

AGREEMENT FOR JOINT AND COOPERATIVE ACTION

This Agreement For Joint And Cooperative Action (the "Agreement") is made and entered into as of the 28 day of December, 1998 by and between the Washington County Water Conservancy District (the "District"), a water conservancy district organized under the laws of the State of Utah, the Town of Toquerville (the "Town"), a municipal corporation organized under the laws of the State of Utah and the Toquerville Irrigation Company, a stock company organized under the laws of the State of Utah.

RECITALS

A WHEREAS, the Toquerville Irrigation Company (the "Company" owns certain easements, rights-of-ways, ditches, and appurtenant facilities in and around the Town, which are more particularly described in the attached Exhibit A, for an open ditch system that the Company uses to provide irrigation water to its stockholders (the "Company's System"); and

B WHEREAS, it is in the best interests of the, Company, the Town, and the District for the Company's System to be replaced by a pressurized secondary water system to deliver irrigation water to the Company's stockholders and individual lot owners within the Town limits,(collectively referred to herein as the "Customers") who execute a water delivery agreement, attached Exhibit B, with the Toquerville Secondary Water System (TSWS).

C WHEREAS, the District and the Town can make the most efficient use of their powers and resources by entering into an agreement for joint and cooperative action pursuant to the provisions of the Interlocal Cooperation Agreement as amended and the Utah Water Conservancy Act, as amended with each other and, among other things, create a separate entity to administer a secondary water system that the District will construct to deliver irrigation water to those persons referred to in Paragraph B herein.

AGREEMENT

NOW THEREFORE, for the mutual promises herein contained and other good and valuable consideration described, the receipt and adequacy or which is hereby acknowledged, the District, the Town and the Company agree as follows:

1. Creation of Toquerville Secondary Water System. Pursuant to the provisions of the Utah Interlocal Cooperation Act, as amended, and the Utah Water Conservancy District Act, as amended, the District Town and the company agree that the District and the Town hereby create a separate entity to be known as the Toquerville Secondary Water System (TSWS) to administer a pressurized secondary water system (the "Secondary System") to provide irrigation water to those persons referred to in paragraph B herein, after the execution of this Agreement as set forth in this Agreement. The composition, powers, and responsibilities of the TSWS are as follows:

a. The TSWS shall consist of five board members. Two of the five members shall be appointed by the Town and two shall be appointed by the District. These four members will select a water user as the other

member of the Board. The Board shall select a president, vice-president and secretary from among its members. The officers shall serve at the pleasure of the board.

- (1) Decisions of the TSWS board shall be made by a majority vote of its members.
- (2) Each member of the TSWS Board shall serve for a term of 4 years, however, the initial term of one member appointed by the Town and one by the District and the board appointed member shall be for two years. Members of the board to serve for 2 years shall be designated at the time of appointment.

b. The TSWS shall be responsible for administering the Secondary System, including establishing budgets the collection of fees with respect to the irrigation water delivered to Customers.

c. The TSWS shall adopt all rules and regulations and a fee schedules that it deems necessary for the administration operation and maintenance of the Secondary System and repayment of capitol costs and interest.

2. Construction of Secondary Water System for Delivery of Water for Irrigation Use

a. It is the intention of the District, Town and Company to extend the TSWS to embrace the entire Company system and the Town as the financial ability of the District permits and it has the consent of the affected shareholders. This agreement however, for economic, engineering and other reasons, contemplates a phased approach. Phase one would include design and construction of the headworks and water collection system at Toquerville Springs and a trunk line and necessary laterals to service the area west of Ash Creek commonly known as the West Fields; Phase two would include the trunk line and laterals to service the area south of Toquerville commonly know as the East Fields; phase three would include the main part of town. No phase would be undertaken, however, without first obtaining at least 51% of the company stock.

b. The District shall purchase, install, construct, operate, maintain, and repair, the Secondary System.

c. The Secondary System shall consist of and include all main lines, trunk lines, lateral lines and other delivery lines add pipelines, reservoir and storage facilities, water meters, measurement devices, and any fixtures and appurtenant facilities that the TSWS deems necessary to deliver water for irrigation use to a water connection in the vicinity of the boundary of the property of a Customer.

d. In the event that the State requires it, or an individual or individuals are abusing or overusing water, the TSWS may decide that a water meter shall be installed in connection with the delivery of irrigation water as provided herein. The TSWS shall install the water meter, which shall remain the property of the TSWS.

