lease term or any extended lease term.

B. Lessee is not in default under the terms and conditions of this lease at the end of the lease term or any extended lease term.

C. Lessee gives to Lessor written notice of Lessee's intent to renew the lease at least 30 days prior to the expiration of the lease term or any extended lease term.

3. RENT

Lessee shall pay to Lessor as rent for the use and possession of the water described in paragraph 1 hereof, an amount equal to Lessor's share of the River Commissioner's expenses incurred in the performance of his duties in accordance with the Judgment entered by the Court in the above entitled action. The rent shall be due and payable in advance for the lease term or any extended lease term and shall be paid within 30 days of the parties receipt of an invoice from the River Commissioner and/or the State Engineer for the River Commissioner's annual expenses.

4. USE OF WATER

Lessee shall be entitled to use the leased water for domestic, irrigation, power generation through an in-line turbin and livestock watering purposes only. Lessee may take water at such times as Lessee's needs dictate, subject to its availability, and at a continuous rate of flow not to exceed 20 gallons per minute (gpm).

5. CONNECTION TO LESSOR'S PIPELINE

Lessor hereby grants to Lessee a revocable license to make a metered connection to Lessor's pipeline for the purpose of using the Leased Water. This connection shall be made at Lessee's sole expense and shall be subject to Lessor's prior review and approval of the location, type and installation of any such connection, and the water meter, fitting and appurtenances used. Lessor's approval shall not be unreasonably withheld. Lessee shall reimburse Lessor for its reasonable costs incurred in reviewing any plans and specifications for any such connection. This license may be revoked by Lessor upon 10 days written notice to Lessee of Lessee's breach of this lease or default in the performance of the covenants contained in the Judgment entered in the above entitled action, and will expire automatically upon the termination or non-renewal of the lease. If Lessee fails to cure his default within the 10 day notice period, or upon the termination or non-renewal of the lease, Lessee shall immediately disconnect his pipeline from Lessor's pipeline. If Lessee fails to do so within 20 days of the termination of this license, Lessor shall be entitled to disconnect Lessee from its pipeline. Any costs incurred by Lessor in disconnecting Lessee shall be reimbursed by Lessee. Upon the termination of this license, Lessee shall have no further right to take any water from Lessor's pipeline for any purpose.

6. WATER QUALITY

The parties acknowledge that the water in Lessor's pipeline is not of culinary quality. Lessor shall have no obligation to Lessee or to Lessee's guests and invitees to treat or otherwise render the water in its pipeline suitable for human consumption. Lessee shall accept delivery of the Leased Water in its "as is" condition. Lessee shall bear any and all costs involved in the purchase, installation, operation and maintenance of any water treatment facilities or devices that Lessee may wish to install on his own pipeline or water delivery system in order to make the Leased Water of potable quality.

7. WARRANTY OF TITLE

Lessor hereby warrants that it owns the above referenced water and water rights, and that it has the authority pursuant to a Resolution of its Board of Directors to enter in to this Lease Agreement and to be bound thereby.

8. RISK OF TERMINATION

Lessee acknowledges that this lease is subject to termination in the event Lessee breaches the terms and conditions of this lease or fails to comply with the terms and conditions of the Judgment entered in the above referenced action. Therefore, in using this water for irrigation purposes, Lessee assumes the risk that any crop grown with this water may be lost or damaged if the lease is terminated as provided for herein before the crop matures. Lessor

shall incur no liability to Lessee for any such loss resulting from the termination of this Lease upon the uncured default of Lessee.

9. RISK OF DROUGHT OR OTHER SHORTAGES

The parties further acknowledge that the availability of the Leased Water under Lessor's prior vested water rights is dependant upon natural precipitation and that Lessor is not a guarantor of the availability of the Leased Water to Lessee under this Lease. Lessor shall incur no liability to Lessee for its failure to deliver the Leased Water to Lessee under this Lease if that failure is caused by drought or other natural or man-made shortages that are reasonably beyond Lessor's control and that are not caused by Lessor's own negligence or willful misconduct.

