

FACILITIES COMPLETION AND REIMBURSEMENT AGREEMENT

This FACILITIES COMPLETION AND REIMBURSEMENT AGREEMENT (hereinafter “**Agreement**”) is entered into by and between HYRUM REAL ESTATE DEVELOPMENT, LLC, a Utah limited liability company (“**HRED**”), and the City of Hyrum, Utah (the “**City**”). HRED and the City are sometimes referred to individually as a “**Party**” and collectively as the “**Parties**”. This Agreement shall be binding and effective upon its approval by both HRED and the City Council of the City as provided by Utah law (the date this Agreement is executed by the City, after it is approved by the City Council, which shall be after the date of the signature by the authorized representative of HRED, is hereinafter referred to as the “**Effective Date**”).

RECITALS

WHEREAS, HRED and its affiliates plan to finish that certain single-family residential subdivision commonly referred to as Canyon Estates Subdivision, which, upon completion will be provided culinary water services by the City (the “**Subdivision**”);

WHEREAS, in connection with the completion of the Subdivision, the City is requiring HRED to install, at HRED’s initial cost and expense, a **10” culinary water** distribution line (the “**Extension**”) as more particularly described and depicted on Exhibit “A” attached hereto;

WHEREAS, the Extension has been up-sized to meet the culinary water needs of various parcels of real property near and adjacent to the Subdivision (collectively with the Subdivision, the “**Benefitted Area**”), which Benefitted Area is approximately **512** acres in size and more particularly described on Exhibit “B” attached hereto;

WHEREAS, it will be to the advantage of HRED to expedite the timing if the Subdivision by installing the Extension at its initial cost and expense, subject to reimbursement by the City according to the terms of this Agreement.

NOW THEREFORE, in consideration of the promises, covenants, and conditions herein contained and in further consideration of the execution of this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HRED and the City agree as follows:

AGREEMENT

1. Incorporation of Recitals. Each of the recitals set forth above are hereby incorporated into this Agreement by this reference, and are made a part hereof.

2. Description of the Extension. The Extension is comprised of a section of 10” inch PVC line which extends approximately **3,350** linear feet in a generally north-south direction, and an additional section of 10” PVC line that extends and additional **5,000** linear feet in a generally

east-west direction. The Extension shall be located within existing easements in favor of the City, as generally shown in **Exhibit A**, attached hereto and incorporated by this reference. HRED has previously secured such approvals and permits required in connection with the installation of the Extension (collectively, the “**Permits**”) and is anticipated to complete construction of the Extension on or before **11/30/2024**.

3. Allocation of Costs. Upon completion of the Extension, HRED shall submit to the City a summary of HRED’s costs to complete the Extension (the “**Extension Construction Costs**”), together with reasonable supporting documentation of the Extension Construction Costs. HRED will provide original invoices and proof of payment to the City for confirmation of all costs associated with the completion of the Extension. Upon the City’s approval of the Extension Construction Costs, which approval shall not be unreasonably withheld, conditioned or delayed, the Extension Construction Costs shall be divided by the number of acres within the Benefitted Area to determine the per-acre assessment of the Extension Construction Costs (the “**Per Acre Assessment**”). Culinary water line Extension Construction Costs = **\$488,108.95**.

4. Collection of Per Acre Assessments. In connection with any subdivision or site plan approval, conditional use permit approval, or the issuance of any building permit with respect to a lot or parcel within the Benefitted area with respect to which the City receives an application on or before twenty-five (25) years following the City’s determination of the Per Acre Assessment, the City shall assess and collect upon issuance of the applicable approval or permit from each applicable property owner the Per Acre Assessment due in connection with such owner’s property. The City shall be responsible to implement such steps as are reasonably necessary to identify and track such applications and approvals in order to collect the Per Acre Assessment due. Notwithstanding the foregoing, HRED agrees that it shall promptly notify the City of any application for subdivision or site plan approval, conditional use permit approval, or the issuance of any building permit with respect to a lot or parcel within the Benefitted Area of which HRED comes to have actual knowledge of application. Upon collection of the Per Acre Assessment from the owners of the properties within the Benefitted Area, the City shall promptly pay to HRED the collected Per Acre Assessment due in connection with the applicable property or properties within the Benefitted Area. Upon a property owner’s payment of the Per Acre Assessment due with respect to a particular parcel within the Benefitted Area, and the City’s payment of the collected Per Acre Assessment to HRED, no further amount shall be due or payable with respect to the lot or parcel with respect to which the Per Acre Assessment has been paid pursuant to the terms of this Agreement.

5. No Further Assessment of Subdivision. Given HRED’s completion of the Extension at its initial sole cost and expense, the City and HRED agree that the Per Acre Assessment for the Subdivision has been paid in full and that no further charge or fee shall be assessed or charged against any portion of the Subdivision with respect to the Extension.

3. Inspection. The City has the right to oversee and inspect any portion of the construction of the Extension. The Extension shall be completed in accordance the plans and specifications therefore prepared by **Civil Solutions Group, Inc.** Preliminary Plat dated 1/10/2019 and Construction Drawings dated 6/18/2020 (as the same may be amended with the mutual consent of HRED and the City Manager, the “**Plans and Specifications**”).

6. Time to Complete. HRED shall exercise commercially reasonable efforts to complete the Extension no later than **11/30/2024**, time being of the essence.

