

TRAPPERS LOOP WATER IMPROVEMENT DISTRICT

3925 E. Snowbasin Road
Huntsville, Utah 84317

NOTICE OF REGULAR MEETING AND AGENDA

DATE: Monday, February 5, 2024

TIME: 2:00 p.m.

LOCATION: 3925 E. Snowbasin Road
Huntsville, Utah 84317
And via Microsoft Teams

You can also attend the meeting in the following ways:

To join online, use the link below:

ACCESS: https://teams.microsoft.com/l/meetup-join/19%3ameeting_YWYzYTA4NGYtY2ZhNy00ZjA1LTgxZGEtZDQ2OGQ0YmU0ZGUw%40thread.v2/0?context=%7b%22Tid%22%3a%224aaa468e-93ba-4ee3-ab9f-6a247aa3ade0%22%2c%22Oid%22%3a%225b9f6fa2-e9dd-42cc-bfd8-f7dd2ed196a6%22%7d

To join by phone, call 720-547-5281 and enter phone conference ID: 280 105 634#

BOARD OF TRUSTEES Jim Hill
Steve Issowits
Ryan Woolsey

PUBLIC NOTICE is hereby given that the Board of Trustees (the “Board”), of Trappers Loop Water Improvement District (the “District”), will hold a meeting of the Board on Monday, February 5, 2024, commencing at 2:00 p.m., at 3925 E. Snowbasin Road Huntsville, Utah 84317 and via Microsoft Teams, at which time the Board shall proceed according to the following agenda.

I. ADMINISTRATIVE MATTERS

- A. Call to order.
- B. Review and consider approval of December 11, 2023 Minutes (enclosure).

II. FINANCIAL MATTERS

- A. Review and consider approval of claims (enclosure).

- B. Review and consider acceptance of December 31, 2023 Unaudited Financial Statements (enclosure).

III. TRUSTEES' MATTERS

- A. Ratify approval of Water Rights Convey and WBWCD Assign Agreement (enclosure).

IV. MANAGERS MATTERS

V. OTHER BUSINESS

VI. ADJOURNMENT

[This notice to be posted at the District office, published on the Utah Public Notice Website at least 7 days prior to the meeting.]

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF TRUSTEES OF TRAPPERS LOOP WATER
IMPROVEMENT DISTRICT (THE “DISTRICT”)
HELD
DECEMBER 11, 2023

A special meeting of the Board of Trustees of the Trappers Loop Water Improvement District (referred to hereafter as the “Board”) was convened on Monday, December 11, 2023, at 2:30 p.m., at 3925 E. Snowbasin Road, Huntsville, Utah 84317. This District Board meeting was also held via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Trustees In Attendance Were:

Jim Hill, Chair (via Microsoft Teams)
Steve Issowits
Ryan Woolsey

Also, In Attendance Were:

Shelby Clymer and Josh Miller, CliftonLarsonAllen LLP (“CLA”) (via Microsoft Teams)
Ragen Mansfield, District Clerk
D. Brent Rose, Clyde Snow & Sessions, P.C. (via Microsoft Teams)

ADMINISTRATIVE
MATTERS

Call to Order: The meeting was called to order at 2:58 p.m. by Chairman Hill, who recited the following:

“As the Chair of the Board of Trustees of the Trappers Loop Water Improvement District, I hereby call this regular meeting of the Board to order at 2:58 p.m. on December 11, 2023, at 3925 E. Snowbasin Road, Huntsville, Utah 84317. In compliance with the requirements of Utah’s Open and Public Meetings Law: (i) notice of this meeting has been duly posted and published, and (ii) this meeting is being recorded and minutes of the meeting, in its entirety, are being kept.”

August 16, 2023 Minutes and November 28, 2023 Minutes: Following review, Trustee Issowits made a motion to approve the August 16, 2023 Minutes and November 28, 2023 Minutes. Trustee Woolsey seconded the motion. The motion passed unanimously.

2024 Annual Meeting Schedule and Publication of Notice: Mr. Miller presented a schedule for 2024 meetings for the Board. Trustee Woolsey made a motion to adopt a meeting schedule of meetings on February 5, 2024, May 6, 2024, August 5, 2024, November 4, 2024 and December 2, 2024 at 2:00 p.m. at 3925 E. Snowbasin Road Huntsville, Utah 84317 and via video teleconference. Trustee Issowits seconded the motion. The motion passed unanimously.

