

June 12, 2023

DEVELOPER'S WATER SERVICE AGREEMENT WITH COALVILLE CITY

Beacon Hill Park, Phase 1
Project Name ("Project")

North Summit Recreation Special Service District ("Developer") and Coalville City ("**City**"), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, mutually agree as follows with respect to the Developer's payment of a fee-in-lieu in order to accomplish the City's reservation and commitment of water rights necessary to service new development proposed by the Developer in accordance with the City's duly adopted Ordinances, Resolutions and Policies:

1. The Developer hereby agrees, at the discretion of the City, to: (a) deed, convey, and assign to the City, by special warranty deed (warranting titles as to all who claim by or through the Developer) as to all perfected water right interests (e.g., certificated or decreed rights) and/or by assignment as to all unperfected water right interests (e.g., pending applications); (b) pay to the City a fee-in-lieu as provided herein; or (c) endorse over and deliver to the City shares of stock in good standing in an approved water company or companies, all of the Developer's rights, title and interests in and to the water shares defined herein.

Developer shall pay the City a fee-in-lieu for the 0.5 acre-feet of secondary water which City has determined is necessary and sufficient to service the new development for which Developer has been conditionally approved by City to construct, which fee can be satisfied with \$6,250 payment of fee-in-lieu Water Company shares, other shares of irrigation water, current culinary connections, payment of a "fee in lieu" of \$12,500.00 per acre-foot of water, or in the case of the transfer of water shares a \$2,000 water right conversion fee for each residential connection or equivalent commercial connection, and/or a combination of share transfers and payment of "fee in lieu". The Developer proposes that this water be approved for:

[] Culinary Water year-round municipal use in the City's system.

[X] Secondary Water seasonal municipal (irrigation) use in the City's system; or

[] other (specify) _____,
and the City accepts said proposal, subject to Developer obtaining the necessary approvals. The City, however, reserves the right to change or add types of use, points of diversion, etc., as it deems appropriate, on any change application and will credit Developer with an equitable adjustment concerning the amount of water dedicated

should such changes negatively impact the quantity of water ultimately approved in a change application.

2. The Developer shall be solely responsible for: (a) conveying good and marketable title, approved by the City, to all dedicated water rights; (b) purchasing water right/share title insurance naming the City as the insured with a policy of insurance approved by the City for all dedicated water rights and shares; (c) filing with the Utah Division of Water Right the applications necessary to change the water right(s) so that they are approved for use by the City in its water system(s); (d) paying all associated fees and costs; (e) prosecuting the application(s) to completion; and, if applicable, (f) obtaining the cooperation and approval of the transfer and water right change from the appropriate water company(ies) if shares of stock are being dedicated. Provisions (a), (b), (c), and (f) of this Paragraph are not applicable to Developer's satisfaction of City's requirement for water rights for this Project where Developer is approved to satisfy said requirement through payment of the fee-in-lieu mentioned in Paragraph 1.
3. All applications shall be submitted to the City for review and approval prior to filing. The City shall cooperate with the Developer in filing and prosecuting any such applications. At the City's sole discretion, it may choose to prepare and prosecute any change application(s) prepared and filed.
4. Upon final non-appealable approval of the necessary change application(s), if any, by the State Engineer and the completion of the conveyance(s) set forth in Paragraph 1 above, including payment of the fee-in-lieu, the Developer shall be deemed to have satisfied the City's water dedication requirements: (a) for culinary water at the rate of one residential equivalent ("RE") for each 0.5 acre-feet of water (in minimum terms for both diversion and depletion) approved for year-round municipal use in the City's culinary system within the City's boundaries; and/or (b) for secondary water at the rate of one residential equivalent ("RE") for each 0.5 acre-feet of water for seasonal irrigation use in the City's secondary water system in the proposed development.
5. If the amount of water approved for use by the City is insufficient to meet the water dedication requirements for Developer's proposed development, Developer shall take appropriate steps to satisfy the remaining water dedication requirements. If the approved quantity exceeds the dedication requirements, the Developer may use the excess amounts on other projects, or the City will make those excess amounts available for purchase by other developers at the City's then standard price and will pass the proceeds on to the Developer.
6. Except where City has agreed to accept a fee-in-lieu, the necessary water right application approvals must be obtained, and the ownership transfer must be completed prior to or contemporaneous with the sale of Lots in the Subdivision or Project Development. No water shall be delivered to the development until the transfer of the required amount of water is complete.
7. If the City adopts impact fees which contain a component for the acquisition of new