10. INDEMNIFICATION

Lessor shall not be liable for damages due to injury to person or property for any cause relating to the use of the Leased Water by Lessee. Lessee shall indemnify and save Lessor harmless for all liability, loss, or other damages, claims or obligations resulting from any injuries or losses relating to Lessee's diversion and use of the Leased Water for the purposes authorized by this lease.

11. ASSIGNMENT, SUBLEASE OR LICENSE

Lessee shall not sublet the Leased Water or assign this lease, or any right or privilege connected therewith or allow any other person except the agents, employees and immediate family of Lessee to use the water or any part thereof without first obtaining the written consent of Lessor. Lessor's consent shall not constitute

a novation, nor shall it be construed as consent to a further or subsequent assignment or sublease to another person or entity. Any unauthorized assignment, sublease or license to use the Leased Water by Lessee shall be null and void, and shall cause this lease to terminate at the option of Lessor.

12. DEFAULT

Lessee's failure to pay the rent reserved herein when the same shall become due and payable, and Lessee's failure to perform or to comply with the other covenants and conditions of this Lease and to comply with the terms and conditions of the Judgment entered in the above entitled action shall constitute a default under this Lease. Lessee shall have 10 days following his receipt of written notice of his default to cure any such default. Lessee's failure to cure any such default within the 10 day notice period shall result in the automatic termination of this lease.

13. NOTICE

Any notices to be given under this Lease shall be sufficient if given in writing and mailed, postage prepared to the parties at the following addresses which may be changed from time to time:

Lessor  
Red Cedar Corporation  
Mr. Glen Allred  
Star Route #705, Trout Creek, Utah 84083

Lessee  
George C. Douglass

14. COSTS AND ATTORNEY'S FEES

Each party agrees that should they default in any of the covenants or conditions contained herein, the defaulting party shall pay all costs and expenses, including reasonable attorney's fee incurred by the non-defaulting party in the enforcement of this Lease, whether enforcement is pursued through litigation or otherwise.

15. BINDING EFFECT

This agreement shall be binding upon the parties hereto and their heirs, successors, administrators and assigns, and shall supersede all other prior oral or written agreements relating to this subject, except that it shall not supersede the Judgment entered in the above referenced litigation, which Judgment is incorporated herein by this reference.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement the day and year first written above.

LESSOR  
Red Cedar Corporation

By: Owen A. Allred  
Its: president

LESSEE  
George C. Douglass  
Veronica F. Douglass

George C. Douglass  
Veronica F. Douglass



and an approved Application for a Permanent Change of use of water in Juab County, Utah.

3. This court has jurisdiction over the parties and their real property and water rights pursuant to Section 78-3-4 U.C.A., (1953), as amended. Venue is proper in Juab County pursuant to Section 78-13-1, U.C.A. (1953) as amended.

4. That plaintiff is the owner of the following vested, perfected water rights and pending, approved Applications to Appropriate and an Application for a Permanent Change of Use of water in Granite and Red Cedar Creeks:

18-32, A6044, Certificate 2348; as modified by approved Change application a-381, and by approved Change Application a-1432, and by Change Application a-14271.

18-33, A7600, Certificate 2349, as modified by approved Change Application a-14271.

18-578, A62215 (approved)

18-559, A61494 (approved)

18-558, A61493 (approved)

18-553, A61441 (approved)

5. Defendants are the owners of the following pending, approved Applications to Appropriate and an application for the Permanent Change of Use of the waters in Granite Creek:

18-510, A59782 (approved)

18-432, A55214 (approved)

18-577, A55214a (segregation application, approved), as modified by approved, Permanent Change Application a14128, Certificate of Change a13106.

6. That the vested water rights and pending approved Applications to Appropriate and for Permanent Change of the water in Granite Creek in order of their relative dates of priority of during the period of time of April 1 through October 31, inclusive, are as follows:

NAME	WATER FLOW	DATE OF USE PRIORITY	USE	PERIOD OF USE
	USERS CLAIM NUMBER			
1. BLM (USA)	18-552	1.507 cfs	prior to 1903	livestock 3608 ELU, domestic 2 families, fishery 1/1-12/31
2. Red Cedar Corp.	18-32, Cert. 2348, a14271	18.0 cfs, limited to 2182 ac.ft.	1/28/1915	irrigation 727.6 ac. domestic 3 families livestock 3000 ELU storage, 01/1-18/6 12/31 ac.ft.
3. Falkenberg Mines	18-149, Cert. 5305	0.11 cfs	9/11/1953	mining domestic 9 persons 1/1-12/31