3. Funding for Construction of Secondary System The District shall contribute the construction costs provided the Districts contribution shall not exceed \$3,000,000.

4. Prerequisite to District's Construction of Secondary System Following the execution of this Agreement, the District's obligation to construct the Secondary System is expressly conditioned on and shall not take effect until:

a. The TSWS has purchased not less than fifty-one percent (51%) of the issued shares of stock of the

Company, at a purchase price of \$3,500.00 per share. This purchase of shares of stock shall be with funds made available from the District for this purpose. The funds will be held in a separate account to be established by the District.

b. The TSWS and the Company have entered into an agreement pursuant to which the Company agrees to (i) maintain its water rights in good standing; (ii) cease using its easements, rights-of-ways, ditches, and appurtenant facilities comprising the Company's System, and (iii) convey ownership of the same, free and clear of all liens, claims, security interests, and encumbrances, to the District.

c. The Company has held a properly noticed meeting of its stockholders in compliance with the requirements of Section 16-6-61 of the Utah Nonprofit Corporation and Cooperative Association Act at which at least two-thirds of those Stockholders present or voting by proxy approved a duly adopted resolution by the Company's board of directors to cease using the easements, rights-of-ways, ditches, and appurtenant facilities comprising the Company's System, and convey ownership of the same, free and clear of all liens, claims, security interests, and encumbrances, to the District.

d. The Company and its stockholders shall have ceased using the easements, rights-of-ways, ditches, and appurtenant facilities comprising the Company's System, and shall have conveyed ownership of the same, free and clear of all liens, claims, security interests, and encumbrances to the District through a special warranty deed in the form attached as Exhibit C.

e. The Company and its stockholders have agreed to pay the charges for the irrigation water delivered through the secondary system as set forth the Water Service Agreement Exhibit B, or as reasonably modified by the TSWS.

5. Ownership of Secondary System. The District shall own the Secondary System until such time that the District may convey the Secondary System to the Town as provided in Paragraph 9 (b) herein.

6. Operation and Maintenance of Secondary System. The District shall be solely responsible for operation, maintenance, repair and/or replacement of the Secondary System, including all main lines, trunk lines, lateral lines and other delivery lines and pipelines, reservoir and storage facilities, measurement devices, and any fixtures and appurtenant facilities that the TSWS deems necessary to deliver water as provided in this Agreement.

7. Delivery of Irrigation Water from Secondary System.

a. The TSWS shall deliver water for irrigation use to a water connection in the vicinity of the boundary of the property of each Customer that enters into an agreement, Exhibit B, with the TSWS to receive water from the Secondary System.

b. Each Customer shall, at his sole expense and without any cost or other obligation to the District, the Town, or the TSWS, purchase, install, construct, operate, maintain, repair, and/or replace all pipes, waterlines, sprinklers, and or appurtenant facilities necessary to convey water from the connection point for use on his property.

c. The water delivered by the TSWS shall be used for irrigation purposes only and shall not be cross-

connected back into any culinary water system used by any Customer or other person.

d. The quantity of water delivered by the TSWS shall be in accordance with the Company's established water rights attached as Exhibit D, but such delivery shall not exceed a duty of six (6) acre-feet per acre of irrigated land. The TSWS shall acquire additional water sources to provide customer with an adequate water supply. Should the water needs of TSWS exceed the company's water rights, the District may provide additional water for the system at rates comparable to prevailing wholesale irrigation water rates within the District's area of operation.

e. The charges for the irrigation water delivered from the Secondary System to a Customer after the execution of this Agreement and who has sold his shares of stock to the TSWS shall be as set forth on the Water Service Agreement attached "Exhibit B" and incorporated herein by reference. Delivery charges are subject to adjustment from time to time as determined by the TSWS Board for inflation, costs for system operation, maintenance, repair and replacement.

f. The delivery charges for the irrigation water delivered from the Secondary System to a Customer that is stockholder of the Company who has declined to sell his shares of stock in the Company to the TSWS shall be as set forth on attached "Exhibit B" the Water Service Agreement, plus the stockholders's proportionate share of the costs of the District's installation, construction, operation, maintenance, repair, and/or replacement of the Secondary System and any other Company costs for which assessments may be levied.

g. In the event that a Customer fails to pay the amount charged by the TSWS for the delivery of water for irrigation use as provided herein, water service to the Customer's property shall be terminated, and the TSWS shall be entitled to pursue all rights and remedies at law or equity with respect to such delinquent amounts.

h. In the event that a Customer receives water as provided herein through a water connection that is greater than one-inch (1"), he must use sprinklers or drip irrigation.

