

## WATER RIGHT PURCHASE AND SALE AGREEMENT

**THIS WATER RIGHT PURCHASE AND SALE AGREEMENT** (this “**Agreement**”) is made and entered into as of the Effective Date defined herein, by and between **CEDAR POINT WATER COMPANY, INC.**, a Utah corporation, having an address of 253 W. 1480 S., Hurricane, Utah 84737 (hereinafter referred to as “**Seller**”); **LITTLE CREEK LAND COMPANY, LLC**, a Utah limited liability company, having an address of 2059 Chettro Trail, St. George, Utah 84770 (hereinafter referred to as “**Developer**”); **BIG PLAINS WATER & SEWER SPECIAL SERVICE DISTRICT**, a Utah special service district, having an address of 1777 Meadowlark Dr., Apple Valley, Utah 84737 (hereinafter referred to as “**Big Plains**”), and **JEPSON CANYON PUBLIC INFRASTRUCTURE DISTRICT NO. 1**, an independent local district, having an address of 912 West 1600 South, Suite B-200, St. George, Utah 84770 (hereinafter referred to as “**Jepson Canyon**”).

### WITNESSETH:

WHEREAS, Seller is the owner of certain water rights identified on Exhibit A (the “**Water Rights**”) attached hereto and incorporated herein;

WHEREAS, Developer is the owner of approximately 313 acres located in Apple Valley, Utah, to be known as Jepson Canyon Resort (the “**Project**”), which Project is subject to a development agreement with the Town of Apple Valley, the water service for which is provided by Big Plains;

WHEREAS, in order to develop the Project, Developer must provide Big Plains with sufficient water to service anticipated water connections;

WHEREAS, Jepson Canyon was created to finance and facilitate the acquisition and construction of public infrastructure within Phase 1 the Project, including approximately 169 residential units, through the issuance of a bond or bonds (the “**Bond Financing**”), including to finance the purchase of water to service the same;

WHEREAS, Jepson Canyon has previously purchased water rights and dedicated the same to Big Plains to service an initial number of residential units;

WHEREAS, Developer and Jepson Canyon desire to facilitate the purchase of the additional Water Rights from Seller and their dedication to Big Plains; Seller desires to sell the Water Rights and convey them to Big Plains on the terms set forth below in this Agreement;

WHEREAS, Jepson Canyon is willing to pay the Purchase Price (as hereafter defined) for the Water Rights under the terms and conditions of this Agreement; and

WHEREAS, as consideration for Jepson Canyon’s payment of the Purchase Price (as hereafter defined) and Seller’s conveyance of the Water Rights, Big Plains is willing to grant to Developer water connections and certain other benefits as set forth herein and in a development agreement between Developer and the Town of Apple Valley.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Developer, Big Plains, and Jepson Canyon agree as follows:

**1.00 EFFECTIVE DATE:** The effective date hereof shall be the date on which all of the parties hereto have executed this Agreement below (the “**Effective Date**”).

**2.00 PURCHASE PRICE AND METHOD OF PAYMENT:** The purchase price for the Water Rights (the “**Purchase Price**”) shall be as follows:

2.01 Six Hundred Ninety Thousand Dollars (\$690,000.00), payable by Jepson Canyon in immediately available funds at Closing; and

2.02 One Dollar (\$1) and the right to receive conveyance of title to one (1) future residential building lot in the Project, the one dollar payable by Developer in immediately available funds at Closing, and the conveyance of title to be made within 30 days of the recording of a final subdivision plat in Phase 1 of the Project.

2.03 Seller, Jepson Canyon, and Developer agree that the Purchase Price shall be apportioned between the Water Rights as follows: The consideration paid by Jepson Canyon shall be consideration for the first 50 acre feet of the Water Rights, and the additional consideration paid by Developer shall be consideration for the remaining 19 acre feet of the Water Rights.

**3.00 SELLER’S REPRESENTATIONS AND WARRANTIES:** As a material inducement to Developer, Big Plains, and Jepson Canyon to enter into this Agreement and to consummate the transactions contemplated hereby, Seller hereby makes each of the representations and warranties set forth in this Section 3.00, which representations and warranties are true and correct as of the date hereof. Seller’s representation and warranties shall remain true and accurate through the date of Closing.