FINANCIAL
MATTERS

Public Hearing on the Amendment of the Budget for Calendar Year 2023 and Adoption of the Same: Ms. Clymer presented the need to amend the General Fund of the 2023 budget to the Board. Following review and discussion, Trustee Issowits made a motion to adopt the amendment of the budget for calendar year 2023. Trustee Woolsey seconded the motion. The motion passed unanimously.

Operating and Capital Budget for Calendar Year 2024: Ms. Clymer presented the operating and capital budget for calendar year 2024 to the Board. Following review, Trustee Issowits made a motion to approve the operating and capital budget for calendar year 2024 and adopt the Resolution to Adopt the Operating and Capital Budget for Calendar Year 2024. Trustee Woolsey seconded the motion. The motion passed unanimously.

TRUSTEES'
MATTERS

Trustees and Position: Chairman Hill noted that further discussion regarding Trustees and position will come.

MANAGERS
MATTERS

CliftonLarsonAllen LLP Master Services Agreement and Statement(s) of Work for 2024: Following review and discussion, Trustee Woosley made a motion to approve the CliftonLarsonAllen LLP Master Services Agreement and statement(s) of work for 2024, subject to final review by legal and Chairman Hill. Trustee Issowits seconded the motion. The motion passed unanimously.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, Trustee Issowits made a motion to adjourn the meeting at 3:15 p.m. Trustee Woolsey seconded the motion. The motion passed unanimously.

Respectfully submitted,

By _____
District Chair

Attest:

District Clerk/Manager

Trappers Loop Water Improvement District
Interim Claims
July 1, 2023 - January 31, 2024

Process Date	Vendor	Payment Method	Amount
7/31/2023	Sunrise Engineering Inc.	BILL Check	\$ 4,070.00
10/19/2023	CliftonLarsonAllen	BILL EFT	4,460.40
11/6/2023	CliftonLarsonAllen	BILL EFT	1,786.05
11/6/2023	CliftonLarsonAllen	BILL EFT	5,626.54
11/6/2023	Clyde Snow & Sessions	BILL Check	16,148.00
11/6/2023	Streamline	BILL Check	60.00
11/6/2023	Utah Local Governments Trust	BILL Check	3,000.00
			<u>\$ 35,150.99</u>

TRAPPERS LOOP WATER IMPROVEMENT DISTRICT
FINANCIAL STATEMENTS
DECEMBER 31, 2023

Trappers Loop Water Improvement District
Balance Sheet - Governmental Funds
December 31, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
Assets			
Checking Account	\$ 3,637.95	\$ 1,001,478.63	\$ 1,005,116.58
Total Assets	<u>\$ 3,637.95</u>	<u>\$ 1,001,478.63</u>	<u>\$ 1,005,116.58</u>
Liabilities			
Accounts Payable	\$ 3,210.01	\$ -	\$ 3,210.01
Total Liabilities	<u>3,210.01</u>	<u>-</u>	<u>3,210.01</u>
Fund Balances	<u>427.94</u>	<u>1,001,478.63</u>	<u>1,001,906.57</u>
Liabilities and Fund Balances	<u>\$ 3,637.95</u>	<u>\$ 1,001,478.63</u>	<u>\$ 1,005,116.58</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

Trappers Loop Water Improvement District
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending December 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Accounting	18,000.00	8,226.00	9,774.00
Auditing	5,500.00	-	5,500.00
Insurance	3,500.00	5,112.00	(1,612.00)
District management	22,000.00	12,562.00	9,438.00
Legal	15,000.00	19,348.00	(4,348.00)
Miscellaneous	500.00	100.00	400.00
Engineering	-	4,070.00	(4,070.00)
Contingency	500.00	-	500.00
Total Expenditures	<u>65,000.00</u>	<u>49,418.00</u>	<u>15,582.00</u>
Other Financing Sources (Uses)			
Developer advance	65,000.00	58,241.94	6,758.06
Transfers from other funds	-	71.00	(71.00)
Total Other Financing Sources (Uses)	<u>65,000.00</u>	<u>58,312.94</u>	<u>6,687.06</u>
Net Change in Fund Balances	-	8,894.94	(8,894.94)
Fund Balance - Beginning	3,000.00	(8,467.00)	11,467.00
Fund Balance - Ending	<u>\$ 3,000.00</u>	<u>\$ 427.94</u>	<u>\$ 2,572.06</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