4. George C Douglass	18-432	3 . 8 3 3 c f s , limited to 469.22 ac.ft.	9/12/1980	i r r . 156.807 ac.	4/1-10/31
5. BMB Ent.	18-464 A57215 approved	8.0 cfs	12/21/ 1981	power	1/1-12/31
6. George C Douglass	18-510 A59782 approved	4.0 cfs uses same water as 18-432	3/26/1984	power	4/1- 1 1 / 1 - 12/31
7. Red C e d a r Corp.	18-599 A61494 approved	18.0 cfs	1/23/1986	i r r . 2,000 ac.	4 / 1 - 1 0 / 3 1 , s a m e water on new lands
8. George C Douglass	a14128 Cert. of Change a13106, (18-577)	0 . 1 6 7 c f s , limited to 12.78 ac.ft.	12/17/ 1986	irr. 3.0 ac. livestock 46 ELU domestic 2 families	4/1-10/31 1/1-12/31 1/1-12/31
9. Red C e d a r Corp.	a14271 (18-32)	18.0 cfs	3/19/1987	a d d e d storage in new reservoir 3 6 . 4 0 ac.ft.	4 / 1 - 10/31

The diversion and use of the water from Granite Creek for irrigation purposes shall be governed strictly by the order of

priority set forth above. Neither party shall be entitled to divert water for irrigation purposes out of priority. The parties further acknowledge that if the application of BMB Enterprises, 18-464, should lapse that Defendants' application 18-510, as well as all other subordinate applications, would move up in priority.

7. The vested water rights and pending Applications to Appropriate and for Permanent Change of the water in Granite Creek in order of their relative dates of priority of during the period of November 1 through March 31, inclusive, are as follows:

NAME	W A T E R U S E R S C L A I M NUMBER	FLOW	DATE OF PRIORITY	USE	PERIOD OF USE
1. BLM (USA)	18-552 dil.	1.507 cfs	prior to 1903	Livestock 3608 ELU	1/1-12/31
				domestic 2 families fishery	1/1-12/31  1/1-12/31
2. Red C e d a r Corp.	18-32 C e r t . 2349	18.0 cfs	1/28/1915	domestic 3 families Livestock 3000 ELU storage, 1 8 6 ac.ft.	1/1-12/31  1/1-12/31 0 1 / 1 - 12/31

3	.	18-149	0.11 cfs	9/11/1953	mining	1/1-12/31
Falken-	C e r t .				domestic	1/1-12/31
b e r g	5305				9 persons	
Mines						
4.	BMB	18-464	8.0 cfs	12/21/	power	1/1-12/31
Ent.	A57215			1981		
	approved					
5.	George	a 14128 ,	0 . 1 6 7	12/17/	domestic	1/1-12/31
C	.	Cert. of	c f s ,	1986	2	
Douglass		Change	limited		families	
		a13106,	to 12.78		Livestock	1/1-12/31
		(18-577)	ac. ft.		46 ELU	
6.	Red	18-578	13.00 cfs	12/19/	livestock	1/1-12/31
C e d a r	A62215			1986	3000 ELU	
Corp.	approved				domestic,	1/1-12/31
					3	
					families	
					storage	11/1-3/31
					Irr.	11/1-3/31
					200 Ac.	

It is agreed that there are to be no diversions under defendants' change application a14128 (18-577) for irrigation or power generation during this time period. It is further agreed that the 13.00 cfs application of Red Cedar, 18-578 is from the tail water from the BMB hydro plant. If no water is diverted for power generation by BMB under its application 18-464 during this time period, no water can be diverted by Red Cedar under 18-578. The parties further acknowledge that if the application of BMB Enterprises, 18-464, should lapse that Defendants' application 18-510, as well as all other

subordinate applications, would move up in priority, and that Defendants would have the right to pursue their power appropriation.