3.01 Organization and Standing. Seller has been duly formed and is validly existing and in good standing with requisite power and authority to perform its obligations under this Agreement.

3.02 Authority. Seller has the requisite power and authority to enter into this Agreement and to consummate the transaction contemplated by this Agreement, and this Agreement has been duly executed and delivered by Seller.

3.03 Noncontravention. To Seller’s knowledge, this Agreement does not violate or constitute a default under any material agreement to which it is a party, or any statute, rule or regulation applicable to the Seller.

3.04 Ownership of Water Rights. Seller to the best of Seller’s knowledge, is the sole and exclusive owner of the Water Rights, free and clear of all liens, encumbrances, security interests, conditions, exceptions, or reservations. The water represented by the Water Rights has been put to beneficial use by Seller (or other legal users) such that the Water Rights are not vulnerable to forfeiture under applicable provisions of Utah law. There are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any other debtor relief laws contemplated by or pending or threatened against Seller. Seller

will cooperate with the issuance (at Developer's expense) of a commitment for title insurance on the Water Rights following the execution of this Agreement, and the issuance (at Developer's expense) of a policy of title insurance in favor of Big Plains at Closing.

3.05 No Liens or Encumbrances. Seller has not pledged, permitted any lien or security interest in, or otherwise encumbered any portion of the Water Rights or Seller's interest therein, nor granted any option or right of first refusal or first opportunity to any person or entity to acquire the Water Rights or any interest therein

3.06 Litigation. There is no action, suit, proceeding, or claim affecting the Seller or the Water Rights that would adversely affect Seller's ability to convey free and clear title to the Water Rights or Seller's ownership and enjoyment of the Water Rights from and after the Effective Date, nor, to Seller's knowledge, is any such action, suit, proceeding, or claim being threatened or asserted.

3.07 Validity of Transaction. To Seller's knowledge, no approval, consent, order, or authorization of any third party, is required in connection with the consummation by Seller of the transactions herein described.

3.08 OFAC Compliance. Seller warrants and represents that neither Seller, nor any affiliate of Seller, any partner, member or stockholder in Seller, or any beneficial owner of Seller, or any such partner, member or stockholder of any Seller or any affiliate of any of the foregoing (i) is a Blocked Party; (ii) is owned or controlled by, or is acting, directly or indirectly, for or on behalf of, any Blocked Party; or (iii) has instigated, negotiated, facilitated, executed or otherwise engaged in this Agreement directly or indirectly on behalf of any Blocked Party. Seller shall immediately notify Big Plains if any of the foregoing warranties and representations becomes untrue. For purposes of this Agreement, "**Blocked Party**" shall mean any party or nation that (a) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the U.S. Treasury ("**OFAC**") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) or other similar requirements contained in the rules and regulations of OFAC (the "**Order**") or in any enabling legislation or other Executive Orders in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "**Orders**") or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "**Lists**"); or (b) has been determined by competent authority to be subject to the prohibitions contained in the Orders.

3.09 Survival. The continued accuracy in all material respects of the aforesaid representations and warranties shall be a condition precedent to Big Plains' obligation to close.

**4.00 DEVELOPER'S REPRESENTATIONS AND WARRANTIES:** As a material inducement to Seller, Big Plains, and Jepson Canyon to enter into this Agreement and to consummate the transactions contemplated hereby, Developer hereby makes each of the representations and warranties set forth in this Section 4.00, which representations and warranties are true and correct as of the date hereof. Developer's representation and warranties shall remain true and accurate through the date of Closing.

4.01 Organization and Standing. Developer has been duly formed and is validly existing and in good standing with requisite power and authority to perform its obligations under this Agreement.

4.02 Authority. Developer has the requisite power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement, and this Agreement has been duly executed and delivered by Developer.

4.03 Noncontravention. To Developer's knowledge, this Agreement does not violate or constitute a default under its organizational documents or any material agreement to which it is a party or any statute, rule or regulation applicable to Developer.

4.04 Litigation. To Developer's knowledge, Developer has not received written notice of any litigation or proceeding, order, writ, injunction, or decree, either judicial or administrative, pending or threatened, affecting its ability to consummate the transactions contemplated hereby.