SUPPLEMENTARY INFORMATION

Trappers Loop Water Improvement District
Capital Projects Fund Schedule of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending December 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest income	\$ -	\$ 1,549.63	\$ (1,549.63)
Grant Proceeds	1,000,000.00	1,000,000.00	-
Total Revenue	<u>1,000,000.00</u>	<u>1,001,549.63</u>	<u>(1,549.63)</u>
Expenditures			
Acceptance of costs - sewer	1,000,000.00	-	1,000,000.00
Total Expenditures	<u>1,000,000.00</u>	<u>-</u>	<u>1,000,000.00</u>
Other Financing Sources (Uses)			
Transfers to other fund	-	(71.00)	71.00
Repay developer advance	(1,000,000.00)	-	(1,000,000.00)
Developer advance	1,000,000.00	-	1,000,000.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>(71.00)</u>	<u>71.00</u>
Net Change in Fund Balances	-	1,001,478.63	(1,001,478.63)
Fund Balance - Beginning	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 1,001,478.63</u>	<u>\$ (1,001,478.63)</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances - governmental funds have been omitted.

AGREEMENT

Providing For the Conveyance of a Certain Water Right, and the Incremental Assignment and Assumption of Interests Over Time in that Certain Weber Basin Water Conservancy District Replacement Water Contract

(Trappers Loop Water Improvement District)

THIS AGREEMENT (“*Agreement*”), is made entered as of this ____ day of _____, 2024 (the “*Effective Date*”), by and between SNOWBASIN RESORT COMPANY, a Wyoming corporation (“*Snowbasin*”), and TRAPPERS LOOP WATER IMPROVEMENT DISTRICT, a Utah special district (the “*District*”). (Snowbasin and the District are sometimes referred to herein individually as a “*Party*” and collectively as the “*Parties*.”)

RECITALS

A. Snowbasin owns and operates the existing Snowbasin Ski Resort in Weber County, Utah (the “*Existing Resort*”), and owns certain adjoining real property within Weber County and Morgan County. Snowbasin is studying future plans with respect to the expansion of the Existing Resort, including the potential for development of its other properties in both counties in connection therewith (“collectively, the “*Resort*”).

B. The District is a water improvement district created, at the request of Snowbasin, by resolution of the Weber County Commission, and is duly organized under Utah law by a certificate of creation issued by the Utah Lt. Governor’s office, dated April 29, 2022. The District has been organized as a public water supplier for the purpose of acquiring and operating wells, water storage tanks, and other water system facilities, and to acquire and hold water and water rights, to be utilized by the District in providing municipal water service to the Resort. The legal boundaries of the District, as currently defined, are fully contained within the Resort property owned by Snowbasin.

C. Snowbasin is the owner of a certain water right identified of record at the Utah Division of Water Rights (“*UDWRi*”), as Water Right No. 35-13690, Change Application a46230, which authorizes the diversion and use of 50.0 acre-feet of water for municipal purposes (the “*Monastery Right*”). It is acknowledged by the Parties that the above change application was approved by the State Engineer subject to the condition that the right be conveyed to a public water district once formed in order to justify the approved use for municipal purposes, and that the District, now created, is the water district referenced in the water right record for the Monastery Right.

D. In April 2022, Snowbasin entered into a perpetual Replacement Water Contract with Weber Basin Water Conservancy District (“*Weber Basin*”), Contract No. 69364, authorizing the right to use 1,000 acre-feet of water under Weber Basin’s federal contract right with the U.S. Bureau of Reclamation, out of Pineview Reservoir in Weber County, Utah, for replacement of underground water diverted and withdrawn from wells for use on the land defined and for the purposes set forth in said contract (the “*Original WBWCD Contract*”). To effectuate its right under the Original WBWCD Contract, on September 28, 2023, Snowbasin and the District have jointly filed with UDWRi an Application for Exchange of Water identified of record as Exchange Application No. E6544 (the “*Exchange Application*”), to obtain authority for the diversion and use of water under the WBWCD Contract from wells that are tributary to the Pineview Reservoir Drainage Basin, for use in providing municipal water service by the District within its service area.

E. Utah Code Annotated 17B-1-103 (2)(a) and (b), and 17B-2a-403(1)(a) expressly provide that a special district may acquire, by any lawful means, groundwater right or interest in a groundwater right, and other sources of water supply necessary or convenient to the full exercise of the District's powers; and 17B-1-103 (2)(l) expressly provides that a special district may enter into a contract that the special district board of trustees considers necessary, convenient, or desirable to carry out the district's purposes, including a contract to do any act to exercise district powers.

F. It is the purpose and intent of the Parties under this Agreement that the Monastery Right be conveyed and assigned to the District in order: (i) to satisfy the condition to approval imposed by the State Engineer in its approval order that said right be transferred to and owned by a public district to qualify the right for municipal use; and (ii) to utilize the forfeiture exemption legally afforded to water rights held by public water suppliers as a means of protecting the Monastery right against the risk of loss from forfeiture for non-use.

