

AGREEMENT

THIS AGREEMENT, made and entered into this 28th day of August, 2007, by and between Hyrum City, a Utah municipal corporation, and Don R. Clawson and Janice Clawson, husband and wife, owners of real property adjacent to the municipal limits of Hyrum City, and Shaun L. Peck, contact sponsor of the petition to annex said property (collectively referred to as "APPLICANT").

WITNESSETH:

WHEREAS, APPLICANT is the owner of thirty-six and 55/100 (36.55) acres of real property, which property bears Cache County Tax Numbers 01-068-0004, 01-068-0005, 01-068-0006, 01-068-0007, and 01-068-0008, and is more particularly described hereafter; and

WHEREAS, on May 25, 2006, APPLICANT filed a petition and map pursuant to the requirements of Section 10-2-403, Utah Code Annotated, 1953, as amended (UCA), requesting annexation of said parcel into the municipal limits of Hyrum City; and

WHEREAS, on June 15, 2006, said petition was accepted by resolution of the Hyrum City Council; and

WHEREAS, on July 10, 2006, said petition and map were certified by the municipal attorney and city recorder as meeting the requirements of submission; and

WHEREAS, on August 17, 2006, after providing proper notice to the public as required by Section 10-2-407 UCA, the Hyrum City Council held a public hearing to consider annexation of said property; and

WHEREAS, the Hyrum City Council has concluded that said property is an unincorporated area contiguous to the boundaries of Hyrum City and as such qualifies under law for annexation into Hyrum City and that annexation of said property will not leave or create an unincorporated island or peninsula; and

WHEREAS, the Hyrum City Council has also determined that this annexation will not adversely impact the community and

creates an opportunity for the city to increase its tax base and provide municipal utility services to said property.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. SUBJECT PROPERTY. The subject property of this annexation agreement is described as follows:

Part of the Northeast Quarter of Section 9, Township 10, North, Range 1 East, of the Salt Lake Meridian, located in the City of Hyrum, County of Cache, State of Utah, described as follows:

Beginning at the East Quarter corner of Section 9, Township 10 North, Range 1 East, Salt Lake Meridian; thence West, along the South line of said Northeast Quarter, 561.00 feet more or less to the center of Hyrum Canal; thence North 57°29'24" west, along the center of said Hyrum Canal, 946.21 feet more or less to a point on the Hyrum City Corporate Limit Line; thence North 812.46 feet along Corporate Limit Line; thence East 1358.94 feet along said Corporate Limit line to a point in the East line of said Section 9; thence South along said Section line, 1321.00 feet more less to the point of beginning. Contains 36.55 acres, more or less.

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2. DEVELOPMENT. Upon annexation, the subject property shall become part of Hyrum City and all development or improvements of any nature shall comply with the applicable ordinances, standards, regulations, procedures, and policies established by Hyrum City.

3. ZONING. Zoning of subject property shall be Residential R-1.

4. WATER SHARES. As required by Section 16.20.070 of the Hyrum City Municipal Code, the APPLICANT agrees, upon approval and acceptance of this agreement, to provide water in the amount and under the terms and conditions established by Section 16.20.070, which requirement will be satisfied by APPLICANT'S submission of 139.65 acre-feet of water represented by 12.5 shares of Hyrum Irrigation Company stock, and the balance of 114.65 acre-feet to be provided by water made available by Hyrum City Corp. at the rate of \$2,500 per acre-foot. The total of all water provided by APPLICANT will comply with the CITY'S current requirement of three (3) acre-feet per gross acre developed, which requirement must be met for each phase as the property is developed. Hyrum

City further reserves the right to limit the area served by the municipal piped irrigation system to the amount of land that can be watered by water represented by the shares of Hyrum Irrigation Company stock. All other outside watering may be restricted to service provided through the municipal culinary distribution system.

5. ENVIRONMENTAL CONCERNS. Said real property lies proximate to the city's municipal irrigation ponds, pump houses, and emergency diesel generator. The City also plans to construct a new power substation at this site and a 46,000 volt line to serve it. The APPLICANT hereby agrees to include a statement on the recorded plat as well as provide any other documents necessary to notify potential buyers of these conditions on residential neighborhoods. APPLICANT further agrees to furnish without cost to Hyrum City those easements necessary, as per the concept plan submitted to the Planning Commission, for the construction and maintenance of said 46,000 volt power line.