4.05 Due Diligence. Developer has performed, or will perform prior to Closing, due diligence on the Water Rights satisfactory to Developer. Developer is not relying upon any representation of the Seller as to title, validity, suitability, viability, or extent, of the Water Rights for the anticipated uses and purposes of Big Plains.

4.06 Insuring Title to Water Rights. Developer will bear the cost of issuance of a commitment for title insurance on the Water Rights following the execution of this Agreement, and the issuance of a policy of title insurance in favor of Big Plains at Closing, insuring that the Special Warranty Water Right Deed given by Seller at Closing shall entitle Big Plains to good and marketable title to the Water Rights.

**5.00 JEPSON CANYON'S REPRESENTATIONS AND WARRANTIES:** As a material inducement to Seller, Developer, and Big Plains to enter into this Agreement and to consummate the transactions contemplated hereby, Jepson Canyon hereby makes each of the representations and warranties set forth in this Section 5.00, which representations and warranties are true and correct as of the date hereof. Jepson Canyon's representation and warranties shall remain true and accurate through the date of Closing.

5.01 Organization and Standing. Jepson Canyon has been duly formed and is validly existing and in good standing with requisite power and authority to perform its obligations under this Agreement.

5.02 Authority. Jepson Canyon has the requisite power and authority to enter into this Agreement and to use the funds from the Bond Financing to purchase the Water Rights and consummate the transactions contemplated by this Agreement, and this Agreement has been duly executed and delivered by Jepson Canyon.

5.03 Noncontravention. To Jepson Canyon's knowledge, this Agreement does not violate or constitute a default under its organizational documents or any material agreement to which it is a party or any statute, rule or regulation applicable to Jepson Canyon.

5.04 Litigation. To Jepson Canyon’s knowledge, Jepson Canyon has not received written notice of any litigation or proceeding, order, writ, injunction, or decree, either judicial or administrative, pending or threatened, affecting its ability to consummate the transactions contemplated hereby.

5.05 Due Diligence. Jepson Canyon has performed, or will perform prior to Closing, due diligence on the Water Rights satisfactory to Jepson Canyon. Jepson Canyon is not relying upon any representation of the Seller as to title, validity, suitability, viability, or extent, of the Water Rights for the anticipated uses and purposes of Big Plains.

## 6.00 CLOSING:

6.01 Opening of Escrow and Closing Instructions. Within ten (10) days after Effective Date, escrow shall be opened with First American Title, 50 E. 100 South, Ste. 100, St. George, UT 84770, (435) 673-5491 (“**Escrow Agent**”), and Seller shall deliver to Escrow Agent the Seller Closing Documents described in section 6.02 below. On or before said date, the Parties shall also execute and deliver to Escrow Agent a Closing instruction letter substantially in the form attached hereto as Exhibit B (the “Closing Instructions”), incorporated herein, together with the Closing Documents, as that term is defined in the Closing Instructions, in such forms as have been mutually agreed upon by Seller, Developer, Big Plains, and Jepson Canyon. The Closing of the sale of the Water Rights by Seller to Buyer (the “Closing”) will occur on or before April 15, 2023. (the “Closing Date”), at such time as all Closing Conditions, as that term is defined therein, have been satisfied.

6.02 Closing Deliverables. Seller and Big Plains shall each execute and deliver its respective documents as described below. The Water Deed and Seller’s counterparts to the other documents described in this Section 6.02 shall be referred to as the “**Seller Closing Documents**.”

(a) Seller shall execute and deliver in recordable form a water right deed (the “**Special Warranty Water Right Deed**”), the form of which is attached hereto as Exhibit C, conveying the Water Rights to Big Plains. In addition, Seller shall execute a Water Deed Addendum, in form acceptable to the Utah Division of Water Rights to verify the conveyance of such Deeded Water Rights from Seller to Big Plains.

(b) Seller and Big Plains agree to comply with and to execute and deliver such certifications, affidavits and statements that are required at Closing in order to meet the requirements of Internal Revenue Code Section 1445 (Foreign/Non-Foreign Seller) and satisfy the terms of the Escrow Agreement signed by the parties.