8. Term of Agreement. This Agreement shall have a term of thirty (30) years commencing with its effective date, and for such additional terms or extensions as may be authorized by law and the parties hereto; provided that this Agreement may be terminated before 30 years after its effective date as provided in Paragraph 9 (b) herein.

9. Termination of Agreement.

a. The District and/or the Town shall have the right to terminate this Agreement and dissolve the TSWS in the event that construction of the Secondary System has not commenced within two (2) years of the date of the execution of this Agreement. In such case, after any debts or other financial obligations of the TSWS have been discharged, the District shall be repaid for its contribution made pursuant to Paragraph 3 herein.

b. Following completion of construction of the Secondary System, the District/and or the Town shall have the right to terminate this Agreement and dissolve the TSWS after the District has been repaid the full amount of money it has contributed pursuant to Paragraph 3 herein, plus interest at a rate of 3% per year on such contribution. In the event that the District has been so repaid and either the District or Town has elected to terminate this Agreement, (i)the TSWS shall be dissolved, (ii)the District shall transfer and

convey ownership of the Secondary System to the Town and (iii) the TSWS shall transfer the shares of stock in the Company that it owns to the Town provided, however, that the District shall retain ownership of those parts of the system which are part of or essential to the operation of other systems not servicing the Town.

c. In the event that this Agreement is not terminated, (i) the District shall retain ownership of the Secondary System and (ii) the TSWS shall retain ownership of its shares of stock in the Company.

10. Agreement by Company. The Company expressly acknowledges the authority of the District and the Town to create, organize, and terminate the TSWS as provided herein, and, expressly agrees to (i) maintain its water rights in good standing; (ii) ceasing using the easements, rights-of-ways, ditches and appurtenant facilities compromising the Company's System, and (iii) convey ownership of the same, free and clear of all liens, claims, security interests, and encumbrances to the District.

11. Entire Agreement. This Agreement constitutes the entire understanding of the parties hereto and supersedes any prior understanding, representation, or agreement of the parties with respect to the subject matter hereof. No amendment, change or modification of this Agreement shall be valid unless in writing, signed by the parties hereto.

12. Applicable Law. This Agreement shall in all respects, be governed by, construed, and enforced in accordance with the laws of the State of Utah.

13. Successors and Assigns. All the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the parties hereto and their respective employees, representatives, successors, and assigns.

14. No Obligation to Third Parties. This Agreement is not intended to be a third party beneficiary contract for the benefit of any third parties, and shall not be deemed to confer any rights upon nor obligate any of the parties hereto to, any person or entity other than the parties to this Agreement.

15. Notices. Any and all notices, demands or other communications under this Agreement shall be in writing and shall be either personally delivered, sent by facsimile, transmission, or sent by first-class certified mail, postage prepaid, return receipt requested, and properly addressed as follows:

To the District: Washington County Water Conservancy District
136 North 100 East, Suite #1
St. George, Utah 84770
Attention: Ronald W. Thompson, Manager
Fax No. (801) 673-4971

To the Town: Town of Toquerville
P. O. Box 97
Toquerville, UT 84774

To the Company: Toquerville Irrigation Company
Toquerville, UT 84774

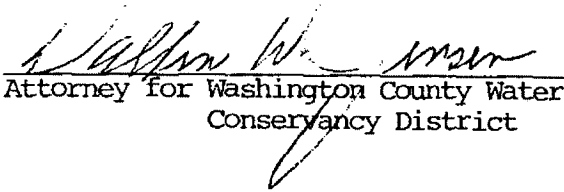
Any party may change its address for the purpose of receiving notices, demands and other communications as herein provided by a written notice given in the manner aforesaid to the other parties hereto.