6. WASTEWATER COLLECTION.

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A. The direction of wastewater flow has not been determined at this point and whether sewer service from this property relies upon development to the west for proper sewage flow. APPLICANT and/or developers will be responsible to install sewer mains connecting development on this property to the municipal collections lines without the necessity of lift stations.

B. Sewage from this property ultimately will flow into the sewer main on 300 South. The city recently analyzed the potential capacity of the sewer main on 300 South to determine a timetable for enlargement and setting an impact fee to cover the cost thereof. This study has been completed and will be followed by the process to set impact fees for enlargement of said sewer main. APPLICANT agrees, in lieu of additional wastewater impact fees imposed for the enlargement of the sewer main on 300 South, to install 12-inch sewer pipe for all main collection lines and to points of connection with the existing collection mains as specified by the municipal engineer.

7. IRRIGATION.

A. The municipal irrigation main lines run inside the west boundary of this property. APPLICANT agrees and understands that development design of this project must incorporate a utility easement or some type of maintenance easement acceptable to Hyrum City over these lines.

B. This property also abuts the Hyrum Irrigation Canal adjacent to the municipal irrigation ponds. APPLICANT understands and agrees that as a minimum, the City will require the APPLICANT and/or developer to fence the canal by moving the existing fence to a point 30 feet from the centerline of the canal and dedicate the enclosed easement for purposes of canal maintenance.

8. TRANSPORTATION. APPLICANT understands and agrees that development on this property requiring access onto Highway 165 will need approval from the CMPO to change land use on a state road and gain access to it. Section 16.20.150(G) of the Hyrum City Municipal Code prohibits backyards from facing Highway 165. APPLICANT understands that subdivisions must be planned so that houses face the highway.

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9. UTILITY SERVICE EXTENSION AND IMPACT FEES. With respect to the development of said property, APPLICANT agrees to comply with City ordinances and regulations for extension of utility services, including payment of impact, connection, and other fees currently in effect or as amended.

10. AGREEMENT. The parties hereto acknowledge that they have both participated in the preparation of this AGREEMENT and, in the event that any question arises regarding its interpretation, no presumption shall be drawn in favor of or against any party hereto with respect to the drafting hereof.

11. GOVERNING LAW. This AGREEMENT, and all matters relating hereto, including any matter or dispute arising out of the AGREEMENT, shall be interpreted, governed, and enforced according to the laws of the State of Utah, and the parties hereto consent to the jurisdiction of any appropriate court in the State of Utah to resolve such disputes.

12. AMENDMENTS. This AGREEMENT may be amended at any time upon mutual agreement of the parties hereto, which amendment(s) must be reduced to writing and signed by all parties in order to become effective.

13. ENTIRE AGREEMENT. This AGREEMENT, and the exhibits thereto, constitute and represent the entire agreement of the parties hereto with respect to the subject matter hereof, and all other prior agreements, covenants, promises and conditions, verbal or written, between these parties are incorporated herein. No party hereto has relied upon any other promise, representation or warranty, other than those contained herein, in executing this AGREEMENT.

14. FURTHER INSTRUMENTS. The parties hereto agree that they will execute any and all other documents or legal instruments that may be necessary or required to carry out and effectuate all of the provisions hereof.

15. ASSIGNMENT. No assignment by a party hereto of any rights under or interests in the AGREEMENT will be binding on another party hereto without the written consent of the party sought to be bound. Hyrum City and APPLICANT each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect of all covenants, agreements and obligations contained in this AGREEMENT.


16. ATTORNEY FEES. The parties herein each agree that should they default in any of the covenants or agreements contained herein, the defaulting party shall pay all costs and expenses, including reasonable attorneys fees which may arise or accrue from enforcing this AGREEMENT, or in pursuing any remedy provided hereunder or by the statutes or other laws of the State of Utah, whether such costs and expenses are incurred with to without suit or before or after judgment.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT as of the day and year first above written.

HYRUM CITY


By W. Dean Howard
W. Dean Howard
Mayor


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Attest
Stephanie Fricke
Stephanie Fricke
City Recorder

APPLICANT:

Don R. Clawson
Don R. Clawson



Janice Clawson


Shaun L. Peck

Witness:

