

SYSTEM IMPROVEMENTS PARTICIPATION/REIMBURSEMENT AGREEMENT

This Reimbursement Agreement ("Agreement") is entered into as of this 4th day of December, 2019 by and between South Haven Farms LC with its principal offices located at 437 East 1000 South, Pleasant Grove, UT, 84062 ("Developer") and Payson City Corporation, a municipal corporation and political subdivision of the State of Utah with its principal offices located at 439 West Utah Avenue, Payson, UT 84651 ("City").

RECITALS

WHEREAS, the Developer owns certain parcels of property located in Payson City, Utah County, Utah, specifically Parcel (s) 30:030:0069 and 30:030:0085 that consists of approximately 36.39 acres and is further described in Exhibit A attached hereto ("Property").

WHEREAS, pursuant to Chapter 19.22 of the Payson City Code and in compliance with Section 11-36a-402 of the Utah Code Annotated, the parties desire to provide for certain public improvements known collectively as the "System Improvements," as that term is defined in Section 11-36a-102 of the Utah Code Annotated, in conjunction with the development of the Property by the Developer;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and the Developer hereby agree as follows:



AGREEMENT

- Culinary Water Line.** The Developer is proposing to extend the City culinary water line to and along its project property and install culinary water lines through the Project. The City seeks to have the pipe extending the culinary water line to and along the project property upsized from an **8-inch** diameter pipe to a **10-inch** diameter pipe to accommodate the off-site City culinary water system. Each upsized pipe is a City system improvement. The lengths and dimensions of pipe and other associated materials and costs related to the upsizing of the culinary water line are set forth in Exhibit B.
- Sanitary Sewer Line.** The Developer is proposing to extend the City sanitary sewer line to and along its project property and install sanitary sewer lines through the Project. The City seeks to have the pipe extending the City sanitary sewer line to and along the project property upsized from an **10-inch** pipe to a **18-inch** diameter pipe to accommodate the off-site City sanitary sewer system. Each upsized pipe is a City system improvement. The lengths and dimensions of pipe and other associated materials and costs related to the upsizing of the sanitary sewer line are set forth in Exhibit B.
- Pressurized Irrigation Line.** The Developer is proposing to extend the City pressurized irrigation line to and along its project property and install pressurized irrigation lines through the Project. The City seeks to have the pipe extending the City pressurized irrigation line to and along its project property upsized from an **8-inch** pipe to a **12-inch** and **16-inch** diameter pipe to accommodate the off-site City pressurized irrigation system. Each upsized pipe is a system improvement. The lengths and dimensions of pipe

and other associated materials and costs related to the upsizing of the pressurized irrigation line are set forth in Exhibit B.

4. **System Improvements Impact Fee Reimbursement.** The City agrees to reimburse the Developer for the System Improvements in an amount equal to the difference between the minimum development requirements and the actual costs of the System Improvements, not to exceed the amounts set forth in Exhibit B.
5. **Time of Reimbursement.** The City shall provide to the Developer a reimbursement payment for each system improvement within (30) thirty days of completion of each System Improvement for the Project. Completion shall mean completion of construction, inspection and written acceptance by the City Council.
6. **Choice of Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Utah.
7. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all prior understandings, written or oral, regarding the subject matter hereof.
8. **Modification.** This Agreement may only be modified or altered in writing and signed by both parties.
9. **Attorney Fees.** In the event either party seeks to enforce the terms hereof in a lawsuit or other proceeding, the prevailing party shall be entitled to an award of the costs incurred, including reasonable attorney fees.
10. **Execution.** This Agreement may be executed in multiple original counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same Agreement.
11. **Severability.** The provisions of this Agreement shall be deemed to be severable, and if any provision of this Agreement is determined to be invalid or unenforceable by any court of competent jurisdiction, such invalidity or unenforceability shall not affect or limit the validity or unenforceability of the remaining provisions hereof.
12. **Third-Party Beneficiary Interests.** Nothing contained in this Agreement is intended to benefit any person or entity other than the parties to this Agreement and/or their respective successors and assigns; and no representation or warranty is intended for the benefit of, or to be relied upon by, any person or entity which is not a party to this Agreement and/or their respective successors and assigns.
13. **Binding Effect.** This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, representatives, officers, agents, employees, members, successors and assigns.

WHEREFORE, the parties have executed the foregoing to be effective on the date appearing above.

DEVELOPER



Jeffrey D. Southard, Manager

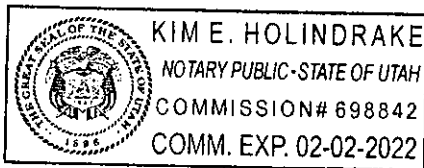
South Haven Farms LC
Developer/Owner

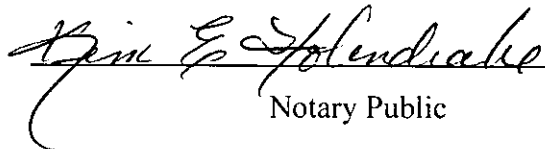
437 E. 1000 S. Pleasant Grove UT 84062
Mailing Address

89-701-5000
email address or phone number

STATE OF UTAH)
 ss
COUNTY OF UTAH)

On the 6th day of January, 2020, personally appeared before me, Jeffrey D. Southard, whose identity was proven on the basis of satisfactory evidence, and who by me duly sworn/affirmed, did say that he is the Manager of South Haven Farms LC, a Utah corporation, and that said document was signed by him on behalf of said corporation by authority of its Bylaws or Resolution of it's Board of Directors, and he acknowledged to me that he executed the same.

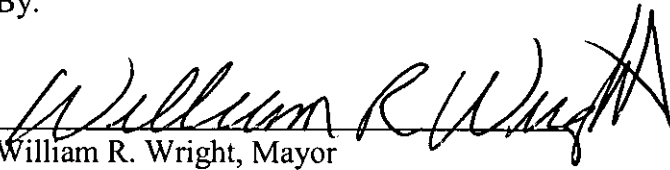




Notary Public

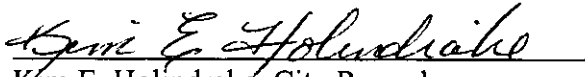
PAYSON CITY CORPORATION

By:



William R. Wright, Mayor

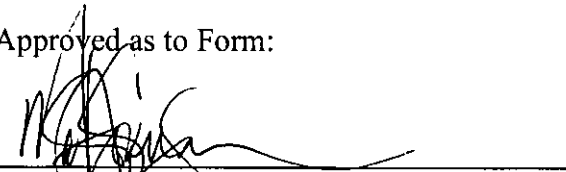
ATTEST:



Kim E. Holindrake, City Recorder



Approved as to Form:



Mark A. Sorenson, City Attorney

Approved as to Form:



Travis Jockumsen, City Engineer

EXHIBIT A – SOUTH HAVEN FARMS LEGAL DESCRIPTION

A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 10, TOWNSHIP 9 SOUTH, RANGE 2 EAST SALT LAKE BASE AND MERIDIAN, MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A FOUND BRASS CAP MARKING THE SOUTHWEST CORNER OF SAID SECTION 10, THENCE N.00°22'32"W. ALONG THE SECTION LINE A DISTANCE OF 479.61 FEET; THENCE EAST A DISTANCE OF 602.18 FEET TO THE REAL POINT OF BEGINNING.

THENCE N.00°17'13"E A DISTANCE OF 658.38 FEET; THENCE N.87°27'48"W. A DISTANCE OF 197.48 FEET; THENCE N.00°17'13"E. A DISTANCE OF 308.21 FEET TO A POINT ON THE SOUTH SIDE OF SR-198 RIGHT-OF-WAY; THENCE ALONG SAID SR-198 RIGHT-OF-WAY FOR THE NEXT 4 CALLS 1) N.76°57'03"E. A DISTANCE OF 215.82 FEET; 2) THENCE N.77°20'20"E. A DISTANCE OF 106.62 FEET (N.77°20'28"E. 106.67 FEET BY RECORD); 3) THENCE N.77°37'08"E A DISTANCE OF 167.70 FEET; 4) THENCE N.78°22'51"E. A DISTANCE OF 1055.10 FEET; THENCE S.00°52'18"W. A DISTANCE OF 1302.53 FEET; THENCE N.89°42'47"W. A DISTANCE OF 1299.31 FEET TO THE REAL POINT OF BEGINNING.

CONTAINING 1,581,938 sq.ft. OR 36.39 acres OF LAND MORE OR LESS.

EXHIBIT B – ENGINEERING COST ESTIMATION

Summary Table

Section	Description	Cost
1	Onsite Culinary Water	\$ 36,509.05
2	Onsite Pressurized Irrigation	\$ 108,733.00
3	Bore Under State Road 198	\$ 26,653.25
4	Onsite Sanitary Sewer	\$ 84,119.00
	Onsite Cost Difference =	\$ 256,014.30
5	Offsite Sanitary Sewer	\$ 207,422.71
	Total System Improvement Reimbursement =	\$ 463,437.01

SOUTH HAVEN FARMS onsite cost differences between pipe sizes for reimbursement

Detailed Cost Estimation

Section 1 - Culinary				
Description	Quantity	Rate	Total	Differences
8" C-900	2910	\$ 19.50	\$ 56,745.00	
10" C-900	2910	\$ 24.25	\$ 70,567.50	\$ 13,822.50
8" Gate Valve	11	\$ 1,275.50	\$ 14,030.50	
10" Gate Valve	11	\$ 2,665.85	\$ 29,324.35	\$ 15,293.85
8" Cross	2	\$ 1,658.77	\$ 3,317.54	
10" Cross	2	\$ 2,319.00	\$ 4,638.00	\$ 1,320.46
8" Tee	8	\$ 1,213.50	\$ 9,708.00	
10" Tee	8	\$ 1,650.00	\$ 13,200.00	\$ 3,492.00
8" Bends	5	\$ 734.45	\$ 3,672.25	
10" Bends	5	\$ 1,237.24	\$ 6,186.20	\$ 2,513.95
			TOTAL	\$ 36,509.05