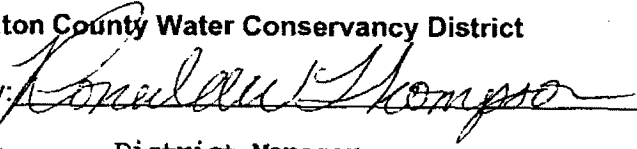
16. Separate Counterparts. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall be deemed to be an original. Such counterparts shall together constitute and be one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

Approved as to Form:

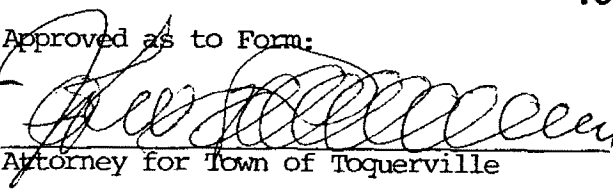
Washington County Water Conservancy District

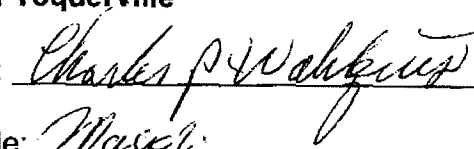

Attorney for Washington County Water
Conservancy District

By: 
Title: District Manager

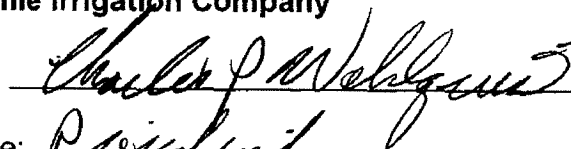
Town Of Toquerville

Approved as to Form:


Attorney for Town of Toquerville

By: 
Title: Mayor

Toquerville Irrigation Company

By: 
Title: President



ALPHA ENGINEERING COMPANY

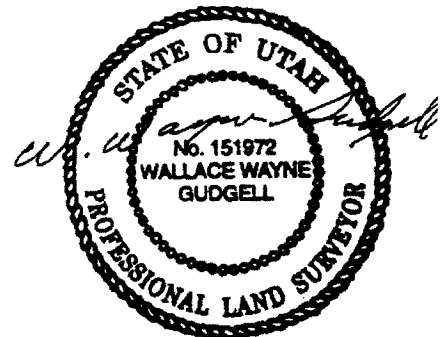
148 East Tabernacle, St. George, UT 84770 • (801) 628-6500 • Fax: (801) 628-6553

LEGAL DESCRIPTION PRESSERISED IRRIGATION LINE TOQUERVILLE, UTAH

October 12, 1998

A 30.00 foot permanent and a 50.00 foot construction easement located in Section 35, Township 40 South, Range 13 West, and Sections 2 and 3, Township 41 South, Range 13 West, Salt Lake Base & Meridian, Washington County, Utah, the centerline being more particularly described as follows:

Beginning at a point located N 00°04'08" W 38.58 feet along the west line of said Section 2 and East 204.09 feet from the Southeast Corner of said Section 2 and running thence N 01°46'54" E 124.35 feet; thence N 14°21'27" W 200.39 feet; thence N 41°27'54" W 147.64 feet; thence N 35°32'30" W 268.89 feet; thence N 01°43'58" W 59.10 feet; thence N 10°31'06" E 146.81 feet; thence N 01°23'13" W 216.68 feet; thence N 13°46'21" W 240.47 feet; thence N 30°43'30" W 192.87 feet; thence N 17°22'12" E 181.75 feet; thence N 08°20'53" E 366.67 feet; thence N 00°13'34" E 55.26 feet; thence N 07°25'30" W 355.25 feet; thence N 19°38'50" W 410.72 feet; thence N 06°52'23" W 145.46 feet; thence N 05°13'23" E 335.38 feet; thence N 15°07'42" E 319.00 feet; thence N 09°23'38" W 186.85 feet; thence N 30°35'09" E 19.65 feet; thence N 72°53'52" E 36.84 feet; thence N 88°40'41" E 45.86 feet; thence N 71°56'37" E 30.01 feet; thence N 35°33'38" E 54.17 feet; thence N 02°46'05" E 33.59 feet; thence N 09°23'12" W 307.05 feet; thence N 02°40'33" E 50.59 feet; thence N 21°50'01" E 437.47 feet; thence N 24°07'42" E 479.83 feet; thence N 40°24'32" E 392.31 feet; thence N 31°17'06" E 608.84 feet; thence N 28°53'29" W 48.97 feet; thence N 12°30'26" E 13.91 feet; thence N 64°15'09" E 164.19 feet; thence N 69°55'08" E 158.47 feet; thence N 42°50'09" E 125.83 feet; thence N 35°18'44" E 189.57 feet; thence N 41°17'04" E 151.40 feet; thence N 49°55'16" E 197.56 feet; thence N 57°16'59" E 199.54 feet; thence N 68°56'48" E 398.80 feet; thence S 64°57'19" E 120.23 feet; thence N 79°56'35" E 147.69 feet; thence S 68°40'46" E 138.27 feet; thence N 87°59'25" E 225.16 feet; thence S 54°25'11" E 150.28 feet; thence S 79°59'54" E 22.52 feet; thence N 64°27'03" E 59.45 feet; thence N 33°56'08" 387.92 feet; thence N 48°42'04" E 105.05 feet; thence N 22°39'16" E 143.76 feet; thence N 33°12'04" E 328.08 feet to the point of terminus said point being N 57°27'34" E 4029.71 feet from the Northwest Corner of said Section 2.