7. Attorney Fees and Costs. Each party hereto shall bear its/his/her own attorney fees and costs incurred in connection with the execution of this Agreement. However, if any party shall seek to enforce or protect its rights under this Agreement or under any document or instrument executed and delivered in connection therewith, in any suit, case, or other proceeding, including all bankruptcy cases and proceedings, and any appeals and/or petitions therefrom, the prevailing Party shall be entitled to receive from the other Party full payment of his, her, or its costs and expenses, including reasonable attorney fees incurred (whether such costs or fees were incurred before or after the commencement of litigation or mediation to resolve the dispute).

9. Binding Effect. This Agreement is binding upon and inures to the benefit of the Parties and their respective heirs, legatees, representatives, successors, transferees and assigns.

10. Force Majeure. No party hereto will be liable for any failure or delay in performing an obligation under this Agreement that is due to causes beyond its reasonable control, such as natural catastrophes, governmental acts or omissions, laws or regulations, labor strikes or difficulties, transportation stoppages or slowdowns or the inability to procure parts or materials. Any such delay beyond the control of the Parties shall toll the requirements of Paragraph 6 above for completion of the Extension for the duration of the force majeure.

11. Amendments and Waivers. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by each of the Parties affected thereby. No failure to exercise and no delay in exercising any right, remedy or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy or power provided herein or by law or in equity.

12. Drafting and Voluntary Execution. The drafting and negotiation of this Agreement have been participated in by all of the Parties hereto, and for all purposes this Agreement shall be deemed to have been drafted jointly by all such Parties. The Parties acknowledge that they have been represented by legal counsel of their choice in all matters connected with the negotiation and

preparation of this Agreement, or that they have had the opportunity to be represented by counsel, and that they have reviewed this Agreement with their counsel, or that they have had the opportunity to review this Agreement with their counsel, and that they fully understand the terms of this Agreement and the consequences thereof. Furthermore, the Parties hereto have been afforded the opportunity to negotiate as to all terms of this Agreement, and that they are executing this Agreement voluntarily and free of any undue influence, duress, or coercion. The Parties hereto further acknowledge that they have relied on their own judgment, belief, knowledge, and advice from their affiliates and agents, as well as any other representative or consultant, as to the extent and effect of the terms and conditions contained herein without any reliance upon any statement or representation of any other party or any officer, director, employee, agent, servant, adjustor, or attorney on acting on behalf of the other party. Moreover, the headings in this Agreement are for convenience only and shall not be interpreted to limit or affect in any way the meaning of the language contained herein.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which shall be deemed to constitute one and the same instrument.

14. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Utah without giving effect to any choice or conflict of law provisions or rules that could cause the application of the laws of any jurisdiction other than the State of Utah. Each Party hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement or for recognition and enforcement of any judgment in respect hereof brought by any other Party hereto or its successors or assigns may only be brought and determined in the courts of Cache County, in the State of Utah. Consequently, each Party hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction and venue of the aforesaid courts in said situs. Each Party hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the aforementioned courts for any reason other than the failure to lawfully serve process, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (c) to the fullest extent permitted by applicable law, that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper, or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

15. Severability. If for any reason any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions of this Agreement nevertheless shall be

construed, performed and enforced as if the invalidated or unenforceable provision had not been included in the text of the Agreement.

16. Entire Agreement. All agreements, covenants, representations and warranties, express or implied, oral or written, of the parties concerning the subject matter hereof are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to any other party concerning the subject matter hereof. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants, and warranties concerning the subject matter hereof are merged herein. This is an integrated agreement. The provisions of this Agreement are solely for the benefit of the Parties and will not be construed as benefiting any third party; provided, however, a transferee of an ERU Certificate shall be entitled to the benefits and credit against impact fees associated with such certificate.

WHEREFORE, HRED and the City voluntarily enter into this Agreement as of the date(s) set forth below.

Hyrum Real Estate Development, LLC

By: _____

City of Hyrum, Utah

By:_____

Canyon Estates Off-site Culinary Water Improvements Basis for Reimbursement Agreement

Narrative: The Developer of Canyon Estates Subdivision has agreed to construct at their expense the off-site 10" diameter culinary water distribution lines depicted in this Exhibit. Hyrum City has agreed to enter into a Reimbursement Agreement with the Developer for which the Developer will be paid the actual construction cost for the distribution lines using a weighted percentage of the total cost as each acre of land within the receiving area is developed. The areas that may potentially benefit from the construction of the proposed distribution line are depicted by zone (potential development density). The potential development density and total acreage of each zone have been used to calculate a weighted percentage of the distribution line construction cost per developed acre.

Connect to Existing Water Line.