(c) Big Plains and Seller shall deliver to each other additional materials that may be reasonably requested by either of them in connection with the consummation of the purchase and sale of the Water Rights in accordance with the terms and conditions of this Agreement and the Escrow Agreement.

Once deposited into escrow, the Seller Closing Documents shall not be released, except (i) at the Closing, or (ii) upon written request to terminate from Big Plains pursuant to Section 6.05 below. If the escrow is released pursuant to clause (ii), then this Agreement shall terminate and neither party shall have any further obligations hereunder unless otherwise specifically provided herein.

6.03 Closing Date. Subject only to Section 6.05 below, immediately after bond proceeds are available to Jepson Canyon for the acquisition of the Water Rights, Jepson Canyon shall cause their respective cash portions of the Purchase Price to be deposited with Escrow Agent, whereupon the closing of the purchase and sale of the Water Rights (the “**Closing**”) shall occur and Escrow Agent shall (i) record the Special Warranty Water Right Deed; (ii) deliver the Seller Closing Documents to Big Plains, with copies to Developer and Jepson Canyon, and (ii) deliver the Purchase Price to Seller.

6.04 Escrow and Closing Costs. Seller and Developer shall each pay one-half of the fee charged by Escrow Agent for providing escrow services. Taxes or other assessments upon the Water Rights, if any, shall be apportioned pro rata between Seller and Developer at Closing. Developer shall pay all other costs, including the cost of issuance of a policy of title insurance upon the Water Rights in favor of Big Plains.

6.05 Conditions Precedent to the Parties’ Obligation to Close. Jepson Canyon’s obligation to fund the Purchase Price, and Big Plains’ obligations to close, the transaction contemplated under this Agreement herein is subject to and contingent upon the satisfaction of the following conditions or the waiver of same by Big Plains in writing:

(a) Representations and Warranties. All of the representations and warranties of Seller set forth in this Agreement shall be true and correct, in all material respects, as of the Effective Date and at all times prior to and as of the Closing.

(b) Trustee Consent. Jepson Canyon’s bond trustee, responsible for management and disbursement of the bond proceeds to be used by Jepson Canyon to pay its portion of the Purchase Price, shall have given its consent to this transaction and agreed to disburse the required funds in coordination with Closing. The parties acknowledge that the trustee may have additional requests or conditions for such disbursement, and agree to cooperate with all such reasonable requirements to facilitate Closing.

(c) Water Rights Title Policy. Big Plains shall have received a commitment from a title insurer reasonably acceptable to Big Plains to insure title to the Water Rights subject only to exceptions approved by Big Plains in its reasonable discretion. Big Plains shall provide Seller at least ten (10) days prior to Closing a copy of the Preliminary Title Report. At the Closing Big Plains shall provide Seller with a copy of the Water Right Title Policy.

(d) Change of Use. Big Plains shall have consulted with the State of Utah that the Water Rights are capable of being approved for use by Big Plains. To the extent any change to the Water Rights is required for use in the Project, Big Plains and Seller shall cooperate to apply for formal approval of such change from the State of Utah in an expeditious manner after Closing, at Developer’s sole expense. However, approval of any application is not a condition precedent to Closing. Developer shall bear all costs in the filing and prosecution of any application filed on the Water Rights.

In the event the Closing does not take place on or before April 15, 2023, Seller may either elect to (i) extend the Closing, or (ii) terminate this Agreement by delivering written notice to Big Plains, Developer, Jepson Canyon, and the Escrow Agent. In the event this Agreement is

terminated by Seller no party shall have any obligation or duty to any other party. Following the pricing of the Bond Financing by Jepson Canyon, this Agreement may only be terminated with the express written consent of Jepson Canyon, whereupon Escrow Agent shall return the Seller Closing Documents to Seller and the parties shall have no further obligations hereunder except for any terms of this Agreement that expressly survive termination pursuant to Section 9.04 below.

**7.00 ASSIGNMENT:** Big Plains shall have the right, upon prior written notice to Seller, to assign this Agreement provided that the entity to which this Agreement is assigned is a public water provider which will provide equivalent water service to the Developer's Project. No other assignments of this Agreement shall be permitted except with the express written consent of the non-assigning parties hereto.

