

## LEASE AGREEMENT

This Lease Agreement (“Agreement”), made this 10th day of March, 2023 between Esplin Cattle Company, a Utah corporation, located at 690 Five Sisters Drive, St. George, Utah 84790 (“Lessor” or “Esplin Cattle”), EGI Partners, LLC, a Utah limited liability company, located at 321 North Mall Drive, Bldg. O #202, St. George, Utah 84790 (“EGI”) and City of Hildale, a Utah municipality, located at 320 East Newel Avenue, Hildale, Utah 84784 (“Lessee” or “Hildale”). Lessor, EGI and Lessee are sometimes hereafter referred to collectively as the “Parties” or individually as a “Party.”

### RECITALS

A. Lessor, Esplin Cattle Company, is the owner of certain real property in Hildale located east of the Hildale sewer treatment plant, more particularly described in **Exhibit A** (“Property”). Lessor uses the Property for agricultural and livestock grazing purposes. The Property is in greenbelt tax status.

B. Lessee, city of Hildale, holds the requisite wastewater certification with the State of Utah and operates the sewer treatment plant. Hildale desires to secure rights for the discharge of treated effluent wastewater from the treatment plant lagoons.

C. Lessor has entered into a certain Vacant Land Purchase and Sale Agreement dated February \_\_, 2023 (“PSA”) to sell real property owned by Esplin Cattle Company, including the Property, to EGI Partners, LLC, and said PSA has terms related takedowns of property to occur over three phases.

D. Esplin Cattle and Hildale have entered into prior lease terms for the discharge of treated effluent wastewater on the Property. Hildale has previously surveyed the Property.

E. Parties desire to provide for the discharge of treated effluent wastewater from Hildale’s sewer treatment plant onto vacant Property owned by Esplin Cattle which is subject to the EGI purchase interests set forth in the PSA.

F. Parties acknowledge that EGI intends to purchase Esplin Cattle land, including the Property, for the purpose of development and Parties desire to master plan infrastructure for Hildale.

NOW THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the Parties hereby expressly agree as follows:

### AGREEMENT

1. Discharge. Hildale has the right access and use the Property to discharge treated effluent wastewater from the Hildale sewer treatment plant lagoons on the Property. Discharge on the Property shall be by means of a pivot irrigation system. Hildale shall pay for the cost to install, maintain and repair the pivot irrigation system. Hildale shall control the discharge of the wastewater and assumes all responsibility and liability for said discharge.

2. Lease Payment and Term. Hildale shall pay Esplin Cattle the sum of US \$7,500.00 (Seven Thousand Five Hundred) per year as payment for the rights under this Agreement (“Payment”). This Agreement shall continue until March 1, 2033, except for as provided in this

Agreement. Payment by Hildale to Esplin Cattle is due upon execution of this Agreement, and each annual Payment is then due on the first day of March thereafter. A late fee of \$50 a month applies for each month the Payment is late. If all of the Property is purchased by EGI and notice given to Hildale, the Payment shall then be made payable to and delivered to EGI.

3. Fencing and Livestock Control. Hildale shall install, maintain and repair fencing and gates around the perimeter of the Property and do so at its own cost. Fence and gate material and design shall comply with applicable state or health department laws. Hildale shall control access to the Property. Hildale shall keep any livestock controlled and on the Property.

4. Agricultural Use. Hildale shall have the right to use the Property for agricultural purposes during the term of this Agreement. The costs for Hildale's agricultural uses or improvements for Hildale's agricultural uses shall be paid by Hildale.

5. Survey. Hildale may survey the Property at its own cost. Any survey completed by Hildale shall be performed by a surveyor licensed in Utah, and the survey shall be recorded with the Washington County Recorder's office.

6. Taxes. Esplin Cattle shall pay all real property taxes and/or assessment for the Property. Esplin Cattle and/or EGI reserves the right to maintain and file any greenbelt application or to maintain greenbelt status for the Property.

7. Insurance and Indemnity. Hildale shall name Esplin Cattle and EGI as additional insured for any liability insurance policy applicable to the Property, and shall indemnify, defend and hold harmless Esplin Cattle and EGI for any liability arising from the Property, Hildale's rights and duties under this Agreement, or any failure by Hildale to perform terms of this Agreement.

