

When Recorded, Return To:

JAFFA LYNCH INVESTOR GROUP LLC
4490 Forestdale Drive, Ste. 202
Park City, Utah 84098

APNs: 00-0007-8944; 00-0013-2139

DRAINAGE EASEMENT AGREEMENT

This DRAINAGE EASEMENT AGREEMENT (this “*Agreement*”) is made as of this 5 day of June, 2024 (the “*Effective Date*”), by and between JORDANELLE REF ACQUISITION LLC, a Delaware limited liability company (“*Grantor*”), and JAFFA LYNCH INVESTOR GROUP LLC, a Utah limited liability company (“*Grantee*”). Grantor and Grantee are sometimes individually referred to as a “*Party*” and collectively referred to as the “*Parties*.”

RECITALS

A. Grantor Property. Grantor owns fee simple title to that certain real property located in Wasatch County, Utah and more particularly described on Exhibit “A” attached hereto and made a part hereof (the “*Grantor Property*.”)

B. Grantee Property. Grantee owns fee simple title to that certain real property located in Wasatch County, Utah and more particularly described on Exhibit “B” attached hereto and made a part hereof (the “*Grantee Property*”).

C. Grant of Easement. The Parties desire to enter into this Agreement, pursuant to which the Grantor shall provide to Grantee an easement across the Grantor Property for the proper drainage of water across the Grantor Property for the benefit of the Grantee Property.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

SECTION 1
INCORPORATION

The Parties acknowledge the accuracy of the foregoing Recitals. Each of the foregoing recitals are hereby incorporated into this Agreement by this reference and are made a part hereof.

SECTION 2 EASEMENTS

2.01 Grant of Easement. Grantor hereby grants to Grantee, for the benefit of the Grantee Property and its owners, tenants and licensees, a perpetual, nonexclusive appurtenant easement for the drainage of water runoff from the Grantee Parcel (“*Developmental Water*”) and the construction of Facilities (as defined herein) for the drainage of water (the “*Drainage Easement*”) within the drainage easement area described in Exhibit “C” attached hereto and made a part hereof (the “*Drainage Easement Area*”). The term “*Facilities*” means all infrastructure, facilitating the drainage and transport of Developmental Water, including storm drains, ditches, canals, channels, waterways, landscaping, walls and fences, pumps, pipes and connections and other improvements. Because all Facilities shall be constructed and maintained by Grantee at its sole cost and expense as set forth in Section 3 hereof, Grantor hereby grants to Grantee, a perpetual, nonexclusive appurtenant easement across the Grantor Property for reasonable access to the Drainage Easement Area for installation, repair, and maintenance of Facilities (“*Access Easement*” and together with the Drainage Easement, the “*Easements*”).

2.02 Covenants. Grantor and Grantee agree to the following on behalf of themselves and their respective successors and assigns (respectively, “*Grantor Parties*” and “*Grantee Parties*”):

(a) At all times, Developmental Water shall be contained and transported within the Facilities in the Drainage Easement Area. In no event shall Developmental Water drain or otherwise flow in areas outside of the Facilities, including without limitation, any historic drainage paths, channels or basins on the Grantor’s Property.

(b) No improvements may be constructed on the Drainage Easement Area by Grantor Parties other than roadways, pathways, sidewalks, or landscaping, or improvements other than roadways, pathways, sidewalks, or landscaping that do not interfere with the use or maintenance of the Drainage Easement. No changes may be made to the drainage or grading of the Grantor Property that would interfere with the use of the Drainage Easement.

(c) The Easements established and granted herein shall be used and enjoyed in such a manner as not to unreasonably interfere with, obstruct, or delay the use of the Grantor Property.