Potential Developed Lot Calculation:
(total acreage in zone) Minus (30% for public rights-of-way and configuration losses)
Divided by (minimum allowed lot size)

Minimum 1/3 Acre Lots:
370 (Total Acres) - 111 (30%) / .333 (min. lot size) = 778 Potential Lots

Minimum 9,900 Sq.Ft. (0.227 Acre) Lots:
142 (Total Acres) - 43 (30%) / 0.227 (minimum lot size) = 436 Potential Lots

Weighted Percentage of Water Line Construction Cost attributed to Canyon Estates Subdivision:
Parcel 1:
 $26.16 \text{ Ac.} \times 0.173\% = 4.53\%$
Parcel 2:
 $38.84 \text{ Ac.} \times 0.173\% = 6.72\%$
Total Percentage = 11.25%

Connect to Existing Water Line.
(Connection to multiple water system distribution lines (Looping) is necessary to maintain fire flow requirements within the future development area. Additional looping may be required off-site and within future developments to maintain fire flow)

Weighted (by zone) Lineal Feet of Water Line Construction Cost, Per Developed Acre, Calculation:

Lineal Feet of Off-site Culinary Water Line Per Potential Developed Lot:
(total lineal feet of off-site water line) Divided by (total potential developed lots) Equals (lineal feet per potential developed lot)

$8,350 \text{ (Linear Feet)} / 1,214 \text{ (Potential Developed Lots)} = 6.878 \text{ Ft/Lot}$

Lineal Feet of Off-site Culinary Water Line Per Developed Acre:
(lineal feet per potential developed lot) Multiplied by (total potential developed lots in zone) Divided by (total zone area)

Receiving Area Minimum 1/3 Acre Lots:
 $6.878 \text{ (Ft/Lot)} \times 778 \text{ (Potential Lots)} / 370 \text{ (Total Acres)} = 14.463 \text{ Lineal Feet Per Developed Acre}$

Receiving Area Minimum 9,900 Sq.Ft. Lots:
 $6.878 \text{ (Ft/Lot)} \times 436 \text{ (Potential Lots)} / 142 \text{ (Total Acres)} = 21.119 \text{ Lineal Feet Per Developed Acre}$

Canyon Estates Parcel 2
26.16 Developed Acres
55 Lots

Canyon Estates Parcel 1
38.84 Developed Acres
84 Lots

LEGEND



Receiving Area (370 Total Acres) Minimum 1/3 Acre Lots (778 Potential Developed Lots) 0.173% of Off-site Culinary Water Line Construction Cost / Developed Acre



Receiving Area (142 Total Acres) Minimum 9,900 Sq.Ft. (0.227 Acres) Lots (436 Potential Developed Lots) 0.253% of Off-site Culinary Water Line Construction Cost / Developed Acre



Off-site 10" Diameter Culinary Water Distribution Line Serving Receiving Area (8,350 Linear Feet)

Weighted (by zone) Percentage of Water Line Construction Cost, Per Developed Acre, Calculation:
(receiving area lineal feet per developed acre) Divided by (total lineal feet of off-site water line)

Receiving Area Minimum 1/3 Acre Lots:
 $14.463 \text{ (Feet / Developed Acre)} / 8,350 \text{ (Linear Feet)} = 0.173\% \text{ Water Line Construction Cost Per Developed Acre}$

Receiving Area Minimum 9,900 Sq.Ft. Lots:
 $21.119 \text{ (Feet / Developed Acre)} / 8,350 \text{ (Linear Feet)} = 0.253\% \text{ Water Line Construction Cost Per Developed Acre}$



FACILITIES COMPLETION AND REIMBURSEMENT AGREEMENT

This FACILITIES COMPLETION AND REIMBURSEMENT AGREEMENT (hereinafter “**Agreement**”) is entered into by and between HYRUM REAL ESTATE DEVELOPMENT, LLC, a Utah limited liability company (“**HRED**”), and the City of Hyrum, Utah (the “**City**”). HRED and the City are sometimes referred to individually as a “Party” and collectively as the “Parties”. This Agreement shall be binding and effective upon its approval by both HRED and the City Council of the City as provided by Utah law (the date this Agreement is executed by the City, after it is approved by the City Council, which shall be after the date of the signature by the authorized representative of HRED, is hereinafter referred to as the “**Effective Date**”).

RECITALS

WHEREAS, HRED and its affiliates plan to finish that certain single-family residential subdivision commonly referred to as Canyon Estates Subdivision, which, upon completion will be provided sewer line services by the City (the “**Subdivision**”);

WHEREAS, in connection with the completion of the Subdivision, the City is requiring HRED to install, at HRED’s initial cost and expense, a **12” sewer** line (the “**Extension**”) as more particularly described and depicted on Exhibit “A” attached hereto;

WHEREAS, the Extension has been up-sized to meet the culinary water needs of various parcels of real property near and adjacent to the Subdivision (collectively with the Subdivision, the “**Benefitted Area**”), which Benefitted Area is approximately **574** acres in size and more particularly described on Exhibit “B” attached hereto;

WHEREAS, it will be to the advantage of HRED to expedite the timing if the Subdivision by installing the Extension at its initial cost and expense, subject to reimbursement by the City according to the terms of this Agreement.

NOW THEREFORE, in consideration of the promises, covenants, and conditions herein contained and in further consideration of the execution of this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HRED and the City agree as follows:

AGREEMENT

1. Incorporation of Recitals. Each of the recitals set forth above are hereby incorporated into this Agreement by this reference, and are made a part hereof.

2. Description of the Extension. The Extension is comprised of a section of 10” inch PVC line which extends approximately **4,727** linear feet in a generally north-south direction, and an additional section of 10” PVC line that extends and additional **3,400** linear feet in a generally

east-west direction. The Extension shall be located within existing easements in favor of the City, as generally shown in **Exhibit A**, attached hereto and incorporated by this reference. HRED has previously secured such approvals and permits required in connection with the installation of the Extension (collectively, the “**Permits**”) and is anticipated to complete construction of the Extension on or before **11/30/2024**.

