



JEFFRY R. GITTINS
jgittins@water.law

September 11, 2021

Corinna Mathis, Deputy City Recorder
GRANTSVILLE CITY
429 East Main St.
Grantsville, UT 84029
Via Email: cmathis@grantsvilleut.gov

Re: Water Dedication for RG 91 LLC – Water Right No. 15-5668

Dear Christine,

RG 91 LLC (“**RG91**”) has submitted an Application for Dedication of Water to Grantsville City (“**City**”). Pursuant to the Application, RG91 seeks to dedicate Water Right No. 15-5668 (“**WR 15-5668**”) to the City to be banked for future development. This letter summarizes the findings of my initial review of the water right for acceptability for dedication to the City. A copy of this letter is also being provided to RG91 so that they are aware of the findings.

WATER RIGHT NO. 15-5668

The origin of WR 15-5668 is WR 15-505, which was filed by Walter Fernau under Application to Appropriate A32706 in February 1961. The Application sought to divert 4 cfs from three wells for irrigation of 180 acres, stockwatering of 200 head, domestic use for 1680 families, and various other uses (commercial, industrial, recreational, and fire protection). The Utah Division of Water Rights (“**Division**”) approved the Application in September 1969.

Over the ensuing years, ownership changed several times and Change Applications were filed to modify WR 15-505. In September 2000, the Division issued a Certificate of Beneficial Use on WR 15-505 to Darrel M. Nielsen, which confirmed the right to divert 3.1 cfs or 440 acre-feet from a 16-inch well for irrigation of 109.3 acres and stockwatering of 100 head.

In July 2013, Mr. Nielsen filed Change Application a39219 on WR 15-505. Under the Change Application, Mr. Nielsen sought to add a second well and to expand the authorized place of use. The Division approved the Change Application in July 2013. In January 2020, the Division issued a Certificate of Beneficial Use on a39219 to the Darrell Nielsen GST Family Trust (“**Nielsen Trust**”), which confirmed the right to divert 3.1 cfs or 440 acre-feet from a 16-inch well and a 12-inch well for irrigation of 109.3 acres and stockwatering of 100 head.

257 EAST 200 SOUTH, SUITE 500 SALT LAKE CITY, UTAH 84111
TELEPHONE 801-413-1600 TOLL FREE 877-825-2064
WWW.SMITHHARTVIGSEN.COM

LAND WATER LIFE

4850-3799-5252:GR058-350

In December 2020, the Nielsen Trust deeded 213 acre-feet (52.55 acres of irrigation and 100 head of stockwatering) to Riley Ranch LLC. In January 2021, Riley Ranch segregated 1.5007 cfs or 213 acre-feet (52.55 acres of irrigation and 100 ELUs of stockwatering) from WR 15-505 to WR 15-5641.

In May 2021, Riley Ranch segregated 0.5647 or 80.54 acre-feet (20.135 acres of irrigation) from WR 15-5641 to WR 15-5668. In June 2021, Riley Ranch conveyed WR 15-5668 to Grantsville Water LLC. In July 2021, Grantsville Water conveyed WR 15-5668 to RG91, who is the current recognized owner of WR 15-5668 on the Division's database.

TITLE TO WATER RIGHT

To ensure that RG91 has good and unencumbered title to WR 15-5668, a Title Commitment was requested from First American Title Insurance Company ("**First American**"). The Title Commitment (which is enclosed with this letter) shows that there are no title issues affecting WR 15-5668.

CHANGING THE WATER RIGHTS TO MUNICIPAL USE

Before WR 15-5668 can be dedicated to the City, a Change Application must be filed with and approved by the Division to convert the water right to municipal use so that it can be diverted from the City's wells and used in the City's municipal water system. The Division has policy guidelines regarding Change Applications filed in the Tooele Valley. The Division provides an online "Change Application Evaluation Tool" to determine if a proposed Change Application meets these guidelines. I used the tool to determine if the proposed water right can be moved to the City's wells. WR 15-5668 passed the Evaluation Tool for five of the six City wells and can therefore be moved to these five City wells.