8. That the vested water rights and pending, approved Applications to appropriate water in Red Cedar Creek in order of their relative dates of priority of appropriation are as follows:

NAME	W A T E R U S E R S C L A I M NUMBER	FLOW	DATE OF PRIORITY	USE	PERIOD OF USE
1. BLM (USA)	18-563 dil.	6.561 cfs	prior to 1903	livestock 3608 ELU fishery	1/1-12/31 1/1-12/31
2. Red C e d a r Corp.	18-33 C e r t . 2349	20.0 cfs	1/4/1918	irr 727.6 ac. supp. to 18-32 storage, 1 8 6 ac.ft.	4/1-10/31 0 1 / 1 - 12/31
3. Red C e d a r Corp.	18-553 A61441 approved	5.0 cfs	12/26/ 1985	power	1 / 1 - 12 / 31 , s a m e water as 18-33
4 . R e d C e d a r Corp.	18-558 A61493 approved	20. cfs	1/23/1986	i r r . 2,000 ac. new acres	4 / 1 - 10 / 31 , s a m e water as 18-33

5. Red a14271 20.0 cfs 3/19/1987 a d d e d 4/1-10/31  
 • C e d a r (18-33) storage  
 Corp. in new  
 3 6 . 0 0  
 a c . f t .  
 reservoir

Defendants have withdrawn their pending Application to Appropriate 18-533, which sought to appropriate 8.00 cfs of water from Red Cedar Creek. Therefore, defendants own no water rights or pending applications in Red Cedar Creek and have no right to claim, use or divert any water therefrom.

9. That notwithstanding the relative dates of priority of the parties water rights and pending applications to appropriate and for a change of use in Granite Creek, the parties agree that defendants may connect onto plaintiff's pipeline and divert water for domestic, irrigation, power generation through an in-line turbine and livestock watering purposes only, under a lease agreement to be entered into by the parties hereto. The lease shall provide that defendants may use a continuous flow of water for the above stated purposes at a rate not to exceed 20 gallons per minute (gpm), hereinafter referred to as "Leased Water." The lease shall run year to year, commencing January 1 and concluding December 31 of each year, and may be renewed annually provided that Defendants have not violated the terms and conditions of this

Stipulation, the lease and the Judgment to be entered in accordance with this Stipulation. It is understood that the Leased Water is available to Defendants at all times during the lease term, regardless of the availability of water to Defendants under their own water rights in other water sources. Rent for the water so leased shall be equal to Plaintiff's share of the River Commissioner's annual expenses incurred by him in the performance of his duties. Rent shall be due and payable by Defendants within 30 days of the parties receipt of a statement or invoice from either the State Engineer and/or the River Commissioner for his expenses. This stipulation shall not be construed as or constitute a subordination of plaintiff's prior vested water rights in Granite and Red Cedar Creeks to any of defendants' pending applications. The parties further agree that this Stipulation, the Judgment and lease agreement that are to be entered into in accordance with this Stipulation shall be filed with the State Engineer and shall become a part of his permanent files in connection with the above vested water rights and pending applications.

10. The parties acknowledge that the water in plaintiff's pipeline is not of culinary quality. Plaintiff shall have no obligation to treat or otherwise render the water in its

pipeline suitable for human consumption. Defendants shall have the right to use the Leased Water as provided in paragraph 9 of this Stipulation, in its "as is" condition. Defendants shall bear all costs involved in the purchase, installation, operation and maintenance of any water treatment facilities that they may wish to install on their own pipeline or water system in order to make the Leased Water they receive from plaintiff's pipeline of potable quality.

11. Plaintiff hereby grants to defendants a revocable license to connect on to plaintiff's pipeline for the purpose of using the Leased Water. This connection shall be made at defendants' sole expense and shall be subject to plaintiff's prior review and approval of the location, type and installation of any such connection, which approval shall not be unreasonably withheld. Defendants shall reimburse plaintiff for its reasonable costs incurred in reviewing any plans and specifications for any such connection. This license may be revoked by plaintiff upon 10 days written notice to defendants of their breach of this Stipulation or upon the termination or non-renewal of the lease provided for in Paragraph 9. hereof. If defendants fail to cure their default within the 10 day notice period, or upon the termination or non-renewal of the lease, plaintiff shall be

entitled to disconnect defendants from its pipeline and/or diversion structure and this license shall automatically terminate. Upon the termination of this license, defendants shall have no further right to take water from plaintiff's pipeline. Any costs incurred by plaintiff in disconnecting defendants shall be reimbursed by defendants.