Section 2 - Pressurized Irrigation				
Description	Quantity	Rate	Total	Differences
8" C-900	1547	\$ 19.25	\$ 29,779.75	
12" C-900	1547	\$ 32.50	\$ 50,277.50	\$ 20,497.75
8" C-900	1362	\$ 19.25	\$ 26,218.50	
16" C-900	1362	\$ 52.75	\$ 71,845.50	\$ 45,627.00
8" Gate Valve	5	\$ 1,275.50	\$ 6,377.50	
12" Butterfly	5	\$ 3,080.50	\$ 15,402.50	\$ 9,025.00
8" Gate Valve	5	\$ 1,275.50	\$ 6,377.50	
16" Butterfly	5	\$ 4,543.50	\$ 22,717.50	\$ 16,340.00
8" Tee	1	\$ 1,213.50	\$ 1,213.50	
12" Tee	1	\$ 2,237.00	\$ 2,237.00	\$ 1,023.50
8" Tee	1	\$ 1,213.50	\$ 1,213.50	
16" Tee	1	\$ 3,531.00	\$ 3,531.00	\$ 2,317.50
8" Cross	2	\$ 1,658.75	\$ 3,317.50	
16" Cross	2	\$ 5,103.75	\$ 10,207.50	\$ 6,890.00
8" Fittings	5	\$ 972.00	\$ 4,860.00	
16" Fittings	5	\$ 2,837.95	\$ 14,189.75	\$ 9,329.75
			TOTAL	\$ 108,733.00

Section 3 – Bore Under State Road SR-198				
Description	Quantity	Rate	Total	Differences
10" Sewer SHF	174	\$ 38.00	\$ 6,612.00	
18" Sewer Payson	174	\$ 63.25	\$ 11,005.50	\$ 4,393.50
20" Bore SR-198	1	\$ 52,683.25	\$ 52,683.25	
36" Bore SR-198	1	\$ 74,943.00	\$ 74,943.00	\$ 22,259.75
			TOTAL	\$ 26,653.25

Section 4 - Sewer				
Description	Quantity	Rate	Total	Differences
10" Sewer	2876	\$ 37.00	\$ 106,412.00	
18" Sewer	2876	\$ 62.25	\$ 179,031.00	\$ 72,619.00
Dewatering 10"	1	\$ 42,027.79	\$ 42,027.79	
Dewatering 18"	1	\$ 53,527.79	\$ 53,527.79	\$ 11,500.00
			TOTAL	\$ 84,119.00
			Onsite Overall Total Cost =	\$219,177.73

SOUTH HAVEN FARMS offsite cost differences between pipe sizes for reimbursement

Section 5 - Sewer				
Description	Quantity	Rate	Total	Differences
10" Sewer SHF	174	\$ 38.00	\$ 6,612.00	
18" Sewer Payson	174	\$ 63.25	\$ 11,005.50	\$ 4,393.50
18" Sewer Payson	1026	\$ 63.25	\$ 64,894.50	\$ 64,894.50
60" Sewer MH's SHF	1	\$ 6,241.15	\$ 6,241.15	
60" Sewer MH's Payson	4	\$ 6,241.15	\$ 24,964.60	\$ 64,894.50
Demo Asphalt SHF	950	\$ 0.30	\$ 285.00	
Demo Asphalt Payson	9000	\$ 0.30	\$ 2,700.00	\$ 2,700.00
Flush, TV & Test SHF	174	\$ 4.75	\$ 826.50	
Flush, TV & Test Payson	1026	\$ 4.75	\$ 4,873.50	\$ 4,873.50
Road Base SHF	41	\$ 17.85	\$ 731.85	
Road Base Payson	185	\$ 17.85	\$ 3,302.25	\$ 3,302.25
Power reroute Payson	1	\$ 10,708.80	\$ 10,708.80	\$ 10,708.80
Asphalt Patch SHF	950	\$ 2.88	\$ 2,736.00	
Asphalt Patch Payson	9000	\$ 2.88	\$ 25,920.00	\$ 25,920.00
Bedding Material SHF	153	\$ 20.75	\$ 3,174.75	
Bedding Material Payson	972	\$ 20.75	\$ 20,169.00	\$ 20,169.00

Imported Fill SHF	712	\$ 7.00	\$ 4,984.00	
Imported Fill Payson	4199	\$ 7.00	\$ 29,393.00	\$ 29,393.00
Dewatering 10" SHF	1	\$ 4,288.35	\$ 4,288.35	
Dewatering 18" Payson	1	\$ 13,289.06	\$ 13,289.06	\$ 13,289.06
20" Bore SR 198 SHF	1	\$ 52,683.25	\$ 52,683.25	
36" Bore SR 198 SHF	1	\$ 74,943.00	\$ 74,943.00	\$ 22,259.75
City Cost to Install 18" Pipe to Lift Station:				\$226,867.96