3. Allocation of Costs. Upon completion of the Extension, HRED shall submit to the City a summary of HRED’s costs to complete the Extension (the “**Extension Construction Costs**”), together with reasonable supporting documentation of the Extension Construction Costs. HRED will provide original invoices and proof of payment to the City for confirmation of all costs associated with the completion of the Extension. Upon the City’s approval of the Extension Construction Costs, which approval shall not be unreasonably withheld, conditioned or delayed, the Extension Construction Costs shall be divided by the number of acres within the Benefitted Area to determine the per-acre assessment of the Extension Construction Costs (the “**Per Acre Assessment**”). Sewer line Extension Construction Costs = **\$787,408.40**.

4. Collection of Per Acre Assessments. In connection with any subdivision or site plan approval, conditional use permit approval, or the issuance of any building permit with respect to a lot or parcel within the Benefitted area with respect to which the City receives an application on or before twenty-five (25) years following the City’s determination of the Per Acre Assessment, the City shall assess and collect upon issuance of the applicable approval or permit from each applicable property owner the Per Acre Assessment due in connection with such owner’s property. The City shall be responsible to implement such steps as are reasonably necessary to identify and track such applications and approvals in order to collect the Per Acre Assessment due. Notwithstanding the foregoing, HRED agrees that it shall promptly notify the City of any application for subdivision or site plan approval, conditional use permit approval, or the issuance of any building permit with respect to a lot or parcel within the Benefitted Area of which HRED comes to have actual knowledge of application. Upon collection of the Per Acre Assessment from the owners of the properties within the Benefitted Area, the City shall promptly pay to HRED the collected Per Acre Assessment due in connection with the applicable property or properties within the Benefitted Area. Upon a property owner’s payment of the Per Acre Assessment due with respect to a particular parcel within the Benefitted Area, and the City’s payment of the collected Per Acre Assessment to HRED, no further amount shall be due or payable with respect to the lot or parcel with respect to which the Per Acre Assessment has been paid pursuant to the terms of this Agreement.

5. No Further Assessment of Subdivision. Given HRED’s completion of the Extension at its initial sole cost and expense, the City and HRED agree that the Per Acre Assessment for the Subdivision has been paid in full and that no further charge or fee shall be assessed or charged against any portion of the Subdivision with respect to the Extension.

3. Inspection. The City has the right to oversee and inspect any portion of the construction of the Extension. The Extension shall be completed in accordance the plans and specifications therefore prepared by **Civil Solutions Group, Inc.** Preliminary Plat dated 1/10/2019 and Construction Drawings dated 6/18/2020 (as the same may be amended with the mutual consent of HRED and the City Manager, the “**Plans and Specifications**”).

6. Time to Complete. HRED shall exercise commercially reasonable efforts to complete the Extension no later than **11/30/2024**, time being of the essence.

7. Attorney Fees and Costs. Each party hereto shall bear its/his/her own attorney fees and costs incurred in connection with the execution of this Agreement. However, if any party shall seek to enforce or protect its rights under this Agreement or under any document or instrument executed and delivered in connection therewith, in any suit, case, or other proceeding, including all bankruptcy cases and proceedings, and any appeals and/or petitions therefrom, the prevailing Party shall be entitled to receive from the other Party full payment of his, her, or its costs and expenses, including reasonable attorney fees incurred (whether such costs or fees were incurred before or after the commencement of litigation or mediation to resolve the dispute).

9. Binding Effect. This Agreement is binding upon and inures to the benefit of the Parties and their respective heirs, legatees, representatives, successors, transferees and assigns.

10. Force Majeure. No party hereto will be liable for any failure or delay in performing an obligation under this Agreement that is due to causes beyond its reasonable control, such as natural catastrophes, governmental acts or omissions, laws or regulations, labor strikes or difficulties, transportation stoppages or slowdowns or the inability to procure parts or materials. Any such delay beyond the control of the Parties shall toll the requirements of Paragraph 6 above for completion of the Extension for the duration of the force majeure.

11. Amendments and Waivers. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by each of the Parties affected thereby. No failure to exercise and no delay in exercising any right, remedy or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy or power provided herein or by law or in equity.

12. Drafting and Voluntary Execution. The drafting and negotiation of this Agreement have been participated in by all of the Parties hereto, and for all purposes this Agreement shall be deemed to have been drafted jointly by all such Parties. The Parties acknowledge that they have been represented by legal counsel of their choice in all matters connected with the negotiation and

preparation of this Agreement, or that they have had the opportunity to be represented by counsel, and that they have reviewed this Agreement with their counsel, or that they have had the opportunity to review this Agreement with their counsel, and that they fully understand the terms of this Agreement and the consequences thereof. Furthermore, the Parties hereto have been afforded the opportunity to negotiate as to all terms of this Agreement, and that they are executing this Agreement voluntarily and free of any undue influence, duress, or coercion. The Parties hereto further acknowledge that they have relied on their own judgment, belief, knowledge, and advice from their affiliates and agents, as well as any other representative or consultant, as to the extent and effect of the terms and conditions contained herein without any reliance upon any statement or representation of any other party or any officer, director, employee, agent, servant, adjustor, or attorney on acting on behalf of the other party. Moreover, the headings in this Agreement are for convenience only and shall not be interpreted to limit or affect in any way the meaning of the language contained herein.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which shall be deemed to constitute one and the same instrument.

14. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Utah without giving effect to any choice or conflict of law provisions or rules that could cause the application of the laws of any jurisdiction other than the State of Utah. Each Party hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement or for recognition and enforcement of any judgment in respect hereof brought by any other Party hereto or its successors or assigns may only be brought and determined in the courts of Cache County, in the State of Utah. Consequently, each Party hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction and venue of the aforesaid courts in said situs. Each Party hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the aforementioned courts for any reason other than the failure to lawfully serve process, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (c) to the fullest extent permitted by applicable law, that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper, or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

15. Severability. If for any reason any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions of this Agreement nevertheless shall be

construed, performed and enforced as if the invalidated or unenforceable provision had not been included in the text of the Agreement.

16. Entire Agreement. All agreements, covenants, representations and warranties, express or implied, oral or written, of the parties concerning the subject matter hereof are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to any other party concerning the subject matter hereof. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants, and warranties concerning the subject matter hereof are merged herein. This is an integrated agreement. The provisions of this Agreement are solely for the benefit of the Parties and will not be construed as benefiting any third party; provided, however, a transferee of an ERU Certificate shall be entitled to the benefits and credit against impact fees associated with such certificate.

WHEREFORE, HRED and the City voluntarily enter into this Agreement as of the date(s) set forth below.

Hyrum Real Estate Development, LLC

By: _____

City of Hyrum, Utah

By:_____

Canyon Estates Off-site Sanitary Sewer Improvements
Basis for Reimbursement Agreement

Narrative: The Developer of Canyon Estates Subdivision has agreed to construct at their expense the off-site sanitary sewer trunk line depicted in this Exhibit. Hyrum City has agreed to enter into a Reimbursement Agreement with the Developer for which the Developer will be paid the actual construction cost for the trunk line using a weighted percentage of the total cost as each acre of land within the receiving area is developed. The areas that may potentially benefit from the construction of the proposed trunk line are depicted by zone (potential development density). The potential development density and total acreage of each zone have been used to calculate a weighted percentage of the trunk line construction cost per developed acre.

Connect to Existing Sanitary Sewer Trunk Line.

Potential Developed Lot Calculation:
(total acreage in zone) Minus (30% for public rights-of-way and configuration losses)
Divided by (minimum allowed lot size)

Minimum 1/3 Acre Lots:
370 (Total Acres) - 111 (30%) / .333 (min. lot size) = 778 Potential Lots

Minimum 9,900 Sq.Ft. (0.227 Acre) Lots:
204 (Total Acres) - 61 (30%) / 0.227 (minimum lot size) = 630 Potential Lots

Weighted Percentage of Sewer Line Construction Cost attributed to Canyon Estates Subdivision:
Parcel 1:
26.16 Ac. X 0.149% = 3.90%
Parcel 2:
38.84 Ac. X 0.149% = 5.79%
Total Percentage = 9.69%

Weighted (by zone) Lineal Feet of Sewer Trunk Line Construction Cost, Per Developed Acre, Calculation:
Lineal Feet of Off-site Sewer Trunk Line Per Potential Developed Lot:
(total lineal feet of off-site sewer line) Divided by (total potential developed lots) Equals (lineal feet per potential developed lot)

8,127 (Linear Feet) / 1,408 (Potential Developed Lots) = 5.772 Ft/Lot

Lineal Feet of Off-site Sewer Trunk Line Per Developed Acre:
(lineal feet per potential developed lot) Multiplied by (total potential developed lots in zone) Divided by (total zone area)

Receiving Area Minimum 1/3 Acre Lots:
5.772 (Ft/Lot) X 778 (Potential Lots) / 370 (Total Acres) = 12.137 Lineal Feet Per Developed Acre

Receiving Area Minimum 9,900 Sq.Ft. Lots:
5.772 (Ft/Lot) X 630 (Potential Lots) / 204 (Total Acres) = 17.825 Lineal Feet Per Developed Acre

Canyon Estates Parcel 2
26.16 Developed Acres
55 Lots

Canyon Estates Parcel 1
38.84 Developed Acres
84 Lots

LEGEND

-  Receiving Area (370 Total Acres) Minimum 1/3 Acre Lots (778 Potential Developed Lots) 0.149% of Off-site Sanitary Sewer Trunk Line Construction Cost / Developed Acre
-  Receiving Area (204 Total Acres) Minimum 9,900 Sq.Ft. (0.227 Acres) Lots (630 Potential Developed Lots) 0.219% of Off-site Sanitary Sewer Trunk Line Construction Cost / Developed Acre
-  Off-site Sanitary Sewer Trunk Line Serving Receiving Area (8,127 Linear Feet)

Weighted (by zone) Percentage of Sewer Trunk Line Construction Cost, Per Developed Acre, Calculation:
(receiving area lineal feet per developed acre) Divided by (total lineal feet of off-site sewer line)

Receiving Area Minimum 1/3 Acre Lots:
12.137 (Feet / Developed Acre) / 8,127 (Linear Feet) = 0.149% Sewer Line Construction Cost Per Developed Acre

