**IMPACT FEE AGREEMENT**

THIS POWER IMPACT FEE AGREEMENT (“Agreement”) is entered into this \_\_\_\_ day of August, 2025, by and between the City of Payson, having its principal place of business at 439 W. Utah Ave, Utah 84651 ("City"), and Payson Hospitality Group, having its principal place of business at 364 West 2230 North, Suite 202, Provo, Utah 84604 (“Developer”)

WHEREAS, the Developer desires to improve certain property known as Lot 3, Payson Suites, Plat A Subdivision in the City of Payson. Improvements will include a Marriott Hotel.

WHEREAS, as a part of the permitting process, City ordinances impose certain impact fees on developers according to service size. Fee schedules are published, with the most recent adoption dated June 30, 2025.

WHEREAS, Developer’s impact fees for this project total $166,760.64.

WHEREAS, the City has authorized the impact fees to be collected over time for certain commercial/industrial users.

NOW THEREFORE, in consideration of the above Recitals, which are hereby incorporated into the Agreement below, and in consideration of the mutual promises made herein, the receipt and sufficiency of which are hereby acknowledged, the City and Developer agree as follows:

1. Payment**.** Developer agrees to pay the commercial impact fees of $166,760.64 for the Marriott Hotel over time for a period of 3 years. The payment of $4,632.24 shall be added to Developer’s monthly utility bill for 36 months beginning the first month after construction of the project is completed, Final OC is obtained by the developer from Payson city, and Hotel is fully open for business. In the event the project is sold or the ownership changes, the balance of the impact fee shall be paid in full.
2. Other Provisions
   1. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties and supersedes any prior agreement or understanding relating to the subject matter of this Agreement.
   2. Modification. This Agreement may be modified or amended only by a duly

authorized written instrument executed by the parties hereto.

* 1. Severability. If any of the provisions of this Agreement shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the party shall be construed and enforced accordingly, to effectuate the essential intent and purposes of this Agreement.
  2. Enforcement and Waiver. The failure of either party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Agreement, shall not be construed as a waiver of the right to assert any such terms and provisions on any future occasion or of damages caused thereby.
  3. Interpretation. The validity, interpretation and effect of this Agreement shall be determined under Utah law. All actions arising directly or indirectly as a result or in consequence of this Agreement shall be instituted and litigated only in courts having situs in Utah County, Utah. Any provision found to be invalid or unenforceable shall have no effect upon the validity of any other section of this contract.
  4. Modification. This Agreement may not be amended, modified or cancelled except as provided herein or by written agreement of the Parties signed by the Party against whom enforcement is sought.
  5. Binding. The Parties understand and agree that the signing of this document shall be forever binding upon them, individually, their predecessors and successors in interest, and those holding claims deriving from theirs, and no rescission, modification, or release of them from the terms of this document will be made for any reason.
  6. Authorization. Each Party represents and warrants to each of the other Parties that the person executing this Agreement for such Party is authorized to execute this Agreement and to bind such Party to the covenants, terms and conditions of this Agreement. The signatory of each Party to this Agreement represents and warrants to the other Parties that such signatory has complete and unrestricted authority to execute this Agreement and to bind such Party to the covenants, terms and conditions of this Agreement
  7. Effective Date. The effective date of this Agreement shall be the date �first

written above regardless of the date when the Agreement is actually signed by the parties.

* 1. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but when taken together shall constitute one and the same agreement, with the same effect as if the signatures were placed on one original. A signature by a Party received by a facsimile or email from the executing Party or its counsel shall constitute an original signature to the Agreement.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to sign this Agreement as of the date �first written above.

PAYSON CITY CORPORATION

By

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

William R. Wright, Mayor

STATE OF UTAH )

: ss.

COUNTY OF UTAH )

William R. Wright, being first duly sworn, says that he is the Mayor of PAYSON CITY CORPORATION, and that he is authorized to make and has in fact signed the foregoing Agreement on behalf of PAYSON CITY CORPORATION, and that he has read and knows the contents thereof, and that the same are true to his own knowledge.

SUBSCRIBED AND SWORN to before me this day of April, 2025.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NOTARY PUBLIC

PAYSON HOSPITALITY GROUP

By

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Gary Patel, Manager

STATE OF UTAH )

: ss.

COUNTY OF UTAH )

On this\_\_\_ day of August, 2025, personally appeared before me, a notary public, Gary Patel, whose identity is personally known to or provided to me on the basis of satisfactory evidence, and who, being by me duly sworn, did say that he is the manager of the PAYSON HOSPITALITY GROUP, and that he has been authorized to execute this Agreement.

SUBSCRIBED AND SWORN to before me this day of August, 2025.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NOTARY PUBLIC