G. It is further the purpose and intent of the Parties to provide in this Agreement that interests in the Original WBWCD Contract be incrementally assigned to and assumed by the District, in a series of blocks of water over time, for use by the District in providing municipal water service to the Resort as it expands.

H. The Parties desire to enter into this Agreement to set forth the terms and conditions pursuant to which the Monastery Right shall be transferred and conveyed, and the initial interest and future interests in the WBWCD Contract shall be assigned to and assumed by the District, as provided herein.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledge, the Parties agree as follows:

1. CONVEYANCE OF MONASTERY RIGHT. In consideration of the District's agreement to own and maintain the Monastery Right in good standing at the Division of Water Rights and to divert and use the water under said right in providing municipal water service to Snowbasin and other District customers within the service area of the District, Snowbasin shall transfer, convey and assign to the District all of Snowbasin' right, title and interest in and to the Monastery Right, said right being more particularly described as follows:

100% of Water Right No. 35-13690, Change Application No. a46230,

2. ASSIGNMENT OF INTERESTS IN THE ORIGINAL WBWCD CONTRACT.

(a) Assignment of WBWCD Contract Interests. In consideration of the District's agreement to assume and be solely responsible for compliance with all contractual obligations, including the obligation to make, when due, all annual payments required under the Original WBWCD Contract and subsequent replacement contracts as set forth below, and consistent with Weber Basin's preference that its water replacement contracts be held by public water suppliers, Snowbasin shall release, transfer and assign to the District the following:

(1) Initial Assignment. An initial contract interest in amount equal to 100.0 acre-feet of water under the Original WBWCD Contract, and the right to divert and use 100.0 acre-feet of water under the Exchange Application (the "Block 1 Interest"); and

(2) “Subsequent Assignments”. Subsequent to the assignment of the Block 1 Interest, interests in and to the right to the use of additional blocks of water under the Original WBWCD Contract and proportional interests under the Exchange Application (each a *“Subsequent Block Interest”* and collectively, the *“Subsequent Block Interests”*), as provided below.

(b) Assignment of Block 1 Interest. The Block 1 Interest shall be assigned utilizing Weber Basin’s standard Replacement Contract Assignment forms and in conformance with all applicable Weber Basin procedures; whereupon, the District shall be identified on the books and records of Weber Basin as the owner of 100 acre-feet of water under the Original WBWCD Contract, as memorialized by the Assignment document, and Snowbasin shall retain its ownership in the remaining 900 acre-feet of water under the Original WBWCD Contract, as memorialized under a newly issued replacement water contract.

(c) Incremental Assignments of Subsequent Block Interests. Following the assignment to the District of the Block 1 Interest in the Original WBWCD Contract, Subsequent Block Interests shall be incrementally assigned by Snowbasin to the District as the Resort expands and the District’s resulting water service demands increase. Subsequent Block Interests shall be assigned in conformance with the following:

(1) Snowbasin and the District shall meet on an annual basis to review the amount of water required to meet the anticipated water service demands of the District for the coming year, and determine whether, and in what amounts, one or more Subsequent Block Interests will need to be assigned to the District to meet its forecasted water service demand.

(2) If and when it is determined that an additional block or blocks of water will be required, then, in each event, the District shall contact Weber Basin to initiate the preparation of the Assignment documentation for execution by the Parties; whereupon, the District’s interest in the Original WBWCD shall be increased, and Snowbasin’s interest therein shall thereupon be proportionally reduced, with ownership of the then remaining balance to be retained by Snowbasin.

(3) This procedure shall be repeated over time until all of Snowbasin’s interest in the Original WBWCD Contract has been duly assigned to the District.

(d) Acceptance and Assumption of Contract Obligations. By execution of this Agreement, the District accepts the assignment of the Block 1 Interest and agrees to accept the assignment of all Subsequent Block Interests, and assumes and agrees to perform all duties, obligations and responsibilities, including, without limitation, the payment of all annual payments due and owing, and to be subject to all covenants and liabilities of Snowbasin thereunder which arise and accrue upon full execution of the Block 1 Assignment and each subsequent Block Assignment Contract. Weber Basin’s consent to each such assignment shall be manifested by its execution of the Approval of Assignment block on each Block Assignment Contract as provided in Section 4(b)(1) below.