A Change Application is enclosed. The City and RG91 will both need to sign the Change Application and return it to us, and we will then get the Change Application filed with the Division.

WATER USE

In Utah, a water right is subject to forfeiture if all or a portion of the water right has not been used for seven years. *See* Utah Code Ann. § 73-1-4(2). The Division will generally not approve a Change Application on a water right that is subject to forfeiture, or will limit the approval to the amount of water that is not subject to forfeiture (i.e., the portion of the water right that has been beneficially used in the prior seven years).

Recent aerial photographs show irrigation at the historic place of use. Additionally, the water was certificated by the Division (under WR 15-505) in January 2020, which demonstrates recent beneficial use. Accordingly, it does not appear that forfeiture or nonuse will be an issue in the change application proceedings.

QUANTIFICATION OF THE WATER RIGHTS

Through the Change Application process, WR 15-5668 will be quantified by the Division. The quantification of appears straightforward at 80.54 acre-feet based on 20.135 acres of irrigation. Each acre of irrigation represents 4 acre-feet of water.

CONCLUSION

Provided that (1) a Change Application to municipal use is approved by the Division without any unfavorable limitations or conditions; and (2) that other terms and requirements of the water dedication can be met (e.g., acquisition of an acceptable Water Right Title Policy), I believe that WR 15-5668 can be acceptable for dedication to the City. Because the water is being banked for future development, a Water Banking Agreement will need to be executed between RG91 and the City at the conclusion of the water dedication process.

As always, please feel free to email or call with any questions.

Sincerely yours,
SMITH HARTVIGSEN, PLLC

A handwritten signature in blue ink, appearing to read "Jeffrey R. Gittins", is written over the printed name.

Jeffrey R. Gittins

Cc: RG 91 LLC (via email to Anthon Stauffer)

COMMITMENT FOR WATER RIGHT TITLE INSURANCE

ISSUED BY

First American Title Insurance Company
215 South State Street, Salt Lake City, UT 84111
Phone: (801)578-8888 | Fax: (866)375-9955

July 29, 2021
Order Number: w21134

Mr. Jeffry R. Gittins
Smith Hartvigsen, PLLC
257 East 200 South, Suite 500
Salt Lake City, UT 84111

RE: Grantsville City

We agree to issue a policy to you according to the terms of this Commitment. When we show the policy amount and your name as the proposed insured in Schedule A, this Commitment becomes effective as of the Commitment Date shown in Schedule A.

If the Requirements shown in this Commitment have not been met within six months after the Commitment Date, our obligation under this Commitment will end. Also, our obligation under this Commitment will end when the Policy is issued and then our obligation to you will be under the Policy.

Our obligation under this commitment is limited by the following: (1) The Provisions in Schedule A. (2) The Requirements in Schedule B-1. (3) The Exceptions in Schedule B-2. (4) The Conditions on the inside cover page.

The Commitment is not valid without SCHEDULE A and Sections 1 and 2 of SCHEDULE B.

Underwritten by:

First American Title Insurance Company



Dennis J. Gilmore, President



Greg L. Smith, Secretary

SCHEDULE A

Effective Date: July 22, 2021 at 3:05 p.m.

1. Policy or (Policies) to be issued:

Modified ALTA 1992 Standard Owner's for \$402,700.00

PREMIUM \$2,681.00

Proposed Insured:

Grantsville City

2. The estate or interest in the Water Right described or referred to in this commitment and covered herein is at the effective date hereof vested in:

RG 91, LLC, a Utah limited liability company

3. The Water Right referred to in this Commitment is located in Tooele County, Utah and is described as:

Water Right No. 15-5668

SCHEDULE B - Section 1 Requirements

The following requirements are to be complied with prior to issuance of policy named in Schedule A herein:

- (A) Pay the agreed amounts for the interest in the Water Right and/or the mortgage or deed of trust to be insured.
- (B) Pay us the premiums, fees and charges for the policy. In the event the transaction for which this commitment is furnished cancels, the minimum cancellation fee will be \$500.00.
- (C) Provide us with releases, reconveyances or other instruments, acceptable to us, including payment of any amounts due, removing the encumbrances shown in Schedule B-2 that are objectionable to the proposed insured.
- (D) Provide us with copies of the appropriate instruments, agreements, certificates, contracts, resolutions or other evidence needed to: (i) create and/or convey the interest in the Water Right being insured; and (ii) identify the party(ies) authorized to execute the subject instruments, agreements, certificates, contracts, resolutions or other such evidence thereof.
- (E) Sign, deliver and record the documents creating the interest to be insured.
- (F) Provide to us in writing the name of anyone not referred to in this Commitment who will receive an interest in, or who will make a loan secured by a deed of trust or mortgage secured by, the Water Right described in this Commitment.
- (G) After receipt of the information requested in these requirements, together with any other information about the transaction, we reserve the right to add requirements to this Schedule B-1 or special exceptions to Schedule B-2.
- (H) Provide us with any information regarding any lien or right to a lien for services, labor or materials furnished as of the Date of Policy, and imposed by law, including but not limited to, applicable River Commissioner assessments made by the Division of Water Rights or enforcement liens or penalties imposed as part of any enforcement action undertaken by the Division of Water Rights.
- (I) Approval and updated ownership records as maintained by the Division of Water Rights with a Report of Water Right Conveyance application.

SCHEDULE B - Section 2 Exceptions

Any policy we issue will have the following exceptions and does not insure against loss or damage, nor against costs, attorneys' fees or expenses, any or all of which arise by reason of the following, unless they are taken care of to our satisfaction:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Terms and conditions as set forth in the Water Right.
3. The claim or interest of another person or entity in and to the Point of Diversion, where such claim or interest is established by a valid water right owned by the claimant.
4. Partial or total forfeiture due to non-use or abandonment.

(Exception 4 will not appear in an Extended Coverage Policy)

The name(s) RG 91, LLC, a Utah limited liability company, has/have been checked for judgments, State and Federal tax liens, and bankruptcies and if any were found, are disclosed herein.

Title inquiries should be directed to Brad Dobson @ (801)578-8820.

NOTE: The policy(ies) to be issued as a result of this Commitment contain an Arbitration Clause set forth in the Conditions/Conditions and Stipulations Section. The following is included for the information of the proposed insured(s):

Any matter in dispute between you and the company may be subject to arbitration as an alternative to court action pursuant to the rules of the American Arbitration Association or other recognized arbitrator, a copy of which is available on request from the company. Any decision reached by arbitration shall be binding upon both you and the company. The arbitration award may include attorney's fees if allowed by state law and may be entered as a judgment in any court of proper jurisdiction.

In the event the transaction for which this commitment was ordered "cancels", please refer to Paragraph B under Schedule B, Section 1 for required cancellation fee.

CONDITIONS

1. DEFINITIONS

- (a) "Water Right" means all right, title and interest thereto and as is provided by both (i) the terms and conditions of the subject Water Right; and (ii) Title 73 of the Utah Code, as amended.
- (b) "Mortgage" means mortgage, deed of trust or other security instrument.
- (c) "Public Records" means title records that give constructive notice of matters affecting the title according to the state law where the land is located.

2. LATER DEFECTS

The Exceptions in Schedule B may be amended to show any defects, liens or encumbrances that appear for the first time in the public records or are created or attached between the Commitment Date and the date on which all of the Requirements are met. We shall have no liability to you because of this amendment.

3. EXISTING DEFECTS

If any defects, liens or encumbrances existing at Commitment Date are not shown in Schedule B, we may amend Schedule B to show them. If we do amend Schedule B to show these defects, liens or encumbrances, we shall be liable to you according to Paragraph 4 below unless you knew of this information and did not tell us about it in writing.