(d) Grantee Parties on behalf of themselves, their partners, members, divisions, subsidiaries, and affiliated companies and their respective employees, officers, directors, members, shareholders, agents, professional consultants, and representatives, and their respective successors and assigns (each an “*Indemnitor*” and collectively, the “*Indemnitors*”) shall indemnify and hold harmless the Grantor Parties and their partners, members, divisions, subsidiaries, and affiliated companies and their respective employees, officers, directors, members, shareholders, agents, professional consultants, and representatives, and their respective successors and assigns, and each of them (each an “*Indemnitee*” and collectively, the “*Indemnitees*”) from and against any and all claims, damages, losses, liabilities, demands, and expenses, including, but not limited to,

reasonable attorneys' fees, court costs and expenses of litigation (collectively, hereinafter referred to as "*Liabilities*"), arising out of or resulting from, or claimed to arise out of or result from, in whole or in part from: (a) use of the Easements, Drainage Easement Area or the Facilities; (b) any liens, claims of lien, judgments, proceedings and causes of action arising out of or in any way connected with the Construction Activities (as hereinafter defined); (c) any fault, act, or omission of the Indemnitors, or any officer, director, member, shareholder, agent, professional consultant, contractor or and representatives, and its and their respective successors and assigns or anyone for whose acts any of the foregoing entities may be liable; (d) any breach of any covenant set forth in this Agreement by any Indemnitor, (e) any spill or discharge of any hazardous materials in or on the soil of the Drainage Easement Area or the Grantor Property by any Indemnitor or its agents, employees, contractors, lessees and invitees; or (f) any accident or casualty on the Drainage Easement Area or the Grantor Property relating in any way to the existence, construction, operation, maintenance or use of the Easements or the Facilities. If such indemnification claim is based upon any claim, demand, suit, or action of any third-party claim, Indemnitors shall defend against such third-party claim. Notwithstanding the foregoing, the indemnity agreement created herein shall not indemnify any Indemnitee against, or constitute a waiver with respect to, any Liabilities to the extent such Liabilities arise from the gross negligence or willful misconduct of such Indemnitee. The covenants in this Section and the obligations of each Indemnitor contained in this Section shall survive the termination of the Easements and this Agreement.

(e) Grantee Parties shall not commit or cause any kind of waste upon the Drainage Easement Area or Grantor Property.

(f) Grantee Parties shall not allow any mechanics liens, materialmen's liens, or other liens to be placed upon the Drainage Easement Area or the Grantor Property. Grantee Parties shall cause any lien which encumbers any portion of the Drainage Easement Area or the Grantor Property as a result of Grantee Party's, their agents, representatives, or related parties' activities to be promptly removed of record by causing recordation of a release of the lien, posting a surety bond or payment, court order, or other means within thirty (30) days of its imposition.

2.03 Relocation Rights. The owner of the Grantor Property may, from time to time, relocate any portion of the Drainage Easement Area, to accommodate the use or development of the Grantor Property, including without limitation, approval of plans by Heber City and any other applicable authorities; provided, however, that such relocation (to the extent the following are applicable to the type and nature of the Drainage Easement): (a) continues to provide reasonably convenient connection with its counterpart or drainage area or facilities located on any adjacent parcel of property or any public street or facility; (b) shall not unreasonably reduce or impair the usefulness or function of the Drainage Easement Area; (c) shall be done without cost or expense to the Grantee; (d) shall be completed using materials and design standards which equal or exceed those originally used; and (e) shall have been approved by any appropriate governmental or quasi-governmental agencies having jurisdiction thereover. Any relocated Drainage Easement Area shall be identified by recordable instrument executed by the person requesting the relocation, and shall be recorded with the Wasatch County Recorder. In addition, Grantor shall have the right to terminate the Drainage Easement in the event the Drainage Easement is abandoned or no longer being utilized for the drainage of Developmental Water.

