

**WATER SUPPLY AGREEMENT BETWEEN
BEAR RIVER WATER CONSERVANCY DISTRICT
AND BOTHWELL COMMUNITY CEMETERY AND WATER CORPORATION.**

This Agreement is made and entered into among the Bear River Water Conservancy District, a Utah water conservancy District (District) and BCCWC (Purchaser) (together the "Parties").

RECITALS

A. The District is organized pursuant to the Utah Water Conservancy Act, Utah Code §17B-2a-1001, et seq. and those provisions of §17B-1-101 applicable to all local districts (together the "Act") for the purpose of, among others, making water available within its boundaries and of entering into agreements with public and private water users for the sale and delivery of water.

B. Purchaser is a water provider, duly organized as a Private water Company under the laws of the State of Utah and provides water to customers within its boundaries for municipal uses.

C. Purchaser desires to purchase 40 acre-feet (af) water from District to serve Purchaser's customers.

D. District has constructed and operates the Bothwell M&I system, from which it has capacity to serve Purchaser's request. District will deliver Purchaser water from District's Bothwell M&I system.

AGREEMENT

In consideration of the payments and covenants set forth herein and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

1. Sale and Purchase of Water

- a. District agrees to sell, and Purchaser agrees to annually purchase 40 af of water from District (Purchased Water).
- b. District will deliver the Purchased Water at a maximum average daily flow rate of 150 GPM; District shall have no obligation at any time to deliver the Purchased Water at a higher flowrate. This limitation applies even if Purchaser elects to take the Purchased Water later in the year and the designated flow rate will not deliver the full Purchased Water amount.
- c. In exchange for the right to use the Purchased Water annually, Purchaser agrees to pay District's applicable wholesale rate currently \$493.32 per AF/year (Wholesale Fee), billed quarterly. The Wholesale Fee will change

to reflect the current applicable wholesale water rate as adopted by the District's Board of Directors, which, presently will increase 3% annually without Board action through December 31, 2029.

- d. Purchaser shall also pay District's applicable impact fee.
- e. In its discretion, District may utilize Purchaser's Wholesale Fee as it sees fit, including, but not limited to, paying (1) its obligations under bonds or other agreements or capital expenditures; (2) its general operation, maintenance, repair and replacement expenses, and other special expenses; and (3) costs incurred in operating the District's system and facilities.
- f. Purchaser shall pay the Wholesale Fee each year, regardless of whether Purchaser calls for the Purchased Water in any given year.
- g. The Wholesale Fee will be billed four times annually and is due thirty days (30) following the end of quarter for which Purchaser is being billed (Due Date). The fourth quarter Wholesale Fee will include any overage in Purchaser's use.

2. **District Rules and Regulations.** Purchaser shall be bound by the District's rules and regulations, as amended by District. District reserves the right to adopt different rules and regulations than on the Effective Date governing the delivery of the Purchased Water under this Agreement, including but not limited to amending its rates, fees, charges and its rules and regulations consistent with its statutory powers in the Act.

3. **Billing Structure.** The District may change the charging structure of this Agreement, including the amounts charged under this Agreement as determined by the district's board of trustees. For example, the District may change the billing structure to a tiered structure based on the amount of water used by the Purchaser. Petitioner shall install metering and measuring devices, as necessary, to ensure compliance with this Agreement and state law. Purchaser agrees to measure all water use of water delivered by District. District may use the measurements in determining the appropriate charges.

4. **Penalty for Delinquent Payment.** Any amount Purchaser is obligated to pay to District under this Agreement, which remains unpaid after its Due Date, shall bear interest from the Due Date at a rate of 12% APR until the delinquent payments and applicable interest have been paid in full.

5. **Water Quality.** District will deliver drinking water quality water to the Delivery Point.

6. **Overage.** Purchaser may not annually use more than the Purchased Water. In the event Purchaser uses water in excess of the Purchased Water in any given year, whether intentionally or unintentionally, District will bill Purchaser for the excess water at the District's current tiered Retail rate. Payment is due within 30 days of Purchaser's receipt of their fourth quarter invoice, which will include the overage charge.

7. State Engineer. Purchaser shall comply with all rules and regulations of the Utah State Engineer. Purchaser will not use the water in a way that subjects District's water rights to liability or forfeiture. Purchaser will not use District's water in any way that requires a change application to be filed with the Division of Water Rights, without District's express written consent.

8. Water Rights. Purchaser does not obtain any interest or entitlement to District's water rights, sources, or facilities.

9. Beneficial Use. Purchaser will use the Purchased Water only for beneficial uses and will not use it in any way that jeopardizes the District's water rights.

10. Water Delivery. The district shall not be liable for the failure to deliver the Purchased Water under this Agreement in the event of a water shortage of District's delivery capacity or the District's inability to deliver water caused by reduced snowpack, hostile diversion, drought, negligence of other parties, or other causes outside of the District's control and not because of District's negligence. In such events, the Wholesale Fee shall not be reduced or eliminated. During periods of such water shortage, District's obligations for municipal and domestic use shall have first priority, as District determines. These protections apply to District, its officers, agents, and employees. If the District's Board of Trustees determines it necessary, because of water supply conditions or District's water delivery capabilities beyond its control, District may reduce all wholesale water delivery to customers pro-rata to address the circumstances, as District determines.