4. LIMITATION OF OUR LIABILITY

Our only obligation is to issue to you the Policy referred to in this Commitment, when you have met its Requirements. If we have any liability to you for any loss you incur because of an error in this Commitment, our liability will be limited to your actual loss caused by your relying this Commitment when you acted in good faith to:

comply with the Requirements

or

eliminate with our written consent any Exceptions shown in Schedule B

We shall not be liable for more than the Amount shown in Schedule A of this Commitment and our liability is subject to the terms of the Policy form to be issued to you.

5. CLAIMS MUST BE BASED ON THIS COMMITMENT

Any claims, whether or not based on negligence, which you may have against us concerning the title to the land must be based on this Commitment and is subject to its terms



Privacy Notice

Effective: October 1, 2019

Notice Last Updated: January 1, 2021

This Privacy Notice describes how First American Financial Corporation and its subsidiaries and affiliates (together referred to as "First American," "we," "us," or "our") collect, use, store, and share your information. This Privacy Notice applies to information we receive from you offline only, as well as from third parties, when you interact with us and/or use and access our services and products ("Products"). For more information about our privacy practices, including our online practices, please visit <https://www.firstam.com/privacy-policy/>. The practices described in this Privacy Notice are subject to applicable laws in the places in which we operate.

What Type Of Information Do We Collect About You? We collect a variety of categories of information about you. To learn more about the categories of information we collect, please visit <https://www.firstam.com/privacy-policy/>.

How Do We Collect Your Information? We collect your information: (1) directly from you; (2) automatically when you interact with us; and (3) from third parties, including business parties and affiliates.

How Do We Use Your Information? We may use your information in a variety of ways, including but not limited to providing the services you have requested, fulfilling your transactions, comply with relevant laws and our policies, and handling a claim. To learn more about how we may use your information, please visit <https://www.firstam.com/privacy-policy/>.

How Do We Share Your Information? We do not sell your personal information. We only share your information, including to subsidiaries, affiliates, and to unaffiliated third parties: (1) with your consent; (2) in a business transfer; (3) to service providers; and (4) for legal process and protection. To learn more about how we share your information, please visit <https://www.firstam.com/privacy-policy/>.

How Do We Store and Protect Your Information? The security of your information is important to us. That is why we take commercially reasonable steps to make sure your information is protected. We use our best efforts to maintain commercially reasonable technical, organizational, and physical safeguards, consistent with applicable law, to protect your information.

How Long Do We Keep Your Information? We keep your information for as long as necessary in accordance with the purpose for which it was collected, our business needs, and our legal and regulatory obligations.

Your Choices We provide you the ability to exercise certain controls and choices regarding our collection, use, storage, and sharing of your information. You can learn more about your choices by visiting <https://www.firstam.com/privacy-policy/>.

International Jurisdictions: Our Products are offered in the United States of America (US), and are subject to US federal, state, and local law. If you are accessing the Products from another country, please be advised that you may be transferring your information to us in the US, and you consent to that transfer and use of your information in accordance with this Privacy Notice. You also agree to abide by the applicable laws of applicable US federal, state, and local laws concerning your use of the Products, and your agreements with us.

We may change this Privacy Notice from time to time. Any and all changes to this Privacy Notice will be reflected on this page, and where appropriate provided in person or by another electronic method. **YOUR CONTINUED USE, ACCESS, OR INTERACTION WITH OUR PRODUCTS OR YOUR CONTINUED COMMUNICATIONS WITH US AFTER THIS NOTICE HAS BEEN PROVIDED TO YOU WILL REPRESENT THAT YOU HAVE READ AND UNDERSTOOD THIS PRIVACY NOTICE.**

Contact Us dataprivacy@firstam.com or toll free at 1-866-718-0097.



For California Residents

If you are a California resident, you may have certain rights under California law, including but not limited to the California Consumer Privacy Act of 2018 ("CCPA"). All phrases used in this section shall have the same meaning as those phrases are used under California law, including the CCPA.

Right to Know. You have a right to request that we disclose the following information to you: (1) the categories of **personal information** we have collected about or from you; (2) the categories of sources from which the **personal information** was collected; (3) the business or commercial purpose for such collection and/or disclosure; (4) the categories of third parties with whom we have shared your **personal information**; and (5) the specific pieces of your **personal information** we have collected. To submit a verified request for this information, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097.