Receiving Area Minimum 9,900 Sq.Ft. Lots:
17.825 (Feet / Developed Acre) / 8,127 (Linear Feet) = 0.219% Sewer Line Construction Cost Per Developed Acre



FACILITIES COMPLETION AND REIMBURSEMENT AGREEMENT

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RECITALS

WHEREAS, HRED and its affiliates plan to finish that certain single-family residential subdivision commonly referred to as Canyon Estates Subdivision, which, upon completion will be provided irrigation water services by the City (the “**Subdivision**”);

WHEREAS, in connection with the completion of the Subdivision, the City is requiring HRED to install, at HRED’s initial cost and expense, a **10” irrigation water** distribution line (the “**Extension**”) as more particularly described and depicted on Exhibit “A” attached hereto;

WHEREAS, the Extension has been up-sized to meet the culinary water needs of various parcels of real property near and adjacent to the Subdivision (collectively with the Subdivision, the “**Benefitted Area**”), which Benefitted Area is approximately **355** acres in size and more particularly described on Exhibit “B” attached hereto;

WHEREAS, it will be to the advantage of HRED to expedite the timing if the Subdivision by installing the Extension at its initial cost and expense, subject to reimbursement by the City according to the terms of this Agreement.

NOW THEREFORE, in consideration of the promises, covenants, and conditions herein contained and in further consideration of the execution of this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, HRED and the City agree as follows:

AGREEMENT

1. Incorporation of Recitals. Each of the recitals set forth above are hereby incorporated into this Agreement by this reference, and are made a part hereof.

2. Description of the Extension. The Extension is comprised of a section of 10” inch PVC line which extends approximately **2,660** linear feet in a generally north-south direction, and an additional section of 10” PVC line that extends and additional **3,400** linear feet in a generally

east-west direction. The Extension shall be located within existing easements in favor of the City, as generally shown in **Exhibit A**, attached hereto and incorporated by this reference. HRED has previously secured such approvals and permits required in connection with the installation of the Extension (collectively, the “**Permits**”) and is anticipated to complete construction of the Extension on or before **11/30/2024**.

3. Allocation of Costs. Upon completion of the Extension, HRED shall submit to the City a summary of HRED’s costs to complete the Extension (the “**Extension Construction Costs**”), together with reasonable supporting documentation of the Extension Construction Costs. HRED will provide original invoices and proof of payment to the City for confirmation of all costs associated with the completion of the Extension. Upon the City’s approval of the Extension Construction Costs, which approval shall not be unreasonably withheld, conditioned or delayed, the Extension Construction Costs shall be divided by the number of acres within the Benefitted Area to determine the per-acre assessment of the Extension Construction Costs (the “**Per Acre Assessment**”). Irrigation water line Extension Construction Costs = **\$353,388.35**.

4. Collection of Per Acre Assessments. In connection with any subdivision or site plan approval, conditional use permit approval, or the issuance of any building permit with respect to a lot or parcel within the Benefitted area with respect to which the City receives an application on or before twenty-five (25) years following the City’s determination of the Per Acre Assessment, the City shall assess and collect upon issuance of the applicable approval or permit from each applicable property owner the Per Acre Assessment due in connection with such owner’s property. The City shall be responsible to implement such steps as are reasonably necessary to identify and track such applications and approvals in order to collect the Per Acre Assessment due. Notwithstanding the foregoing, HRED agrees that it shall promptly notify the City of any application for subdivision or site plan approval, conditional use permit approval, or the issuance of any building permit with respect to a lot or parcel within the Benefitted Area of which HRED comes to have actual knowledge of application. Upon collection of the Per Acre Assessment from the owners of the properties within the Benefitted Area, the City shall promptly pay to HRED the collected Per Acre Assessment due in connection with the applicable property or properties within the Benefitted Area. Upon a property owner’s payment of the Per Acre Assessment due with respect to a particular parcel within the Benefitted Area, and the City’s payment of the collected Per Acre Assessment to HRED, no further amount shall be due or payable with respect to the lot or parcel with respect to which the Per Acre Assessment has been paid pursuant to the terms of this Agreement.

5. No Further Assessment of Subdivision. Given HRED’s completion of the Extension at its initial sole cost and expense, the City and HRED agree that the Per Acre Assessment for the Subdivision has been paid in full and that no further charge or fee shall be assessed or charged against any portion of the Subdivision with respect to the Extension.

3. Inspection. The City has the right to oversee and inspect any portion of the construction of the Extension. The Extension shall be completed in accordance the plans and specifications therefore prepared by **Civil Solutions Group, Inc.** Preliminary Plat dated 1/10/2019 and Construction Drawings date 6/18/2020 (as the same may be amended with the mutual consent of HRED and the City Manager, the “**Plans and Specifications**”).

6. Time to Complete. HRED shall exercise commercially reasonable efforts to complete the Extension no later than **11/30/2024**, time being of the essence.

7. Attorney Fees and Costs. Each party hereto shall bear its/his/her own attorney fees and costs incurred in connection with the execution of this Agreement. However, if any party shall seek to enforce or protect its rights under this Agreement or under any document or instrument executed and delivered in connection therewith, in any suit, case, or other proceeding, including all bankruptcy cases and proceedings, and any appeals and/or petitions therefrom, the prevailing Party shall be entitled to receive from the other Party full payment of his, her, or its costs and expenses, including reasonable attorney fees incurred (whether such costs or fees were incurred before or after the commencement of litigation or mediation to resolve the dispute).