3. Contract Conditions; Possibility of Reverter.

(a) Contract Conditions. The conveyance of the Monastery Right and all Assigned Contract Rights made pursuant to this Agreement are expressly subject to the following conditions:

(1) The District shall at all times maintain the Monastery Right in good standing

with the Utah Division of Water Rights.

(2) The District shall at all times comply with all covenants, terms and conditions, and satisfy all obligations set forth in each new Replacement Weber Basin Contract to be executed by and between Weber Basin and the District in connection with the Block 1 Assigned Contract Right (the “*Block 1 Assignment Contract*”), and all subsequent replacement contracts in connection with each Subsequent Assigned Contract Right (to be numbered consecutively hereafter as Block 2 Assignment Contract, Block 3 Assignment Contract, and so forth, each a “*Block Assignment Contract*”).

(3) The District shall neither convey all or any interest in the Monastery Right nor release, transfer or assign all or any interest in and to the Block 1 Assignment Contract to any third party without the express, prior written approval of Snowbasin.

(4) The District shall divert and use water as authorized under the Monastery Right and in conformance with each Block Assignment Contract solely for snowmaking as provided by a separate agreement between Snowbasin and the District, and in providing municipal water service to Snowbasin and other District customers within the Resort situated within the District’s service area unless otherwise agreed, in writing, between Snowbasin and the District.

(5) The District shall perpetually beneficially use the water represented by the Monastery Right and each Block Assignment Contract in conformance with and subject to applicable law, in providing water service to the Resort within its service area.

(6) The District shall perpetually maintain its existence, and shall take all steps necessary to prevent its dissolution in conformance with Utah law.

(b) Possibility of Reverter and Reversionary Interest Retained.

(1) Possibility of Reverter. The conveyance of the Monastery Right is expressly made subject to the condition that all of the conditions set forth in Subsection 3(a) are at all times fully satisfied, and in the event any such condition is not satisfied, title to the Monastery Right shall automatically revert back to Snowbasin.

(2) Reversionary Interest. The assignment of Assigned Contract Rights provided for herein are all made subject to the condition that the conditions set forth in Subsection 3(a) above are at all times fully satisfied. In the event any such condition is not fully satisfied, Snowbasin shall have the right to re-enter and terminate the assignment.

(c) District Cooperation. The District agrees that it shall in good faith fully cooperate with Snowbasin in effectuating a reconveyance of the Monastery Right and/or a re-assignment of any Weber Basin contract right in the event of a reversion or the exercise of any reversionary interest by Snowbasin as provided for in Subsection 3(b) herein.

4. Consummation of the Conveyance and Assignments.

(a) Conveyance of Monastery Right. Conveyance of the Monastery Right shall be accomplished by the delivery of a water right deed executed by Snowbasin to the District, conveying to the District all of Snowbasin’s right, title and interest in and to the Monastery Right free and clear of all liens, claims, security interests, encumbrances or adverse interests of any kind whatsoever, expressly subject to a “possibility of reverter” to Snowbasin in the event the conditions set forth in Section 3(a)

herein are not fully satisfied (“*Water Right Deed*”). The Water Right deed shall be in the form attached as EXHIBIT “A” hereto. The District shall be responsible, at its sole expense, to record the Water Right Deed in accordance with all applicable statutory requirements, and to prepare and file with the UDWRi a Report of Water Right Conveyance updating the District’s title to the Water Right in DWRI’s records, all as required by law.

(b) Assignment of Block Interests. The Assignment of the Block 1 Interest and thereafter all other Subsequent Block Interests shall be accomplished by:

(1) Delivery of an Assignment, duly executed by the Parties, using Weber Basin’s standard Assignment form, the approval of which shall be duly manifested by the Weber Basin’s execution of the Approval of Assignment blocks on the Assignment form certifying the approval of the Assignment by Weber Basin’s board of trustee; and

(2) The filing with UDWRi of an Assignment of Water Right/Exchange Application, duly executed by the Parties, assigning a proportionate amount of the Exchange Application representing the Block 1 Interest, and thereafter all other Subsequent Block Interests.

(c) Transaction Date. The Transaction Date for the consummation of the respective transactions contemplated in this Agreement shall be the date upon which the conveyance of the Monastery Right, the assignment of the Block 1 Interest, and the assignment of each Subsequent Block Interest, as the case may be, have been fully accomplished as provided above (the “*Transaction Date*”).

5. Costs and Expenses. The Parties shall each bear their respective costs incurred as a result of the transactions contemplated herein, together with all other costs incurred by them in the satisfaction of their respective obligations under this Agreement.