12. Plaintiff agrees to use its best efforts to use all available water from Red Cedar Creek under its water rights therein in conjunction with its Granite Creek water and to not allow that resource to waste. Plaintiff will endeavor to satisfy its senior irrigation rights through the use of these combined sources of supply and to not create an artificial shortage of water in Granite Creek to defendants' exclusion, when there is water available for plaintiff's use in Red Cedar Creek which, when added to its rights in Granite Creek, might satisfy plaintiff's rights and provide some water for defendants' irrigation use under its junior priority irrigation rights in Granite Creek.

13. Each party shall retain control of their pipeline system, headgates, meters, valves and diversion facilities, subject, however, to the review and monitoring of the River Commissioner to be appointed as provided herein, and the administrative orders of the River Commissioner and/or the

State Engineer regarding the diversion and distribution of water by the parties. Neither defendants nor anyone acting on their behalf as their agent, an employee or otherwise, shall tamper with, damage, break or interfere with plaintiff's locks and controlled gates and valves on plaintiff's pipeline, diversion facilities, or to otherwise cause more water to enter defendants' pipeline from plaintiff's pipeline than defendants are entitled to receive under this Stipulation and their junior applications and the Lease to be entered into pursuant to this Stipulation. In the event defendants' breach this covenant, plaintiff shall have the right, without notice, to immediately disconnect Defendants from Plaintiff's pipeline and shall be relieved of its obligation under this Stipulation and the Lease agreement to be entered into, to deliver domestic, irrigation and livestock water to defendants until such time as defendants pay for the repair of plaintiff's facilities and, until defendants have paid to plaintiff a penalty of \$1,000 per each occurrence of tampering or otherwise altering the valve settings or interfering with plaintiff's prior vested water rights. This remedy shall be in addition to any other remedy which plaintiff might have at law or in equity and shall be specifically enforceable by this Court.

14. The Court shall retain jurisdiction to enforce the terms and conditions of this Stipulation and the Judgment to be entered in accordance with its terms. Should either party default in the performance of this stipulated agreement, the non-defaulting party shall, in addition to all other remedies, be entitled to recover its or their costs and reasonable attorney's fees incurred in enforcing this stipulation, regardless of whether enforcement is pursued through litigation or otherwise.

15. Should plaintiff fail to provide defendants the Leased Water while the lease is in force or interfere with defendants' use of their irrigation water during those periods of time when there is water available in Granite Creek and Red Cedar Creeks over and above that required to satisfy plaintiff's prior irrigation rights, defendants shall be entitled to proceed to court for an affirmative injunction requiring plaintiff to deliver such water as defendants are then entitled to divert and use based upon defendants' priority and the stream flow conditions. In the event Defendant prevails in any such action, defendants shall be entitled to collect from plaintiff a penalty of \$1,000 for each violation of this stipulation by plaintiff. In addition,

defendants shall be entitled to recover their costs and reasonable attorney's fees as provided in paragraph 14 hereof.

16. The parties have each been ordered by the Utah State Engineer to install measuring devices at their respective points of diversion or at such other location or locations in their water systems as will accurately measure the quantity of water being diverted and used by each party. The costs of installing these measuring devices shall be borne by the parties individually. The parties acknowledge that these measuring devices are installed and are properly functioning.

17. Each party hereby grants to each other and to the State Engineer and his duly authorized agents the right of access at reasonable times to inspect each other's measuring device(s) and to review the flow records which each party agrees to maintain on a regular basis. All flow measurements shall be submitted at least quarterly to the Division of Water Rights for its review and information by both parties.

19. Either party may request the other party to have its or their flow meter or other measuring device checked and calibrated if the requesting party questions the accuracy of the other's measuring device. If the suspected meter or other measuring device(s) is malfunctioning or is under registering the flow of water passing through it by more than 5%, the

party owning the malfunctioning measuring device shall have it repaired and/or recalibrated at its or their sole expense. If upon examination, the questioned meter or other measuring device is reading accurately or is over registering the flow by more than 5%, the party challenging the accuracy of the measuring device shall pay all costs incurred by the other party in having its or their meter or other measuring device checked. All such repair and recalibration reports shall be submitted to the State Engineer for his records.