**8.00 MISCELLANEOUS:**

8.01 Recitals Incorporated. The recitals to this Agreement are incorporated herein and made a part of this Agreement as if set forth in their entirety herein.

8.02 Time for Performance. Time is of the essence of this Agreement

8.03 Entire Agreement. This Agreement is the entire agreement between Big Plains and Seller, and there are no oral or other written agreements or representations directly or indirectly connected with this Agreement.

8.04 Applicable Law. This Agreement shall be construed under the laws of the State Utah, without regard to conflicts of law provisions.

8.05 Counterparts. This Agreement may be executed in any number of identical counterparts, or with multiple signature pages which, when assembled as a single document or, if not so assembled, when taken together shall be deemed to be fully effective and operative as an original document; provided, however, that in making proof of this Agreement, it shall not be necessary for any Party hereto to produce or account for more than one such counterpart.

8.06 Severability. In the event any provision of this Agreement is deemed invalid, illegal or unenforceable, the remainder of the Agreement shall be valid and enforceable.

8.07 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

8.08 Waiver of Conflicts; Construction of this Agreement. This Agreement has been prepared by Snow Jensen & Reece, PC, representing Jepson Canyon as district general counsel, and the other Parties hereto waive any conflict of interest which may be a result of such representation. The Parties other than Jepson Canyon acknowledge and agree that independent counsel has represented and advised them and that each of the Parties has participated in the drafting of this Agreement. Accordingly, it is the intention and agreement of the Parties that the language, terms and conditions of this Agreement are not to be construed in any way against or in favor of any Party hereto because of the responsibilities in connection with the preparation of this Agreement.

8.09 Prevailing Party Attorney Fees. If any party files suit to enforce the obligations of another party under this Agreement, the prevailing party shall be entitled to recover the reasonable fees and expenses of its attorneys from the non-prevailing party.

## 9.00 DEDICATION OF WATER TO BIG PLAINS:

9.01 Conveyance is a Dedication. Jepson Canyon’s payment of the Purchase Price, and Seller’s resulting conveyance of the Water Rights to Big Plains at Closing, shall be deemed by Big Plains, for all purposes, a conveyance of the Water Rights to Big Plains for the benefit of new residential customers within the boundaries of Phase 1 of the Project (hereafter the “**Water Right Dedication**”), consistent with the development agreement between Developer and the Town of Apple Valley and the codes and policies of Big Plains which are in effect as of the Effective Date of this Agreement. The effective date of the Water Right Dedication shall be the date of Closing.

9.02 Equivalent Residential Connections.

(a) As of the effective date of the Water Right Dedication, consistent with the development agreement between Developer and the Town of Apple Valley, Big Plains accepts the Water Rights as sufficient to provide Developer the right to certain additional residential connections, pursuant to the requirements of Section 1.05.005.20.C of the Water and Sewer Service Codes of Big Plains (and Section 1.1.3.3 of the Big Plains Water and Sewer Special Service District Policies and Procedures for Retail Water Service, effective June 6, 2019). Developer agrees that it will get credit for the number of residential connections equal to the actual acre feet of water remaining to Big Plains after the State of Utah approves an application to convert the irrigation water to culinary water. Big Plains agrees that in the event of any modifications to its policy on the amount of water required per residential connection, Developer will receive the benefit of any such modifications, even if the same occur after the date of this Agreement or after the Closing.

(b) Big Plains further acknowledges that Developer may seek additional connections for the Project, at Developer’s cost, consistent with the Amendment to Development Agreement between Developer, Big Plains, and the Town of Apple Valley.

9.03 Infrastructure. Developer, and not Big Plains or the Town of Apple Valley, shall be responsible to install water lines and related infrastructure for dedication to Big Plains, to ensure delivery of water to the Project, consistent with the development agreement between Developer and the Town of Apple Valley.

9.04 Survival and Nonmerger. The terms and conditions of this Agreement, including but not limited to paragraphs 2.02, 2.03, and Sections 3.00, 4.00, 5.00, 8.00 and 9.00, shall not merge into any documents executed or delivered at Closing and shall survive the Closing.