6. Snowbasin’s Representations. Snowbasin hereby makes the following representations, (it being understood and agreed by the Parties that all references herein to representations pertaining to the Monastery Right, the Assignment of the Block 1 Interest, and all future assignments of Subsequent Block Interests shall be applicable as of their respective Transaction Dates, and that such representations shall survive the consummation of each such transaction:

(a) Legal Title. Snowbasin owns and has full power, right and authority to convey title to the Monastery Right and assign the Block 1 Interest in the Original WBWCD Contract, as of the Transaction Date for such, and shall have the full power, right and authority to assign all Subsequent Block Interests as of the Transaction Date for such, and to otherwise perform all of its obligations hereunder.

(b) Litigation and Claims. Snowbasin shall not have received any notice of or otherwise be aware of any claims, actions, suits, or other proceedings, whether pending, threatened or contemplated by any governmental department or agency or corporation, partnership or other entity or person whatsoever, or to the best knowledge of Snowbasin, any facts which could constitute the basis for any claim or litigation which might prohibit, delay or interfere with the consummation of the transactions contemplated hereby or which, if adversely determined, might affect the right, title and interest which may be acquired by the District in and to the Monastery Right, the Block 1 Interest, and all Subsequent Block Interests, or the condition or the value of the same.

(c) Authority. Snowbasin has, and the person executing this Agreement on behalf of Snowbasin has and shall have as of the Transaction Date the full capacity, right, power and authority to

enter into this Agreement and to consummate the transactions contemplated herein.

(d) Binding Obligation. This Agreement binds and benefits Snowbasin and its legal representatives, successors-in-interest and permitted assigns.

(e) No Default. Snowbasin is not, and as of the Transaction Date shall not be in default in respect of any judgment, order, writ, injunction, decision, law, ordinance or regulation of any court or governmental authority or under any lease, mortgage or other agreement to which Snowbasin, or the Monastery Right, the Block 1 Interest or any Subsequent Block Interest, or any portions thereof, are or might be subject which might prohibit, delay or interfere with the consummation of the transactions contemplated hereby or affect the right, title and interest which may be acquired by the District in and to the Monastery Right, the Block 1 Interest and Subsequent Block Interests, or the condition of the same; and the execution and delivery of this Agreement and certificates, documents, instruments, and all agreements referred to herein and the performance by Snowbasin of Snowbasin's obligations hereunder or thereunder will not: (i) result in the breach or termination of or violate or constitute a default under any such lease, mortgage or other agreement, or (ii) result in the creation or imposition of any lien, charge, or encumbrance upon the Monastery Right, the Block 1 Interest, or any Subsequent Block Interest or any portion thereof, of (iii) violate any law, regulation, judgment, or order of any governmental entity.

(f) Validity of Rights and Interests. According to the best knowledge of Snowbasin: (i) the Monastery Right is not subject to abandonment or statutory forfeiture under the provisions of Utah Code Ann. §73-1-4 (2023), and is otherwise in good standing at the UDWRi; and (ii) the Original WBWCD Contract is in good standing with Weber Basin and is in full force and effect.

(g) No Claims. Snowbasin is unaware of any adverse lien, claim, security interest, encumbrance or other interest which may be adverse to Snowbasin's right, title and interest in and to the Monastery Right, or Snowbasin's rights under the Original WBWCD Contract.

(h) Continuing Nature. It is a condition precedent to the District's obligation to consummate the conveyance of the Monastery Right and the assignment of the Block 1 Interest and each Subsequent Block Interest that each of the representations of Snowbasin contained in this Agreement shall be accurate, current and complete at all times from and after the Effective Date and up to the Transaction Date. If any of them ceases to be accurate, current and complete, Snowbasin shall immediately inform the District thereof, whereupon Snowbasin may, at Snowbasin's discretion, determine whether to take such action as may be necessary to make them accurate, current and complete. Should Snowbasin fail to make them accurate, current and complete, the District may, in its discretion, terminate this Agreement. The full and timely performance of this representation and all other representations and agreements of Snowbasin hereunder, is also a condition precedent to the District's obligation consummate the transactions contemplated herein.

7. The District's Representations. The District hereby makes the following representations, and agrees that such representations shall survive the consummation of the transaction contemplated herein.

(a) Authority. The District, and the person executing this Agreement on behalf of the the District, has and shall have the full capacity, right, power and authority to enter into this Agreement and to consummate the transactions contemplated herein.

(b) Binding Obligation. This Agreement binds and benefits the District and its successors and assigns.