9. Binding Effect. This Agreement is binding upon and inures to the benefit of the Parties and their respective heirs, legatees, representatives, successors, transferees and assigns.

10. Force Majeure. No party hereto will be liable for any failure or delay in performing an obligation under this Agreement that is due to causes beyond its reasonable control, such as natural catastrophes, governmental acts or omissions, laws or regulations, labor strikes or difficulties, transportation stoppages or slowdowns or the inability to procure parts or materials. Any such delay beyond the control of the Parties shall toll the requirements of Paragraph 6 above for completion of the Extension for the duration of the force majeure.

11. Amendments and Waivers. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by each of the Parties affected thereby. No failure to exercise and no delay in exercising any right, remedy or power under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy or power under this Agreement preclude any other or further exercise thereof, or the exercise of any other right, remedy or power provided herein or by law or in equity.

12. Drafting and Voluntary Execution. The drafting and negotiation of this Agreement have been participated in by all of the Parties hereto, and for all purposes this Agreement shall be deemed to have been drafted jointly by all such Parties. The Parties acknowledge that they have been represented by legal counsel of their choice in all matters connected with the negotiation and

preparation of this Agreement, or that they have had the opportunity to be represented by counsel, and that they have reviewed this Agreement with their counsel, or that they have had the opportunity to review this Agreement with their counsel, and that they fully understand the terms of this Agreement and the consequences thereof. Furthermore, the Parties hereto have been afforded the opportunity to negotiate as to all terms of this Agreement, and that they are executing this Agreement voluntarily and free of any undue influence, duress, or coercion. The Parties hereto further acknowledge that they have relied on their own judgment, belief, knowledge, and advice from their affiliates and agents, as well as any other representative or consultant, as to the extent and effect of the terms and conditions contained herein without any reliance upon any statement or representation of any other party or any officer, director, employee, agent, servant, adjustor, or attorney on acting on behalf of the other party. Moreover, the headings in this Agreement are for convenience only and shall not be interpreted to limit or affect in any way the meaning of the language contained herein.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which shall be deemed to constitute one and the same instrument.

14. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Utah without giving effect to any choice or conflict of law provisions or rules that could cause the application of the laws of any jurisdiction other than the State of Utah. Each Party hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement or for recognition and enforcement of any judgment in respect hereof brought by any other Party hereto or its successors or assigns may only be brought and determined in the courts of Cache County, in the State of Utah. Consequently, each Party hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction and venue of the aforesaid courts in said situs. Each Party hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (a) any claim that it is not personally subject to the jurisdiction of the aforementioned courts for any reason other than the failure to lawfully serve process, (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (c) to the fullest extent permitted by applicable law, that (i) the suit, action or proceeding in any such court is brought in an inconvenient forum, (ii) the venue of such suit, action or proceeding is improper, or (iii) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

15. Severability. If for any reason any provision of this Agreement is determined to be invalid or unenforceable, the remaining provisions of this Agreement nevertheless shall be

construed, performed and enforced as if the invalidated or unenforceable provision had not been included in the text of the Agreement.

16. Entire Agreement. All agreements, covenants, representations and warranties, express or implied, oral or written, of the parties concerning the subject matter hereof are contained herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to any other party concerning the subject matter hereof. All prior and contemporaneous conversations, negotiations, possible and alleged agreements, representations, covenants, and warranties concerning the subject matter hereof are merged herein. This is an integrated agreement. The provisions of this Agreement are solely for the benefit of the Parties and will not be construed as benefiting any third party; provided, however, a transferee of an ERU Certificate shall be entitled to the benefits and credit against impact fees associated with such certificate.

WHEREFORE, HRED and the City voluntarily enter into this Agreement as of the date(s) set forth below.

Hyrum Real Estate Development, LLC

By: _____

City of Hyrum, Utah

By:_____

Canyon Estates Off-site Pressure Irrigation Improvements Basis for Reimbursement Agreement

Narrative: The Developer of Canyon Estates Subdivision has agreed to construct at their expense the off-site pressure irrigation lines depicted in this Exhibit. Hyrum City has agreed to enter into a Reimbursement Agreement with the Developer for which the Developer will be paid the actual construction cost for the irrigation lines using a percentage of the total cost as each acre of land within the receiving area is developed. The areas that may potentially benefit from the construction of the proposed irrigation lines are also depicted. The potential development density and total acreage have been used to calculate a percentage of the irrigation line construction cost per developed acre.

Weighted Percentage of Irrigation Line Construction Cost attributed to Canyon Estates Subdivision:
Parcel 1:
 $26.16 \text{ Ac.} \times 0.282\% = 7.38\%$
Parcel 2:
 $38.84 \text{ Ac.} \times 0.282\% = 10.95\%$
Total Percentage = 18.33%

Connect to the Existing Irrigation Line.