SECTION 3
CONSTRUCTION AND MAINTENANCE OF FACILITIES

3.01 Design and Construction of Improvements. No construction, alteration, grading, filling, excavation, maintenance, repair or modification (collectively, "*Construction Activities*") of any Facilities shall be commenced or maintained by Grantee Parties on the Drainage Easement Area except in accordance with this Section 3. Any Facilities or other improvements on the Drainage Easement Area, including any grading, retention slopes, ditches, canals, water transmission or retention areas, culverts, storm drains, pipes, grates, gates, walls or fences, whether currently existing or hereinafter constructed, shall be designed, constructed and landscaped by the current owner of the Grantee Property (each a "*Grantee Party*") at the Grantee Party's sole cost and expense, so as to be harmonious with the development or planned development of the Grantor Property, including, where applicable, conforming to natural terrain and vegetation or existing or planned improvements. All Facilities and other improvements constructed by any Grantee Party on the Drainage Easement Area shall conform to, and comply with, all existing covenants, conditions, and restrictions applicable to the Grantor Property. No landscaping or related improvements constructed by any Grantee Party on the Drainage Easement Area shall be of a nature that requires maintenance by, or cost to, Grantor Parties materially beyond that ordinarily or customarily associated with similar landscaping in the surrounding areas. Grantee Parties shall be solely responsible to comply with all applicable governmental and other requirements, including obtaining any necessary permits or approvals. No landscaping or related improvements constructed by Grantee Parties on the Drainage Easement Area shall require any irrigation or watering systems beyond the initial installation period.

3.02 Construction Activities. Each Grantee Party shall provide the current owner of the Grantor Property ("*Grantor Party*") with notice at least five (5) business days prior to any construction, maintenance or repair of any Facilities, provided that in the event of an emergency, the Grantee Party shall provide Grantor with such advance notice of any construction, maintenance or repair of any Facilities as is reasonably practicable. To the extent any construction, maintenance or repair involves any material alteration of the Drainage Easement Area or any Facilities or the installation of new or additional Facilities, the Grantee Party shall provide to the Grantor Party a copy of all plans and specifications for such construction, maintenance, or repair at the same time as notice is given to the Grantor Party of such construction, maintenance, or repair. The Grantee Party shall cooperate with Grantor in a reasonable manner to schedule all Construction Activities so as to minimize any interference with the Grantor Property. All Construction Activities or any other work performed in the construction, maintenance repair, replacement, alteration or expansion of any improvements on the Drainage Easement Area by the Grantee Party or its agents or contractors: (a) shall be performed and completed as expeditiously as possible and in such a manner as not to unreasonably interfere with the use and enjoyment of the Grantor Property; (b) shall at all times be of first class quality construction and design consistent with the all building codes and other applicable laws and ordinances and applicable and customary construction or engineering standards, and (c) shall be subject to customary governmental inspections. In connection therewith, the Grantee Party shall, at its sole cost and expense, promptly repair and restore or cause to be promptly repaired and restored to its prior condition all property and improvements damaged or destroyed in the performance of such work; and the Grantee Party shall

not permit any liens against the Grantor Property for any work done or materials furnished in connection with the performance of any Construction Activities or any other work performed in the construction, maintenance repair, replacement, alteration, or expansion of any improvements on the Drainage Easement Area.

3.04 Inspections; Remedial Work. The Grantor Party, or its duly appointed representative, may at any reasonable time inspect any Construction Activity to ensure conformance with plans and specifications and the requirements of this Section 3. If, as a result of any such inspection, the Grantor Party determines that any Construction Activity was not performed in substantial compliance with this Section 3 or as otherwise required by this Agreement, the Grantor Party shall have the authority to require the Grantee Party to take such action as may be necessary to remedy the noncompliance and to require Grantee Party to immediately reimburse the Grantor Party for expenses incurred in connection with such remedial action.