[SIGNATURES CONTAINED ON FOLLOWING PAGES.]




IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the dates hereafter set forth by their duly authorized officers.

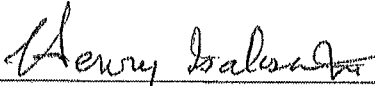
**SELLER:**

**DEVELOPER:**

**LITTLE CREEK LAND COMPANY,  
INC.**

**LITTLE CREEK LAND COMPANY, LLC**

By:   
Name: Jerry Eyes  
Title: President

By:   
Name: Henry Isaksen, Jr.  
Title: Manager

Date signed: 01/05/23

Date signed: 01/05/23

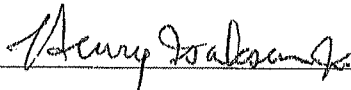
**BIG PLAINS:**

**JEPSON CANYON:**

**BIG PLAINS WATER AND SEWER  
SPECIAL SERVICE DISTRICT**

**JEPSON CANYON PUBLIC  
INFRASTRUCTURE DISTRICT #1**


By: \_\_\_\_\_

By: 

Date signed: \_\_\_\_\_

Date signed: 01/05/23

Attest: \_\_\_\_\_  
Clerk

Attest:   
Clerk

**EXHIBIT A**

<b>Water Right #</b>	<b>App #</b>	<b>Quantity (acre feet)</b>	<b>Priority Date</b>
81-5513	a49062	69 acre feet	8/5/1974
	<b>TOTAL:</b>	<b>69 acre feet</b>	

## EXHIBIT B

### CLOSING INSTRUCTIONS AGREEMENT

This CLOSING INSTRUCTIONS AGREEMENT (the "Agreement"), dated as of \_\_\_\_\_, 2023, is by and among the following parties (each, a "Party," collectively, the "Parties"): (a) \_\_\_\_\_ ("Seller"), (b) \_\_\_\_\_ ("Purchaser"), and (c) \_\_\_\_\_ ("Escrow Agent").

#### Recitals

A. Seller and Purchaser are parties to a Purchase and Sale Agreement, dated as of \_\_\_\_\_, 2023 (the "PSA"), for \_\_\_\_\_, more specifically described in the Contract.

B. Pursuant to Section \_\_\_ of the PSA, Seller and Purchaser agreed to deliver certain documents for the consummation of the purchase and sale of the Water Rights at the "Closing", as defined in the PSA, into an escrow established by Escrow Agent (the "Escrow").

C. The \_\_\_\_\_ District (the "District") has previously issued its \_\_\_\_\_ (the "Bonds"), pursuant to an Indenture of Trust (the "Indenture") between the District and \_\_\_\_\_, as trustee (the "Bond Trustee"); however, the proceeds from the Bonds are restricted and may only be released upon the acquisition of additional water rights for the Project by Purchaser.

D. The Parties desire to set forth their agreement whereby they will conduct a "Dry Closing" wherein all Closing deliverables to be made at the Closing of the PSA will be made on the date hereof, and the Parties authorize the Closing pending only the satisfaction of the Conditions Precedent set forth below in this Agreement.

NOW, THEREFORE, in consideration of the foregoing facts, and other good and valuable consideration, the receipt and sufficiency of which are hereby confessed and acknowledged, the Parties agree as follows:

#### Agreement

**1.00 Closing Documents.** Escrow Agent has received the original documents and other items described on Exhibit A attached hereto (the "Closing Documents") which the Parties understand will be delivered to Escrow Agent prior to \_\_\_\_\_, 2023. Certain Closing Documents contain blanks, either in the body of such documents or in the exhibits thereto, which require dates and/or recording information from other documents which are to be recorded prior to such documents. Escrow Agent is instructed to fill in such blanks with the date of the Closing on or before April 15, 2023, and the correct recording information, in each case on every Closing Document in which such blank occurs. As a condition to the Parties' delivery of their respective Closing Documents, each Party shall receive a copy of this Agreement signed by the Escrow Agent evidencing its agreement to the terms and conditions set forth herein.

Also, Escrow Agent has received from Purchaser by wire transfer an amount sufficient to close the purchase of the Water Rights (the "Purchaser Funds").