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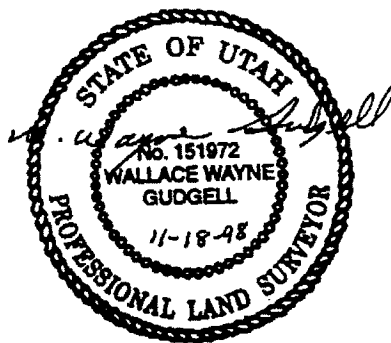
LEGAL DESCRIPTION POND SITE TOQUERVILLE, UTAH

November 18, 1998

A parcel of land located in the Northeast $\frac{1}{4}$ of Section 10, Township 41 South, Range 13 West, Salt Lake Base & Meridian, Washington County, Utah, being more particularly described as follows:

Beginning at a point N $00^{\circ}14'00''$ W 754.58 feet along the west line of said Section 11, and West 1064.24 feet from the East $\frac{1}{4}$ Corner of said Section 10 and running thence N $01^{\circ}10'00''$ W 255.62 feet; thence N $88^{\circ}50'00''$ W 255.62 feet; thence S $01^{\circ}10'00''$ E 155.62 feet; thence S $88^{\circ}50'00''$ E 255.62 feet to the point of beginning.

Contains 1.50 acres more or less.





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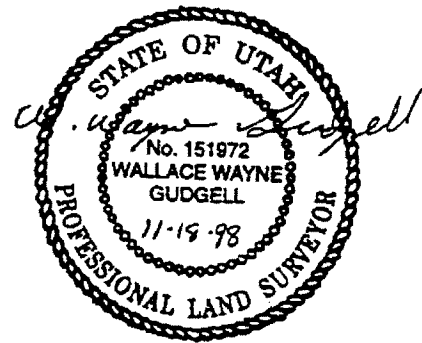
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LEGAL DESCRIPTION SUNSET AVENUE EXTENSION PRESSURISED IRRIGATION LINE TOQUERVILLE, UTAH

November 18, 1998

A 30.00 foot permanent and a 50.00 foot temporary construction easement located in the Northeast $\frac{1}{4}$ of Section 10, and the Northwest $\frac{1}{4}$ of Section 11, Township 41 South, Range 13 West, Salt Lake Base & Meridian, Washington County, Utah, the centerline being more particularly described as follows:

Beginning at a point on the centerline of Sunset Avenue said point being N $00^{\circ}14'00''$ W 746.25 feet along the west line of said Section 11, and N $88^{\circ}50'00''$ E 1.00 feet from the West $\frac{1}{4}$ Corner of said Section 11 and running thence S $88^{\circ}50'00''$ W 1164.35 feet along the westerly extension of said Sunset Avenue; thence N $01^{\circ}10'00''$ W 30.00 feet to the point of terminus.





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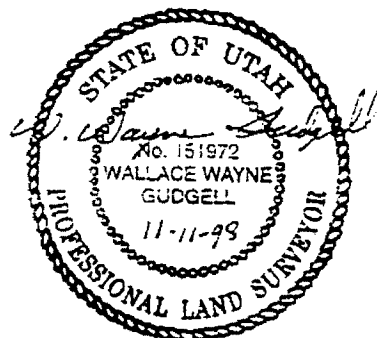
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LEGAL DESCRIPTION WEST FIELD DITCH (EXTENSION) PRESSURISED IRRIGATION LINE TOQUERVILLE, UTAH

November 11, 1998

A 30.00 foot permanent and a 50.00 foot temporary construction easement located in Section 11, Township 41 South, Range 13 West, Salt Lake Base & Meridian, Washington County, Utah, the centerline being more particularly described as follows:

Beginning at a point located N 00°04'08" W 38.58 feet along the west line of said Section 2 of said Township and Range, and East 204.09 feet from the Southeast Corner of said Section 2 and running thence S 31°27'14" E 57.32 feet; thence S 48°50'27" E 72.39 feet; thence S 31°43'55" E 126.01 feet; thence S 22°27'50" E 158.45 feet; thence S 19°24'28" E 129.59 feet; thence S 14°11'28" E 105.66 feet; thence S 20°18'57" E 55.56 feet; thence S 28°48'34" E 93.21 feet; thence S 22°08'38" E 82.22 feet; thence S 16°56'24" E 124.35 feet; thence S 00°50'41" E 100.80 feet; thence S 06°37'51" W 195.78 feet; thence S 32°00'38" E 198.03 feet; thence S 16°09'31" E 209.79 feet; thence S 25°28'29" E 121.00 feet; thence S 15°27'05" E 55.15 feet; thence S 08°19'19" E 188.11 feet to a point on the North line of Sunset Avenue and the point of terminus.





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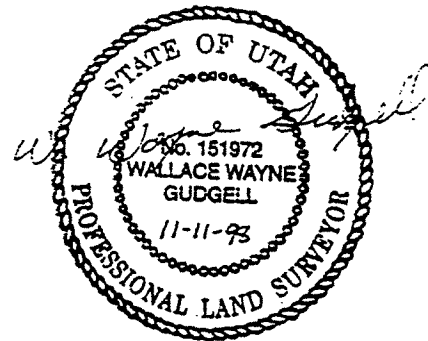
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LEGAL DESCRIPTION EAST FIELD DITCH PRESSURISED IRRIGATION LINE TOQUERVILLE, UTAH

November 11, 1998

A 30.00 foot permanent and a 50.00 foot temporary construction easement located in Sections 11 and 14, Township 41 South, Range 13 West, Salt Lake Base & Meridian, Washington County, Utah, the centerline being more particularly described as follows:

Beginning at a point located S 00°14'00" E 628.15 feet along the west line of said Section 11 of said Township and Range, and East 2859.15 feet from the Northwest Corner of said Section 11 and running thence S 21°58'56" E 73.56 feet; thence S 39°10'01" E 137.53 feet; thence S 21°49'34" E 787.87 feet; thence S 15°00'22" W 10.25 feet to a point on a 810.96 foot radius curve to the right the radius point of which bears S 75°38'22" W; thence Southerly 202.20 feet along the arc of said curve through a central angle of 14°17'08"; thence S 00°59'58" W 1493.20 feet; thence S 01°23'11" W 468.83 feet to the point of a 2086.85 foot radius curve to the right; thence Southerly 163.79 feet along the arc of said curve through a central angle of 04°29'49"; thence S 07°01'44" E 7.47 feet to a point on a 1681.76 foot radius curve to the right the radius point of which bears N 81°43'05" E; thence Southerly 370.15 feet along the arc of said curve through a central angle of 12°36'38"; thence S 27°07'26" W 278.29 feet; thence S 04°11'08" E 557.41 feet; thence S 19°12'25" W 473.16 feet; thence N 88°33'51" W 86.49 feet to the point of terminus.



**AGREEMENT FOR SECONDARY NON-POTABLE WATER SERVICE
BETWEEN THE TOQUERVILLE SECONDARY WATER SYSTEM AND
WATER USERS OF THE TOQUERVILLE WATER SERVICE AREA**

_____ Applicant's Name (Last, First, Middle)	_____ Service Address/Location(City, State, Zip)
_____ Business Name (If Applicable)	_____ Lot Size/Acreage
_____ Mailing Address (City, State, Zip)	_____ Size of Connection
_____ Telephone No.	_____ TSWS Account No.

Applicant, who is a water user in the Toquerville Water Service Area, and in consideration for secondary non-potable water service from the Toquerville Secondary Water System (TSWS) agrees:

1. To pay a Connection Fee of \$500.00 before October 15, 1998 and \$1,000.00 if after that date for a secondary non-potable water connection. Each shareholder who has sold his shares of the Toquerville Irrigation Company shall be entitled to one (1) connection at no additional charge.
2. To pay a Standby Fee of \$60.00 per year for water availability until such time that the Applicant requests and receives the delivery of water after the system is in operation.
3. To pay by the due dates set forth in the TSWS's water billing statements, all water and service charges. The applicant must protest any bill within 15 days of its postmark date, or the protest is waived.
4. Payment for water required herein shall constitute a tax lien upon the above described land and the Petitioner shall be bound by the provisions of the Utah Water Conservancy Act and the TSWS's rules and regulations. Nothing contained herein shall be construed to exempt the Petitioner from paying the taxes levied pursuant to the Utah Code Ann. §§ 17A-2-1426 and 17A-2-1427. The TSWS shall have the right to bill for water services monthly or annually and may have the water assessed and collected annually as part of the annual tax collection.
5. The water rates for 1999 will be \$120 per year for 1/2 acre or less; \$180 per year for one acre or less and for agricultural customers, \$50 per year per acre. Service shall be supplied through a 3/4-inch connection for 1/2 acre or less; 1-inch for one acre or less; and 2 inches for 1-5 acres and 4-inches for 5 or more acres.
6. Connection fees, Standby fees and water rates may be adjusted from time to time by TSWS board for inflation, costs for system operation, maintenance, repair and replacement.
7. Irrigation water must be applied using either a sprinkler or drip irrigation system for all connections greater than one-inch.

8. To pay a twenty-five percent (25%) late fee and interest charge of 1 ½ % per month on any water or service charge not paid by the due date. The applicant agrees to pay all costs, including attorney's fees, incurred by the TSWS required to collect any delinquency or to enforce this Agreement, and further agrees to a lien on the real property served for the delinquency.
9. That if the Applicant becomes delinquent for more than thirty days in payment of charges for water services or breaches this Agreement in any way, the TSWS shall have the right to discontinue all such services until the delinquent bill, interest charges, and a reasonable collection charge have all been paid to the TSWS and/or the Applicant is no longer in breach of the Agreement.
10. To abide by the rules and regulations now and hereafter adopted by the TSWS.
11. To not install any cross connections, and to prevent any backflow to the TSWS's delivery facilities, and that the TSWS has the right to inspect the Applicant's plumbing for cross connections and other public health hazards.
12. That the TSWS has the right at any time, without notice, to shut off or curtail water service in the event of a water scarcity, or to repair or maintain the TSWS's water system.
13. That if the Applicant is a corporation or partnership, the undersigned individual, signing for the Applicant, guarantees payment of the water and service charges, costs and obligations described in this Agreement.
14. That the Applicant has the obligation to construct, operate and maintain, repair and replace, at its sole expense water lines from the connection point with the non-potable irrigation water system at their property line and other facilities needed on applicant's property for the management of their water from the TSWS's system.
15. The applicant agrees to make prudent use of the water, apply reasonable water conservation practices and prevent waste or over application of water. In no event will water use exceed six acre feet per acre per year. The TSWS shall acquire additional water sources to provide customers with an adequate water supply.
16. Upon written acceptance by the TSWS, this Application will establish the Agreement governing the rights and obligations between the Applicant and the TSWS concerning the water service described herein.

Applicant's Signature

GOVERNING AGENCY Toquerville Secondary Water System

By: Charles P. Whitcomb

Title: President of the TSWS

Date: October 12, 1998

Exhibit C

DRAFT

September 14, 1998

SPECIAL WARRANTY DEED

TOQUERVILLE IRRIGATION COMPANY, a corporation organized and existing under the laws of the State of Utah, Grantor, hereby conveys and warrants against all claiming by, through or under Grantor to the WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, Grantee, at 136 North 100 East, St. George, Utah 84770, for the sum of TEN DOLLARS (\$10.00), all of Grantors' right, title, and interest in the following described easements, rights-of-way, ditches, and appurtenant facilities located in Washington, County, Utah:

See Exhibit "A" attached hereto and made a part hereof.

IN WITNESS WHEREOF, the Grantor has executed this Special Warranty Deed this ____ day of ____, 1998.

TOQUERVILLE IRRIGATION COMPANY

By: _____

Its: _____

STATE OF UTAH)

: ss.

COUNTY OF WASHINGTON)

On the ____ day of ____, 1998, personally appeared before me _____ the _____ of TOQUERVILLE IRRIGATION COMPANY, a Utah corporation, and duly acknowledged to me, on his oath, that he executed the foregoing instrument, pursuant to the authority of the Board of Directors of said Corporation on behalf of TOQUERVILLE IRRIGATION COMPANY

Notary Public

My commission expires: _____

Exhibit D

Water Right #81-3474

Water Right #81-3475

Water Right #81-3476

Water Right #81-4063