(c) Defaults. The District hereby represents that the execution, delivery and performance of this Agreement by the District and the consummation of the transactions contemplated herein will not result in a breach or acceleration of or constitute a default or event of termination under the provisions of any agreement or instrument to which the District is a party or bound, or constitute or result in the violation or breach by the District of any judgment, order, writ, injunction or decree issued against or imposed upon the District or result in the violation of any applicable law, ordinance, rule or regulation of any governmental authority.

(d) Continuing Nature. It is a condition precedent to Snowbasin's obligation to each transaction contemplated herein that each of the representations of the District contained in this Agreement shall be accurate, current and complete at all times from and after the date hereof and up to Transaction Date. If any of them ceases to be accurate, current and complete, the District shall immediately inform Snowbasin thereof; whereupon, the District agrees to forthwith take all action, to the best of its ability, as shall be necessary to make them accurate, current and complete. The full and timely performance of this representation and all other representations and agreements of the District hereunder, is also a condition precedent to Snowbasin's obligation to consummate the transactions contemplated herein.

8. No Other Offers. Snowbasin shall not make, consider or accept any other offers from any person or entity other than the District to purchase, lease or obtain any right or interest in the Monastery Right or the Block 1 Interest and any Subsequent Block Interests during the term of this Agreement; provided, however, that nothing in this Section 8 shall prevent Snowbasin from dealing with third parties on matters and water rights not relating to the transactions which are the subject of this Agreement. In consideration of this Agreement, the District shall diligently pursue its obligations in pursuing the approvals necessary to facilitate the transactions contemplated in this Agreement.

9. Risk of Loss. Any risk of loss to the Monastery Right, the Block 1 Interest and any Subsequent Block Interest shall be Snowbasin's until the Transaction Date for such transaction.

10. Default. In the event either Party shall be in default hereunder for any reason, then the non-defaulting Party shall deliver written notice thereof to the defaulting Party. For purposes of this Section 10, "default" shall be defined to mean that all conditions precedent to the consummation of the transactions contemplated herein as set forth herein have been satisfied and the defaulting Party refuses, for whatever reason, to consummate the transactions provided for herein. If defaulting Party does not cure such default within forty-five (45) days after receiving written notice thereof, the non-defaulting Party shall be entitled to pursue all rights or remedies afforded to it at law or in equity, which remedies may be exercised cumulatively or separately, at the sole discretion of the non-defaulting Party, including, without limitation to the right to terminate this Agreement, or bring an action to enforce the specific performance of this Agreement with respect to the Monastery Right, the Block 1 Interest and any Subsequent Block Interest.

11. Notices. Any and all notices, demands or other communication required or desired to be given hereunder shall be in writing and shall be validly given or made to the other Party if served either personally, by electronic transmission, or by deposit in the United States mail. If such notice is served personally or by electronic transmission, service shall be conclusively deemed given at the time of such personal service or electronic transmission. If such notice is served by mail, such notice shall be sent postage prepaid, by certified mail, return receipt requested, and shall be conclusively deemed given two business days after the deposit thereof in the United States mail addressed to the Party to whom such notice is given as hereinafter set forth:

To Snowbasin: Bruce Fery
 Snowbasin Resort Company
 555 South Main Street
 Salt Lake City, Utah 84050
 bfery@grandamerica.com
 (801) 258-6610

To The District: Jim Hill
 Trappers Loop Water Improvement District
 P.O. Box 460
 Huntsville, Utah, 84317
jim.hill@grandamerica.com
 (435) 640-8481

Either Party hereto 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 Party.=

12. Covenant of Further Assurances and Good Faith. Each of the Parties hereto covenant to execute and deliver any and all additional papers, documents, and other assurances, and to act in good faith in doing any and all acts and things reasonably necessary in connection with the performance of their obligations hereunder, in carrying out the intent of the Parties to Close the transaction contemplated by this Agreement.

13. Attorney's Fees. In the event any action shall be instituted by a Party to enforce any of the terms and provisions contained herein, the prevailing Party in such action shall be entitled to reasonable attorney's fees, costs and expenses incurred in enforcing this Agreement.

14. Modification or Amendments. No amendment, change or modification of this Agreement shall be valid unless in writing and signed by the Parties hereto.

15. Integration. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the matters which are the subject of this Agreement and any and all prior agreements, understandings or representations with respect thereto are hereby terminated, canceled and superseded, in their entirety, and are of no force and effect.

16. Waiver. The waiver by either Party to this Agreement of a breach of any provision of this Agreement shall not be deemed a continuing waiver or waiver of any subsequent breach whether of the same or another provision of this Agreement.