3.05 Maintenance. The Grantee Party shall maintain any improvements or Facilities constructed by it in the Drainage Easement Area. Notwithstanding the foregoing, Grantor Party shall maintain any landscaping on the Drainage Easement Area, including any landscaping installed or constructed by any of the Grantee Parties (other than any defects in the materials or installation or construction of the landscaping installed or constructed by any of the Grantee Parties and discovered by Grantor Party within one (1) year of the installation or construction thereof by the applicable Grantee Party, which defects shall, upon notice by the Grantor Party, be repaired or replaced by the Grantee Party). All maintenance shall be in accordance with all applicable laws, recorded covenants conditions and restrictions, owners' association rules and requirements and commercial standards. Any damage to the Grantor Property (including, without limitation, vegetation and natural landscaping and formations and any improvements made by the Grantor to its property) as a result of the use, maintenance or alteration of the Facilities or the Drainage Easement Area (including accessing the Drainage Easement Area and any flow of water or other materials through the Drainage Easement Area emanating from the Grantee Property), shall be promptly repaired by the Grantee Party at its sole cost and expense to the reasonable satisfaction of the Grantor Party. Notwithstanding the foregoing, the Grantee Parties shall not be responsible to repair or replace any damage to any improvements constructed or installed by the Grantor Parties on the Drainage Easement Area other than roadways, pathways, sidewalks, or landscaping, resulting from the proper use or maintenance of, or alteration of the Facilities on the Drainage Easement Area.

3.07 Insurance. During any period in which any Grantee Party shall be constructing or maintaining any improvements on the Drainage Easement Area, or otherwise entering onto the Drainage Easement Area, the Grantee Party, and any contractor or other agent of the Grantee Party entering onto the Drainage Easement Area or Grantor Property, shall obtain and maintain comprehensive general liability insurance (with a policy limit of at least \$1,000,000) to protect Grantor Parties against bodily injury or property damage resulting from such entry onto the Drainage Easement Area and worker's compensation insurance in amounts required by law. The Grantee Party shall cause the Grantor Party to be named as an additional insured on any liability policy and provide to the Grantor Party a certificate of insurance evidencing the same.

SECTION 4
MISCELLANEOUS

4.01 Covenants Run with Land. The rights, duties, obligations, and Easements created pursuant to this Agreement shall run with the land and shall be binding on the owners of the Grantor Property, the owners of the Grantee Property, and their successors and assigns. The rights, duties, obligations, and Easements created pursuant to this Agreement shall run with the land and shall be binding on the owners of the Grantor Property, the owners of the Grantee Property, and their successors and assigns. Upon any transfer or conveyance of the Grantor Property or Grantee Property, the transferee shall not be subject to, and shall be fully released from, any of the obligations or liabilities under this Agreement, which occur or arise after the transfer or conveyance.

4.02 Notices and Communications. All notices, approvals and other communications provided for in this Agreement or given in connection with this Agreement shall be validly given, made, delivered or served, if in writing, and delivered personally or sent by nationally recognized overnight courier (e.g., Federal Express, Airborne, UPS) for next-day or next-business-day delivery, to the address of the intended recipient at the then current Grantor Party's and Grantee Party's address listed in the records of the Wasatch County Assessor's office, or to such other addresses as any such party may from time to time designate in writing and deliver in a like manner to the other party. Notices, approvals, and other communications provided for in this Agreement shall be deemed delivered upon personal delivery, or on the next business day following deposit with a nationally recognized overnight courier, as herein above provided, prepaid, and addressed as set forth above.

4.03 Attorneys' Fees. In the event any of the Grantor Parties or Grantee Parties finds it necessary to bring any action, arbitration or other proceeding to enforce any of the terms, covenants or conditions hereof, the prevailing party in any such action, arbitration or other proceeding shall be paid all reasonable costs and reasonable attorneys' fees by the non-prevailing party, and in the event any judgment is secured by the prevailing party, all such costs and attorneys' fees shall be included therein, such fees to be set by the arbitrator.

4.04 Further Acts. Grantor Parties and Grantee Parties shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

4.05 No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the Parties. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation other than Grantee Parties or Grantor Parties; and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

4.06 Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understandings of the Parties, oral or written, are hereby superseded and merged herein. No change or addition is to be made to this Agreement except by written amendment executed by the Parties hereto.