Potential Developed Lot Calculation:
(total acreage in zone) Minus (30% for public rights-of-way and configuration losses)
Divided by (minimum allowed lot size)

Minimum 1/3 Acre Lots:
 $355 \text{ (Total Acres)} - 107 \text{ (30\%)} / .333 \text{ (min. lot size)} = 745 \text{ Potential Lots}$

Lineal Feet of Irrigation Line Construction Cost, Per Developed Acre, Calculation:
Lineal Feet of Off-site Pressure Irrigation Line Per Potential Developed Lot:
(total lineal feet of off-site irrigation line)
Divided by (total potential developed lots)
Equals (lineal feet per potential developed lot)

 $6,060 \text{ (Linear Feet)} / 745 \text{ (Potential Developed Lots)} = 8.134 \text{ Ft/Lot}$

Lineal Feet of Off-site Pressure Irrigation Line Per Developed Acre:
(lineal feet per potential developed lot)
Multiplied by (total potential developed lots in zone)
Divided by (total zone area)

Receiving Area Minimum 1/3 Acre Lots:
 $8.134 \text{ (Ft/Lot)} \times 745 \text{ (Potential Lots)} / 355 \text{ (Total Acres)} = 17.070 \text{ Lineal Feet Per Developed Acre}$

Canyon Estates Parcel 2
26.16 Developed Acres
55 Lots

Canyon Estates Parcel 1
38.84 Developed Acres
84 Lots

LEGEND
 Receiving Area (355 Total Acres) Minimum 1/3 Acre Lots (745 Potential Developed Lots) 0.282% of Off-site Pressure Irrigation Line Construction Cost / Developed Acre
 Off-site 10" Diameter Pressure Irrigation Line Serving Receiving Area (6,060 Linear Feet)

Percentage of Irrigation Line Construction Cost, Per Developed Acre, Calculation:
(receiving area lineal feet per developed acre) Divided by (total lineal feet of off-site irrigation line)

Receiving Area Minimum 1/3 Acre Lots:
 $17.070 \text{ (Feet / Developed Acre)} / 6,060 \text{ (Linear Feet)} = 0.282\%$
Irrigation Line Construction Cost Per Developed Acre





CENTER POINT CONSTRUCTION
289 East 400 North Morgan Utah 84050

REIMBURSABLE COSTS - UTILITIES

P.M.:		
DIVISION:	33 UTILITIES	Canyon Estates

REIMBURSABLE UTILITIES - OFF SITE:	Amount	Comments
SR-165		
Sewer:		
Connect To Existing Sewer Manhole	\$4,800.00	
Directional Bore Road Crossing -	\$7,200.00	
Road Patch @ Sewer Main Crossing	\$7,770.85	
12" Sewer -	\$212,715.00	
60" Manhole -	\$66,629.04	
Collar Manhole -	\$4,900.00	
Clean & Camera Sewer	\$6,137.62	
Import Structural Fill Along State ROW	\$81,980.52	
Export Material Along State ROW	\$30,157.50	
Culinary Water:		
Connect To Existing Water Service	\$3,600.00	
Directional Bore Road Crossing -	\$19,096.00	
10" C900 Blue -	\$97,351.00	
Fire Hydrants -	\$10,849.92	
Air-Vac Manhole	\$3,853.00	
Pressure Testing & Flushing	\$3,500.00	
Irrigation:		
Connect To Existing Irrigation	\$1,250.00	
10" C900 Purple -	\$73,150.00	
Directional Bore Road Crossing	\$9,548.00	
Pressure Testing	\$1,000.00	
Valves & Fittings	Included	
Misc:		
Mobilization	\$2,500.00	
SWPP	Included	
Dewatering	\$12,828.00	
Traffic Control	\$17,700.00	
Restore Fencing -	\$10,465.00	
Restore Road Crossings & Driveways	\$14,915.00	
12" ADS Solid Watertight	\$1,460.00	
Sub-Total SR-165:	\$705,356.45	
6600 South (West of SR-165)		
Sewer:		
10" SDR35 Green Sewer -	\$49,518.00	
60" Manhole -	\$24,914.52	
Lift Station Pumps & Assemblies (Elec NOT Inc)	Not Included	
Sewer Lift Station Vaults Placed	Not Included	
Culinary Water:		
10" C900 Blue -	\$86,598.80	
Fire Hydrants -	\$16,274.88	
Valves & Fittings	Included	
Irrigation		
10" DR14 C900 Purple	\$35,255.00	
Valves & Fittings	Included	
Misc		
Asphalt - Patch	\$70,949.50	
Asphalt - Slurry Seal	\$6,720.00	
Remove Asphalt From 6600	\$6,892.50	
Cut 6600 To Subgrade	\$1,500.00	
Roadbase For 6600	\$37,726.06	
Sub-Total 6600 South West:	\$336,349.26	
6600 South (East of SR-165)		Estimate +15% For Inflation
Sewer:	\$126,500.00	
Culinary Water:	\$82,800.00	
Irrigation	\$69,000.00	
Misc	\$209,300.00	
Sub-Total 6600 South East:	\$487,600.00	
Other Costs		
Engineering - Civil Solutions	\$16,900.00	
Project Management - Center Point Construction	\$75,000.00	
Encroachment Bond - UDOT	\$625.00	
Laterals For Easements	\$3,309.00	
Permits	\$2,500.00	
Attorney Fees - Parr Brown Gee & Loveless	\$1,026.00	
Title Company Fees - Northern Title	\$240.00	
Sub-Total Other Costs:	\$99,600.00	
TOTAL:	\$1,628,905.71	

Project:	Canyon Estates
	6600 South SR-165
	Hyrum, Utah 84319