17. Applicable Law. This Agreement shall, in all respects, be governed by the laws of the State of Utah.

18. Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of this Agreement if the essential provisions of this Agreement for each Party remain valid, binding and enforceable.

19. Assignment; Assignment to Affiliated Entity. This Agreement may not be assigned by either Party hereto, by operation of law or otherwise, without the written consent of the other Party hereto.

Notwithstanding the foregoing, either Party may assign this Agreement or any of its rights or obligations under this Agreement to any Affiliate without the consent of the other Party. For purposes of this paragraph, the term "Affiliate" shall mean any person, partnership, corporation or other entity which controls, is controlled by or is under common control with the Party.

20. No Obligation to Third Parties. This Agreement is not intended to be a contract for the benefit of third parties, and, except for assignments to affiliated entities as provided in Section 19 hereof, shall not be deemed to confer any rights upon any person or entity other than the Parties to this Agreement, nor obligate the Parties to this Agreement to any person or entity other than the Parties to this Agreement.

21. Survival. The covenants, warranties, representations and indemnities contained herein shall survive the consummation of the transactions contemplated herein and shall not be deemed to be merged into any deeds, assignments or other instruments of conveyance delivered pursuant to this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

SNOWBASIN RESORT COMPANY, a
Wyoming corporation

By: _____
Bruce Fery, CEO

**TRAPPERS LOOP WATER IMPROVEMENT
DISTRICT**, a Utah Special District

By: _____
Jim Hill, Chair, Board of Trustees

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the ____ day of _____, 2024, personally appeared before me Bruce Fery, who, being duly sworn upon oath did acknowledge and say that he is the Chief Executive Officer of Snowbasin Resort Company, a Wyoming corporation, that he is duly authorized to sign the within and foregoing instrument on behalf of said corporation, and that said corporation duly executed the same.

NOTARY PUBLIC

STATE OF UTAH)

COUNTY OF SALT LAKE : ss.
)

On the ____ day of _____, 2024, personally appeared before me Jim Hill, who, being duly sworn upon oath did acknowledge and say that he is the Chair of the Board of Trustees of Trappers Loop Water Improvement District, as Utah special district, that he is duly authorized to sign the within and foregoing instrument on behalf of said district, and that said district duly executed the same.

NOTARY PUBLIC

EXHIBIT “A”

**Form of Water Right Quit Claim Deed
and Assignment of Change Application**

After recording return to:

Trappers Loop Water Improvement District
P.O. Box 460
Huntsville, Utah 84317

Above Space for Recorder's Use Only

**WATER RIGHT QUIT CLAIM DEED
AND ASSIGNMENT OF CHANGE APPLICATION**

SNOWBASIN RESORT COMPANY, a Wyoming corporation, , Grantor, whose mailing address is P.O. Box 460, Huntsville, Utah, 84317, hereby QUIT CLAIMS AND ASSIGNS to TRAPPERS LOOP WATER IMPROVEMENT DISTRICT, a Utah special district, Grantee, whose mailing address is P.O. Box 460, Huntsville, Utah, 84317, for the sum of Ten and no/100 Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, 100% of Grantor's right, title and interest in and to the following water rights on file at the Utah Division of Water Rights:

Water Right No. 35-13690, a46230 (herein, the "Monastery Right").

SUBJECT TO the provisions of Section 3(b) of that certain Agreement Providing for the Conveyance of a Certain Water Right, and the Incremental Assignment and Assumption of Interests Over Time in that Certain Weber Basin Water Conservancy District Replacement Water Contract, dated _____ (the "Agreement"), the terms of which shall survive and shall not be merged into this Water Right Quit Claim Deed and Assignment of Change Application. Section 3(b) of the Agreement provides, in pertinent part, as follows:

Possibility of Reverter. The conveyance of the Monastery Right is expressly made subject to the condition that all of the conditions set forth in Subsection 3(a) are at all times fully satisfied, and in the event any such condition is not satisfied, title to the Monastery Right shall automatically revert back to Snowbasin.

WITNESS the hand of Grantor this ____ day of _____, 2024.

**SNOWBASIN RESORT COMPANY.
a Wyoming corporation**

By: _____
Bruce Fery, CEO

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

On the ____ day of _____, 2024, personally appeared before me Bruce Fery, who, being duly sworn upon oath did acknowledge and say that he is the Chief Executive Officer Snowbasin Resort Company, a Wyoming corporation, that he is duly authorized to sign the within and foregoing instrument on behalf of said corporation, and that said corporation duly executed the same.

NOTARY PUBLIC