Right of Deletion. You also have a right to request that we delete the **personal information** we have collected from and about you. This right is subject to certain exceptions available under the CCPA and other applicable law. To submit a verified request for deletion, go to our online privacy policy at www.firstam.com/privacy-policy to submit your request or call toll-free at 1-866-718-0097. You may also designate an authorized agent to submit a request on your behalf by going to our online privacy policy at www.firstam.com/privacy-policy to submit your request or by calling toll-free at 1-866-718-0097.

Verification Process. For either a request to know or delete, we will verify your identity before responding to your request. To verify your identity, we will generally match the identifying information provided in your request with the information we have on file about you. Depending on the sensitivity of the information requested, we may also utilize more stringent verification methods to verify your identity, including but not limited to requesting additional information from you and/or requiring you to sign a declaration under penalty of perjury.

Notice of Sale. We do not sell California resident information, nor have we sold California resident information in the past 12 months. We have no actual knowledge of selling the information of minors under the age of 16.

Right of Non-Discrimination. You have a right to exercise your rights under California law, including under the CCPA, without suffering discrimination. Accordingly, First American will not discriminate against you in any way if you choose to exercise your rights under the CCPA.

Notice of Collection. To learn more about the categories of **personal information** we have collected about California residents over the last 12 months, please see "What Information Do We Collect About You" in <https://www.firstam.com/privacy-policy>. To learn about the sources from which we have collected that information, the business and commercial purpose for its collection, and the categories of third parties with whom we have shared that information, please see "How Do We Collect Your Information", "How Do We Use Your Information", and "How Do We Share Your Information" in <https://www.firstam.com/privacy-policy>.

Notice of Sale. We have not sold the **personal information** of California residents in the past 12 months.

Notice of Disclosure. To learn more about the categories of **personal information** we may have disclosed about California residents in the past 12 months, please see "How Do We Use Your Information" and "How Do We Share Your Information" in <https://www.firstam.com/privacy-policy>.

APPLICATION FOR PERMANENT CHANGE OF WATER

STATE OF UTAH

Rec. By _____

Fee _____

Receipt # _____

For the purpose of obtaining permission to make a permanent change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated, as amended.

*WATER RIGHT NO. _____ - _____ *APPLICATION NO. a _____

Changes are proposed in (check those applicable)

☒ point of diversion. ☒ place of use. ☒ nature of use. ☒ period of use.

1. OWNER INFORMATION

Name(s): RG 91, LLC Interest: 100 %

Address: 2265 East Murray Holladay Road

City: Holladay State: UT Zip Code: 84117

Name(s): Grantsville City (interested party) *Interest: 0 %

Address: 429 East Main Street

City: Grantsville State: UT Zip Code: 84029

2. *PRIORITY OF CHANGE: _____ *FILING DATE: _____

*Is this change amendatory? (Yes/No): _____

3. RIGHT EVIDENCED BY: WR 15-5668

Prior Approved Change Applications for this right: _____

***** HERETOFORE *****

4. QUANTITY OF WATER: 0.5674 cfs and/or 80.54 ac-ft.

5. SOURCE: Underground Water Wells (2)

6. COUNTY: Tooele

7. POINT(S) OF DIVERSION: (1) N 134 feet W 2208 feet from SE corner, Sec 26, T 2S R 6W SLBM (2) S 214 feet W 221 feet from N4 corner, Sec 33, T 2S R 6W SLBM

Description of Diverting Works: (1) 16-inch, 400 feet; (2) 12-inch, 462 feet

8. POINT(S) OF REDIVERSION

The water has been rediverted from _____ at a point: _____

Description of Diverting Works: _____

9. POINT(S) OF RETURN

The amount of water consumed is _____ cfs or _____ ac-ft.

The amount of water returned is _____ cfs or _____ ac-ft.

