

Nordic Mountain Water Inc.

Mr. Shane Dunleavy
Osprey Ranch LLC
65 10-acre Single Family Home Sites
Liberty, Utah

Ref: Reservation of Service Agreement

May 10, 2021

Nordic Mountain Water Inc. (NMWI) agrees to provide culinary water service to the Osprey Ranch Subdivision, a subdivision containing 65 Single Family Home Sites hereafter referred to as lots, under the following Terms and Conditions:

1. A 10% non-refundable deposit is required on the total number of metered connections rounded to the next whole lot multiplied by the Infrastructure Fee currently in effect.
 - a. Reservation of Service remains valid for one year from date this service agreement is signed by legal representatives of both parties and the full deposit has been made as outlined in this document.
 - b. Outstanding balance is due within one year from date this document is signed or when project is completed – whichever date is earliest.
 - i. Each lot will be assessed our normal monthly fee at time subdivision is completed.
 - ii. Each lot will be assessed a one-time membership fee as required at time subdivision is completed.
2. Options after one year if subdivision is not completed:
 - a. Pay Outstanding balance – each lot will be assessed our normal monthly fee and one-time membership fee.
 - b. Service Agreement is nullified, deposit is forfeited.
 - c. Renew this Reservation of Service Agreement for an additional year at the discretion of NMWI as outlined in paragraph 1 above and at fee rates in effect at time of renewal.
3. Details
 - a. Our current fee rates are:
 - i. Infrastructure fee: \$7,500/lot.
 - ii. One-time membership fee: \$300/lot.
 - iii. Monthly fee for water: \$75/lot for 20,000 gal. Cost increases per 1000 gals above the monthly allotment of 20,000 gal.
 - b. 65 lots at one (1) residential ¾" Connection per lot.
 - c. Total Infrastructure fee is 65 lots X \$7,500/lot = \$487,500.
 - d. Non-refundable deposit due at signing of this document is \$52,500 based on 65 lots X 10% rounded to whole lot multiplied by infrastructure fee/lot.
 - e. Deposit(s) are credited towards the original balance identified in 3c.
 - f. Final payment of original balance (3c) less deposit(s) is due not later than one year from date this agreement is signed or upon completion of subdivision – whichever date is earliest.
 - g. Monthly water fee charge per lot at completion:
 - i. Each lot will be assessed a monthly fee and water allocation in effect at date of completion (3a.iii).
 - ii. Each lot will be assessed a one-time membership fee, at the current rate in effect at date of completion as required by NMWI for water service (3a.ii)

4. General Restrictions:

- a. No Home Owner's Association (HOA) organized by Osprey Ranch Subdivision or its residents can include any culinary water provided by NMWI.
- b. No extensions to the water system developed for the Osprey Ranch Subdivision that includes water provided by NMWI will be allowed beyond the initial 65 lots.
- c. Osprey Ranch Subdivision cannot resale, manage, restrict, or charge any additional fees for water provided by NMWI under any circumstance.
- d. All water provided by NMWI shall be used for culinary purposes only. Minimal residential landscape watering will be allowed up to 5000 sq. feet until such time as secondary water may become available.

5. Costs to the Developer

- a. Developer pays all costs including required modifications to existing NMWI infrastructure necessary to provide NMWI water to the Osprey Ranch Subdivision as identified by NMWI or its approved agent.
- b. Necessary modifications to existing NMWI infrastructure as well as all water line extension design and associated construction is subject to the following:
 - i. Must meet all State, County, and County Fire District Specifications and Requirements
 - ii. Must meet Water System Specifications as provided by NMWI and agreed upon, by signed agreement, at a pre-construction meeting.
 - iii. All Waterline construction must be inspected and approved by NMWI or its identified Agent during all water system construction and/or modifications at the expense of the developer. Frequency of inspection will be determined during the pre-construction meeting and/or as specified in NMWI Standards and Specifications document.
 - iv. NMWI will take possession of new and modified portion of the water system at time of completion and Developer will warranty the full installation and modifications for a period of at least 1 year from completion date at discretion of NMWI.

6. NMWI uses a gravity-flow distributions system. Since an engineering study has not been completed for the proposed subdivision, NMWI will not guarantee adequate water pressure.

7. This agreement is subject to change contingent upon legal review by an NMWI legal representative.

If these conditions are acceptable, please submit the appropriate deposit and sign this agreement. If you have any questions, please feel free to contact Bill Green at (801)791-3976 anytime or through our NMWI office. This unsigned document remains valid for 7 days from original document date.

Sincerely,

Bill D. Green
President
Board of Directors
Nordic Mountain Water, Inc.

Agreement of Terms:  Date: 5/10/21
Shane Dunleavy, Osprey Ranch Eden LLC, Subdivision Developer

Signature Date:  Date: 5/10/2021
NMWI Representative