

Nordic Mountain Water Inc.

Pine Canyon Lodge Inc.
54-Unit Pine Canyon Condominium Complex
Liberty, Utah 84310

Ref: Reservation Service Agreement

Nordic Mountain Water Inc. (NMWI) agrees to provide water for to the 54-unit Pine Canyon Lodge Inc. Condominium Complex under the following Terms and Conditions:

- (1) A 10% Non-refundable deposit is required on the total number of connections reserved multiplied by the current Infrastructure Fee per unit rounded up to nearest full unit. (i.e. 54-units X 10% = 5.4 rounded up to 6 units)
 - a. Reservation of Service is guaranteed for one year at the Infrastructure Fee rate in affect on the date this Reservation Service Agreement is signed by both NMWI and its representatives.
 - b. Options after one year are:
 - i. Pay outstanding balance of total Infrastructure Fees outlined in paragraph c.
 1. A monthly Stand-by fee is in affect thereafter until physical water connection is made. Currently, the standby fee is \$20/condo per month and is subject to change.
 - ii. Forfeit Reservation, deposit is non-refundable, Service Agreement is nullified.
 - iii. Renegotiate this Reservation Service Agreement at the discretion of NMWI. Previous deposits will continue to be credited to balance due while this service agreement is valid.
 - c. Details
 - i. Total Connections 54 condominiums
 - ii. Total Infrastructure Fee is \$405,000 based on 54 units X \$7,500 per unit
 - iii. Initial required non-refundable deposit is \$45,000 based on 6 units @ \$7,500 each
 - iv. Final payment of \$360,000 due 1 year from date this agreement is signed by both parties and the full deposit is paid.
 - v. Monthly charge per condominium (at completion):
 1. \$51.25 based on \$37+\$14.25 for up to 7,500 gals/month.
 2. Overages will be charged incrementally per 1000 gallons for usage exceeding 7,500 gallons – TBD.
 3. Monthly rate guaranteed for 1 year from date this agreement is signed.
 - d. Restrictions
 - i. Any Home Owners Association (HOA) organized by Pine Canyon Condominium Complex or Pine Canyon after this agreement is in place cannot include any culinary water provided by NMWI.
 - ii. No extensions to the water system developed for the Pine Canyon Condominium Complex that includes water provided by NMWI will be allowed beyond the initial 54-condominium units.
 - iii. Pine Canyon cannot resale, manage, restrict, or charge any additional fees for water provided by NMWI under any circumstance.



iv. The 5-unit Pine Canyon Condominium Complex is considered to have one voting membership in NMWI.

- (2) Developer pays all costs including required modifications to existing NMWI infrastructure necessary to provide NMWI water to this condominium complex. In addition, the resulting water line extension design and all associated construction is subject to the following:
- a. Must meet all State, County, and County Fire District Specifications and requirements
 - b. Must meet Water System Specifications as identified by NMWI
 - c. All waterline construction must be inspected and approved by NMWI or its identified Agent during all water system construction and/or modification.
 - d. NMWI will take possession of the modified portion of the system at the time of completion.
 - i. Developer will provide a warranty bond to cover costs of the modification during construction and for 1 year following completion of modifications or from date NMWI takes possession, whichever date is later.
- (3) NMWI uses a gravity-flow distribution system. Since an engineering study has not been completed for the proposed Pine Canyon Condominium complex, NMWI cannot guarantee adequate water pressure.
- (4) This agreement is a good faith effort by NMWI and contains terms and conditions as set forth by the NMWI board of directors, however, it may be subject to change pending review by NMWI legal counsel.

If these conditions are acceptable, please submit the appropriate deposit and sign this agreement. We also require purchase of one Membership (see item d paragraph iv) in NMWI at the current rate of \$300 at the time the Infrastructure Fees are paid. If you have any questions, please feel free to contact Bill Green at (801) 791-3976 anytime or through our NMWI office.

Sincerely,

Bill D. Green
President
Nordic Mountain Water

Agreement of *Addendum of October 9, 2014*:  Date: 10-16-14
Pine Canyon Representative: Josh Richards

Agreement of *Addendum of October 9, 2014*:  Date: 10/16/2014
Nordic Mountain Water, Inc. Representative: Bill D. Green

Addendum of October 9, 2014:

It is agreed that upon signature of *Agreement of Terms* above by both parties, this agreement is valid subject to NMWI receiving \$45,000 deposit on or before Oct. 21, 2014. If said deposit is not received by Oct. 21, 2014 this agreement shall become null and void.

Agreement of *Addendum of October 9, 2014*:  Date: 10-16-14
Pine Canyon Representative: Josh Richards

Agreement of *Addendum of October 9, 2014*:  Date: 10/16/2014
Nordic Mountain Water, Inc. Representative: Bill D. Green