4.07 Governing Law; Jurisdiction and Venue. This Agreement is entered into in Utah and shall be construed and interpreted under the laws of the State of Utah without giving effect to principles of conflicts of law. Jurisdiction and Venue for any action relating to or arising out of this Agreement shall be in the state or federal courts in Salt Lake County, Utah.

4.08 Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement and shall not affect the enforceability of the remaining provisions of this Agreement.

4.09 Successors and Assigns. Subject to the limitations set forth above, this Agreement shall be binding upon, and shall inure to the benefit of, each of the Parties and their successors and assigns.

4.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all Parties may be physically attached to a single document.

4.11 Time of the Essence. Time is of the essence for performance or satisfaction of all requirements, conditions, or other provisions of this Agreement, subject to any specific time extensions set forth herein.

4.12 Remedies. If a Grantor Party or Grantee Party fails to perform any of its duties or obligations under this Agreement (a "**Defaulting Party**") the other party may at any time give a written notice to the Defaulting Party, in accordance with Section 4.02, setting forth the specific non-performance. If the Defaulting Party fails to correct such nonperformance within ten (10) days (or, in the event of an emergency, such shorter period as is reasonable considering the nature and effect of the emergency) after receipt of written notice (or as such cure period may be extended in accordance with this subsection) the non-defaulting party shall have the right to correct such nonperformance, including the right and temporary license to enter upon the Defaulting Party's property to perform the same, and the Defaulting Party shall pay on demand, the performing party's reasonable costs thereof; provided, however, these provisions shall be without prejudice to the Defaulting Party's right to contest the right of the other party to make such repairs or expend such monies. All work performed by such party pursuant to this Section 4.12 shall comply with all applicable federal, state and local laws and ordinances, and the performing party shall obtain any necessary permits and licenses from the appropriate government agencies in connection therewith, and, notwithstanding anything herein to the contrary, shall be limited to the work necessary to cure such nonperformance by the Defaulting Party. If such nonperformance cannot be cured within the ten (10) day period provided for in this Section 4.12, the Defaulting Party shall

notify the other party and shall use its commercially reasonable efforts to commence to cure such nonperformance within such ten (10) day period after receipt of written notice and shall complete the cure within thirty (30) days thereafter or such longer reasonable period that may be required. In the event the Defaulting Party fails to pay the performing party's reasonable costs as required pursuant to this Section 4.12, the unpaid amount shall constitute a lien on the Defaulting Party's property until paid in full, with priority over all other liens, which lien may be foreclosed by the same procedure set forth in Utah Code Section 57-8a-203, as such Section of the Utah Code may be modified or amended from time to time.

[Signatures and acknowledgements appear on the following pages]

IN WITNESS WHEREOF, Grantee has executed this Agreement as of the date first set forth above.

JAFFA LYNCH INVESTOR GROUP LLC,
a Utah limited liability company

By: *Michael Lynch*
Name: MICHAEL LYNCH
Its: MANAGER

By: *[Signature]*
Name: SCOTT JAFFA
Its: MANAGER

STATE OF Utah)
COUNTY OF Wasatch) ss.

This instrument was acknowledged before me this 5 day of June, 2024, by Michael Lynch and Scott Jaffa known or proved to me to be the Manager and Manager of JAFFA LYNCH INVESTOR GROUP LLC, a Utah limited liability company, who acknowledged to me that he executed the within instrument.

WITNESS my hand and official seal.

[Signature]
Notary Public

My Commission Expires: 9/16/24

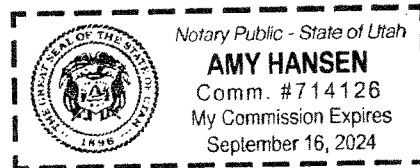


Exhibit A

Grantor Property

Parcel 5

A parcel of land situate in the Northwest Quarter of Section 29, Township 3 South, Range 5 East, Salt Lake Base and Meridian, being more particularly described as follows:

Beginning at a point being South 00°41'38" East 586.49 feet along the quarter section line and West 985.75 feet from the South Quarter Corner of Section 20, Township 3 South, Range 5 East, Salt Lake Base and Meridian; and running

thence South 45°06'53" East 39.23 feet;

thence Southeasterly 57.97 feet along the arc of a 132.00 foot radius curve to the right (center bears South 44°53'07" West and the chord bears South 32°31'59" East 57.51 feet with a central angle of 25°09'49");

thence South 19°57'04" East 177.99 feet;

thence Southeasterly 405.60 feet along the arc of a 1,726.00 foot radius curve to the right (center bears South 70°02'56" West and the chord bears South 13°13'09" East 404.67 feet with a central angle of 13°27'51");

thence North 62°28'41" East 253.27 feet;

thence Southeasterly 87.04 feet along the arc of a 1,964.50 foot radius curve to the right (center bears South 80°51'38" West and the chord bears South 07°52'13" East 87.03 feet with a central angle of 02°32'18");

thence South 62°30'49" West 267.14 feet;

thence South 66°34'02" West 129.65 feet;

thence South 00°43'47" East 326.38 feet;

thence South 89°15'44" West 197.50 feet to the Easterly Right-of-Way line of Highway 40;

thence along said Easterly Right-of-Way line the following two (2) courses:

(1) North 01°51'31" East 4.30 feet;

(2) Northwesterly 996.01 feet along the arc of a 2,914.90 foot radius curve to the left (center bears North 88°08'29" West and the chord bears North 07°55'49" West 991.18 feet with a central angle of 19°34'40");

thence Northeasterly 17.57 feet along the arc of a 27.00 foot radius curve to the right (center bears South 55°39'01" East and the chord bears North 52°59'22" East 17.26 feet with a central angle of 37°16'46");

thence North 71°37'45" East 84.30 feet;

thence Northeasterly 21.17 feet along the arc of a 385.00 foot radius curve to the left (center bears North 18°22'15" West and the chord bears North 70°03'14" East 21.17 feet with a central angle of 03°09'02");

thence North 63°54'25" East 17.55 feet;

thence Northeasterly 130.63 feet along the arc of a 384.00 foot radius curve to the left (center bears North 24°07'56" West and the chord bears North 56°07'22" East 130.00 feet with a central angle of 19°29'25") to the point of beginning.

Contains 316,474 Square Feet or 7.265 Acres

Exhibit B

Grantee Property

Parcel 12

A parcel of land situate in the Northwest Quarter of Section 29, Township 3 South, Range 5 East, Salt Lake Base and Meridian, being more particularly described as follows:

Beginning at a point being South 00°41'38" East 1193.13 feet along the quarter section line and West 544.57 feet from the South Quarter Corner of Section 20, Township 3 South, Range 5 East, Salt Lake Base and Meridian; and running

thence Southeasterly 200.97 feet along the arc of a 1,964.50 foot radius curve to the right (center bears South 83°23'56" West and the chord bears South 03°40'13" East 200.88 feet with a central angle of 05°51'41");

thence South 00°44'23" East 296.02 feet;

thence South 89°15'44" West 368.50 feet;

thence North 00°43'47" West 326.38 feet;

thence North 66°34'02" East 129.65 feet;

thence North 62°30'49" East 267.14 feet to the point of beginning.

Contains 150,592 Square Feet or 3.457 Acres

Exhibit C

Drainage Easement Area

A parcel of land situate in the Northwest Quarter of Section 29, Township 3 South, Range 5 East, Salt Lake Base and Meridian, being more particularly described as follows:

Beginning at a point being South 00°41'38" East 1,469.39 feet along the quarter section line and West 902.57 feet from the South Quarter Corner of Section 20, Township 3 South, Range 5 East, Salt Lake Base and Meridian; and running

thence South 00°43'47" East 194.99 feet;
thence South 89°15'44" West 5.00 feet;
thence North 00°43'47" West 194.99 feet;
thence North 89°15'37" East 5.00 feet to the point of beginning.

Contains 975 Square Feet or 0.022 Acres