20. The parties agree that some water has been allowed historically to seep around and otherwise escape plaintiff's diversion facilities. In the event that defendants file an application with the Division of Water Rights to appropriate and use this water, defendants agree to not excavate below plaintiff's diversion facilities in any manner that will or may undermine the bed of Granite Creek or that may disturb the natural siltation and cementing of the stream bed so as to cause increased seepage and conveyance loss in the stream channel above plaintiff's diversion and/or head gate facilities, or to cause an increase in the amount of water seeping around or under plaintiff's diversion facilities to plaintiff's detriment. Defendants further agree that if they are successful in appropriating and capturing this seepage

water, that the lease provided for in Paragraph 9 hereof, shall immediately terminate and be of no further force and effect and that Defendants will thereafter take their domestic, irrigation and livestock water from that source and their other water rights and will disconnect their domestic line from Plaintiff's pipeline. Thereafter, plaintiff shall have no further obligation to deliver defendant's water from its pipeline for any purpose, and defendants shall no further right to take and/or receive any water through it.

21. The parties agree that the Court may Order the State Engineer under authority of Section 73-5-1 U.C.A. (1953) to immediately appoint Cecil Garland as a River Commissioner for the purpose of placing the measurement and distribution of the waters of Granite Creek and Red Cedar Creek under the direct control of an officer of the State Engineer. All expenses associated with the appointment of the river commissioner, including the payment of his salary and expenses shall be paid jointly and proportionately by the parties on a 50/50 basis. So long as the Lease referred to in paragraph 9 hereof is in full force and effect, Plaintiff's share of these expenses shall be paid by Defendants as rent for the Leased Water as provided for herein. If the lease is terminated for any reason

as provided in paragraph 9 hereof, the parties shall each pay their own 50% share of the river Commissioner's expenses.

22. Both parties agree to the entry of a Judgment incorporating the terms of this Stipulation. The parties further agree on behalf of themselves, their heirs, successors, administrators and assigns and all those acting by, through, or for them to the Court's permanently enjoining all of them from wrongfully tampering with, interfering with, damaging or altering the settings of each other's valves or head gates, dams and other water diversion, storage and distribution facilities or otherwise interfering with each other's water rights.

23. Defendants agree to and shall reimburse plaintiff the sum of \$3,000 for its attorney's fees and ~~\$25,000 for its~~ costs incurred in bringing this action. This payment shall be made in a single lump sum payment of \$3000.00 on or before 30 days from the date of the entry of this Judgment. Plaintiff agrees to bear the remainder of its attorney's fees. Defendants agrees to be responsible for payment of their own attorney's fees and costs incurred in defending this action.

24. This stipulation constitutes the full and complete agreement by and among these parties, and shall supersede all

prior oral or written agreements, statements or representations of the parties.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1991.

RED CEDAR CORPORATION  
a Utah Corporation

By \_\_\_\_\_  
Its \_\_\_\_\_

George C. Douglass

*George C. Douglass*

Veronica F. Douglass

*Veronica F. Douglass*

George T. Douglass Jr.  
(akn Buck)

*George T. Douglass*

CLYDE, PRATT & SNOW P.C.  
ATTORNEYS FOR PLAINTIFF

PARSONS, BEHLE & LATIMER  
ATTORNEYS FOR DEFENDANTS

By \_\_\_\_\_

By *[Signature]*

prior oral or written agreements, statements or representations of the parties.

Dated this 4<sup>th</sup> day of May, 1991.

RED CEDAR CORPORATION  
a Utah Corporation

By Owen R. Allred  
Its president

George C. Douglass

George C. Douglass

Veronica F. Douglass

Veronica F. Douglass

George F. Douglass Jr.  
(akn Buck)

George F. Douglass Jr.

PARSONS, BEHLE & LATIMER  
ATTORNEYS FOR DEFENDANTS

CLYDE, PRATT & SNOW P.C.  
ATTORNEYS FOR PLAINTIFF

By [Signature]

By [Signature]