The water has been returned to the natural stream/source at a point(s) _____

*These items are to be completed by the Division of Water Rights

10. NATURE AND PERIOD OF USE

Irrigation:	From	04/01	to	10/31
Stockwatering:	From		to	
Domestic:	From		to	
Municipal:	From		to	
Mining:	From		to	
Power:	From		to	
Other:	From		to	

11. PURPOSE AND EXTENT OF USE

Irrigation: 20.135 acres. Sole supply of 20.135 acres.
Stockwatering (number and kind):
Domestic: Families and/or Persons.
Municipal:
Mining: Mining District in the Mine.
Ores mined:
Power: Plant name: Type: Capacity:
Other (describe):

12. PLACE OF USE

Legal description of place of use by 40 acre tract(s): SWNW, NWSW, and SWSW, Sec 26, T2S, R6W, SLBM
SENE, NESE, and SESE, Sec 27, T2S, R6W, SLBM

13. STORAGE

Reservoir Name: Storage Period: from to
Capacity: ac-ft. Inundated Area: acres.
Height of dam: feet.
Legal description of inundated area by 40 acre tract(s):

***** THE FOLLOWING CHANGES ARE PROPOSED *****

14. QUANTITY OF WATER: cfs and/or 80.54 ac-ft.

15. SOURCE: Underground Water Wells (5)
Balance of the water will be abandoned: , or will be used as heretofore: X

16. COUNTY: Tooele

17. POINT(S) OF DIVERSION See Addendum
Description of Diverting Works: See Addendum
COMMON DESCRIPTION: Grantsville

18. POINT(S) OF REDIVERSION
The water will be rediverted from at a point:
Description of Diverting Works:

19. POINT(S) OF RETURN
The water will be returned to the natural stream/source at a point(s):

20. NATURE AND PERIOD OF USE

Irrigation:	From _____	to _____
Stockwatering:	From _____	to _____
Domestic:	From _____	to _____
Municipal:	From 01/01	to 12/31
Mining:	From _____	to _____
Power:	From _____	to _____
Other:	From _____	to _____

21. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
Stockwatering (number and kind): _____
Domestic: _____ Families and/or _____ Persons.
Municipal: Grantsville City
Mining: _____ Mining District in the _____ Mine.
Ores mined: _____
Power: Plant name: _____ Type: _____ Capacity: _____
Other (describe): _____

22. PLACE OF USE

Legal description of place of use by 40 acre tract(s): Service area of Grantsville City

23. STORAGE

Reservoir Name: _____ Storage Period: from _____ to _____
Capacity: _____ ac-ft. Inundated Area: _____ acres.
Height of dam: _____ feet.
Legal description of inundated area by 40 acre tract(s): _____

24. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. Include any supplemental water rights used for the same purpose. (Use additional pages of the same size if necessary): _____
The purpose of this change application is to change the irrigation right, which is to be dedicated to Grantsville City, to a municipal use right that can be diverted from the City's existing wells and used in the City's water system.

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

RG 91, LLC



Grantsville City

ADDENDUM TO CHANGE APPLICATION

17. Hereafter Points of Diversion

POD Location	Source Name	Diverting Works
N 800 ft E 1200 ft from SW corner, section 31, T 2S, R 5W, SLB&M	City Park Well Well ID #2505	Well Diameter: 12" Depth: 480 feet
N 1720 ft E 2290 ft from SW corner, section 7, T 3S, R 5W, SLB&M	South Willow Well Well ID #17227	Well Diameter: 16" Depth: 505 feet
N 1490 ft W 4156 ft from SE corner, section 1, T 3S, R 6W, SLB&M	North Well Well ID #442484	Well Diameter: 16" Depth: 550 feet
S 1800 ft E 185 ft from NW corner, section 12, T 3S, R 6W, SLB&M	South Well Well ID #10243	Well Diameter: 16" Depth: 520 feet
S 1430 ft W 2760 ft from NE corner, section 13, T 3S, R 6W, SLB&M	Hunsaker Well Well ID #30690	Well Diameter: 16" Depth: 650 feet