**2.00** Conditions to Closing. The following are the Parties' conditions to Closing the purchase and sale of the Water Rights (the "Closing Conditions"):

2.01 Escrow Agent has received the Purchaser Funds and is prepared to disburse the Purchaser Funds in accordance with the Purchaser's Settlement Statement and the Seller's Settlement Statement (together, the "Closing Statements");

2.02 Escrow Agent has in its possession all of the Closing Documents, fully executed and acknowledged where appropriate, together with all documents necessary to satisfy the Requirements set forth in \_\_\_\_\_ (the "Commitment");

2.03 Escrow Agent is unconditionally prepared to record the Closing Documents that are described on Exhibit B, in the order described on Exhibit B;

2.04 Escrow Agent has signed below and delivered a copy of this instruction letter to the undersigned; and

2.05 Escrow Agent has received a certificate executed by the Bond Trustee confirming the issuance of the Bonds and credit of the net proceeds thereof to project fund held by the Bond Trustee in accordance with Indenture, and that such project fund has been funded in the amount of not less than \$\_\_\_\_\_.

**3.00** Closing. Escrow Agent is irrevocably authorized and directed by the Parties to (a) submit for recording the Closing Documents that are described on Exhibit B, IN THE ORDER described on Exhibit B, (b) release and disburse the Closing Documents, but in each case only to the parties thereto, and (c) disburse the Purchaser Funds in accordance with the Closing Statements, in each case on or before April 15, 2023, provided that the conditions set forth in Section 2 above are satisfied.

In the event any or all of the foregoing conditions precedent are not satisfied on or before April 15, 2023, the Escrow Agent shall cause all documents delivered to it to be returned to the Party that delivered the same. Such return of documents shall occur automatically unless all Parties hereto agree in writing to extend such date. In addition, Escrow Agent shall return all of the Purchaser Funds to Purchaser by wire transfer as directed by Purchaser.

**4.00** Acknowledgments.

4.01 Purchaser acknowledges and agrees that (i) as of the date of this Agreement, all Closing Conditions have been satisfied or waived, and Purchaser hereby irrevocably authorizes the "Dry-Closing" pursuant to the terms of this Agreement, and (ii) Purchaser irrevocably authorizes the Closing (as defined in the PSA).

4.02 By its execution hereof, Escrow Agent is committed, upon receipt of the Purchaser Funds, to issue to Purchaser owner's policy of water right title insurance in the amount set forth in the Proforma attached hereto as Exhibit C, underwritten by \_\_\_\_\_ and exactly in the form of the Proforma attached hereto as Exhibit C (the "Title Policy"). Escrow Agent unequivocally agrees to provide "gap" coverage from the effective date of the Commitment through the date of recordation of the Purchaser Deed (the "Gap Period").

**5.00 Effectiveness (Seller and Purchaser).** Except as set forth in Section 3, no Closing Document to be deposited with Escrow Agent by the Seller or Purchaser pursuant to this Agreement shall be valid or effective for any purpose whatsoever unless and until Escrow Agent is prepared to proceed with the Closing of the transactions contemplated by the PSA pursuant to Section 2 above.

**6.00 Counterparts and Signatures.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument. Facsimile or electronic signatures hereon shall have the same validity as original signatures.

**7.00 Entire Agreement.** This Agreement embodies the entire agreement and understanding of the Parties hereto as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings among the Parties with respect to the subject matter hereof.

**[Signature Page Follows]**

**SELLER:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

**PURCHASER:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Acknowledged and agreed to by:

**ESCROW AGENT:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT A**  
**Closing Documents**

**EXHIBIT B**  
**Order of Recording**

**EXHIBIT C**

**Pro Forma Policy**



[EXHIBIT A]

<b>Water Right #</b>	<b>App #</b>	<b>Quantity (acre feet)</b>	<b>Priority Date</b>
81-5513	a49062	69 acre feet	8/5/1974
	<b>TOTAL:</b>	<b>69 acre feet</b>	

[EXHIBIT B]

[INSERT UTAH DIVISION OF WATER RIGHTS FORM WATER RIGHTS ADDENDUM  
TO WATER DEEDS]