11. Delivery Point and Purchaser Facilities. District shall deliver the Purchased Water under this Agreement to the point designated in Exhibit A (Delivery Point). Purchaser shall install the necessary metering devices in its facilities to comply with this Agreement and meter all water it receives from District. District will own, operate, maintain, and control the facilities, to deliver water to the Delivery Point, including any facility to transition water to Purchaser's system, to the meter on the line delivering water to Purchaser. The Purchaser shall construct, without any cost to the District, any facilities necessary to receive and deliver the Purchased Water from the Delivery Point to its desired place of use. Purchaser will own and operate the facilities on the Purchaser side of the meter.

12. Purchaser Water Use. The Purchaser may only use the Purchased Water to supply water to its customers within its service area. It may not lease or sublet the water.

13. Change Application. Purchaser may not file a change application on the Purchased Water without District's consent. District may require Purchaser to enter into a change application agreement.

14. Accumulation. The Purchased Water is an annual allocation. The Purchaser may not hold over or accumulate water from year to year.

15. Water Conservation. District reserves the right to require Purchaser, at Purchaser's sole expense, to prepare a water conservation plan as a condition of this

Agreement, if such a plan is required and applicable to the Purchased Water by state law or regulation, as determined by District.

16. Default.

- a. If Purchaser fails to make any payment due under this Agreement within 60 days of the Due Date, or if the Purchaser is in breach of this Agreement, the District may refuse to deliver the Purchased Water, or after written notice to Purchaser may cancel this Agreement in its entirety. These remedies are not exclusive. The District may exercise any other remedy allowed by law.
- b. If the Purchaser is in default of any provision of this Agreement and the default remains uncured for more than ninety (90) days after the date of written notice of default by the District, District may terminate this Agreement, at its sole discretion. Upon such termination, the Purchased Water will revert to the district and may be sold to other purchasers, in the District's discretion. Termination will not relieve the purchaser of its obligations to pay any past fees and accrued interest.

17. Compliance with Law. Purchaser agrees to comply with all applicable federal and state laws as well as administrative regulations in its use of the Purchased Water.

18. Third party beneficiaries. There are no third-party beneficiaries to this Agreement.

19. Reuse. Purchaser may not reuse the Purchased Water under this Agreement without the written consent of District.

20. Authority. Each party signing below represents and warrants that they are authorized to execute this Agreement for and on behalf of the party they are signing and that such party shall be bound in all respects by this Agreement.

21. Term. This Agreement shall be perpetual, so long as Purchaser is current on its required payments.

22. Notice. Notices required in this Agreement shall be sent to:

Joe Summers
Board Member
9660 west 11200 North
Bothwell, Utah, 84337

Attention General Manager
Bear River Water Conservancy District
102 W Forest St
Brigham City, UT 84302

Each Party shall update this notice information if it changes.

23. Assignment. This Agreement shall not be assigned or transferred by Purchaser without the prior written consent of the Company.

24. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and cannot be modified or amended except through a written instrument signed by each of the Parties.

25. Governing Law. This Agreement shall be enforced and governed under the laws of the State of Utah, and jurisdiction for any action based on this Agreement shall be with the District Court of Box Elder County, State of Utah.

26. Attorneys' Fees/Costs. In the event of a suit between the Parties regarding this Agreement, the prevailing party shall be entitled to its costs, including reasonable attorneys' fees, engineering fees, or other professional and expert fees.

27. Recitals and Exhibits. The Recitals are incorporated into this Agreement as if fully set forth herein.

28. Knowledge. The Parties have read this Agreement and have executed it voluntarily after having been apprised of all relevant information and risks and having had the opportunity to obtain legal counsel of their choice.

29. Drafting Party. This Agreement has been and shall be deemed to be a product of joint drafting by the parties and there shall be no presumption otherwise.

30. Modification or amendment. This Agreement may not be modified or amended except by the express written agreement of the parties.

31. No Waiver. Any party's failure to enforce any provision of the Agreement shall not constitute a waiver of the right to enforce such provision or any other provision, nor shall any such waiver constitute a continuing waiver. The provisions of this Agreement may be waived only in writing by the party intended to benefit by the provisions, and a waiver by a party of a breach hereunder by the other party shall not be construed as a waiver of any succeeding breach of the same or other provisions.

32. Severability. If any portion of the Agreement is held to be unenforceable, the remaining provisions hereof shall continue in full force and effect.

33. Cooperation and further acts. The parties shall cooperate together, and each party agrees to execute and deliver such additional documents and instruments and to perform such additional acts as any party may reasonably request or as may be reasonably necessary or appropriate to effectuate, consummate, or perform any of the terms, provisions, or conditions of this Agreement.

34. No Relationship. Nothing in this Agreement shall be construed to create any partnership, joint venture, business relationship, or fiduciary relationship between the Parties.

35. Successors in Interest. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, legatees, devisees, administrators, personal representatives, executors, successors, and permitted assigns.

36. Injunctive Relief. The parties acknowledge that if a party should default in any of its obligations under this Agreement, it may be impracticable to measure the resulting damages to the aggrieved party and it may not be possible to adequately compensate the aggrieved party by means of monetary damages. Accordingly, without prejudice to the right to seek and recover monetary damages, the aggrieved party shall be entitled to seek and obtain specific performance of this Agreement or other injunctive relief, and the parties each waive any defense that a remedy in damages would be adequate and any requirement that the aggrieved party post any bond or other security to obtain such relief.

The Parties have executed this Agreement to be effective the _____ day of _____, 2025 (Effective Date).

BEAR RIVER WATER CONSERVANCY
DISTRICT.

ATTEST

BY: _____
BOARD CHAIRMAN

BY: _____
BRWCD GENERAL MANAGER

BOTHWELL COMMUNITY
CEMETERY AND WATER
CORPORATION.

BY: _____

PRINTED NAME: _____

TITLE: _____