8. Infrastructure Planning. Parties desire to collaborate together for long term master plan solutions for wastewater treatment. Parties agree to discuss, plan and communicate with each other regarding development of the Property, expansion of the Hildale sewer treatment plant, and sewer treatment alternatives.

9. Right to Cancel. Any Party has the right to cancel this Agreement if (i) a Party issues written *notice of intent* to cancel this Agreement at least 12 months prior to the cancellation of this Agreement, and (ii) a Party issues written *notice to cancel* this Agreement at least 90 prior to cancellation of this Agreement. Written notice may be delivered to the Parties by mail or electronic mail.

10. Renewal. This Agreement may be renewed upon written application from the Lessee and mutual agreement of Lessor, EGI and Lessee so long as Lessee is in compliance with all terms and conditions of this Agreement.

11. Return of Property. At the expiration of time mentioned in this Agreement, peaceable possession of the Property shall be given to the Lessor and/or EGI. Lessee shall be responsible to remove any trash, debris, unusable equipment or other items not affixed to the Property.

12. Heirs, Assigns. The terms and covenants herein shall extend to and be binding upon the heirs, executors and administrators of the Parties of this Agreement.

13. Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior and contemporaneous agreement, representations, and understandings of the Parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the party against whom enforcement is sought. No waiver of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provision, whether similar or not, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

14. Governing Law. Each party to this Agreement agrees that the terms of this Agreement shall be interpreted, governed, and enforced according to the laws of the State of Utah.

15. Execution of Multiple Counterpart Originals. This Agreement may be executed in multiple counterparts and shall be deemed fully executed and binding when all the Parties hereto have executed one counterpart of this Agreement, and which together shall constitute one and the same instrument. Counterparts and signatures transmitted by facsimile or PDF will be valid as originals. This Agreement shall then have the same force and effect as if all signatures appeared on the same original.

IN WITNESS WHEREOF, the said parties to these present have hereunto set their hands the day and year first above written.

Signed and delivered in the presence of:

**The City of Hildale:**

\_\_\_\_\_ Mayor

Attest:

\_\_\_\_\_ City Recorder

**Esplin Cattle Company:**

\_\_\_\_\_  
Leo Esplin, President

STATE OF UTAH )

ss.

COUNTY OF WASHINGTON )

On the \_\_\_ day of March, 2023 personally appeared before me Leo Esplin, President of Esplin Cattle Company, a Utah corporation, the signer of the within instrument, who duly acknowledged to me that by resolution he is the authorized representative for said corporation and executed the same.

\_\_\_\_\_  
Notary Public

**EGI Partners, LLC:**

\_\_\_\_\_  
Jared M. Westhoff, Manager

STATE OF UTAH )

ss.

COUNTY OF WASHINGTON )

On the \_\_\_ day of March, 2023 personally appeared before me Jared M. Westhoff, Manager of EGI Partners, LLC, the signer of the within instrument, who duly acknowledged to me that by resolution he is the authorized representative for said company and executed the same.

\_\_\_\_\_  
Notary Public

## **EXHIBIT A**

### **Esplin Cattle Company Real Property**

Affecting Portions of Parcels Nos: 184, 185, 1394

Beginning at a point N. 0 P25' 18" E. 66.00 feet from the southeast corner of Section 36, Township 43 South, Range 11 West, Salt Lake Base & Meridian, Washington County, Utah; thence N. 89°10'06" W. 155.91 feet along the north line of a 66-foot right of way to the existing Hildale City sewer lagoon property; thence along the boundary of said property the following four courses: N. 15°59'03" W. 220.46 feet, N. 00°49'53" E. 104.82 feet, N. 15°49'51" W. 886.73 feet, and N. 29°38'16" W. 1118.81 feet to the northeast corner of said property; thence N. 66°12'57" E. 1438.57 feet to a point on a 1320 foot radius curve to the right; thence along said curve 3935.56 feet through a central angle of 170°49'36"; thence S. 01°25'18" W. 431.80 feet to said north line of right of way; thence N. 89°10'07" W. 1546.05 feet along said north line of right of way to the point of beginning, containing 150 acres, more or less.