



CITY COUNCIL MEETING

ADDENDUM

6:00 pm

Tuesday, December 20, 2005

I. PRELIMINARY ACTIVITIES

- A. Pledge of Allegiance
- B. Minutes
- C. [Agenda Request - Wasatch Wind](#)
- D. [Agenda Request - Dana Robinson](#)

II. PUBLIC HEARINGS

- 6:30 pm A. [Rigtrup Annexation](#)

III. STAFF REPORTS

- A. Junior Baker - Legal
 - 1. [Lease Agreement - Rocky Mountain Composite](#)
- B. Emil Pierson - Planning
 - 1. [Utah Division of Parks and Recreation Trails and Pathways Federal Funding Program - Fiscal Assistance Agreement](#)
- C. Richard Heap - Engineering
 - 1. [Salt Shed Bids - Over Budget](#)
 - 2. [Phase II Storm Water Regulations Interlocal Agreement](#)
 - 3. [Strawberry Water Contract](#)
 - 4. [Westfield Storm Drain Agreement](#)
- D. Dale Robinson - Recreation
 - 1. [Gun Club Report - Doug Ford*](#)

IV. OTHER BUSINESS

- A. Council Report on Assignments

V. EXECUTIVE SESSION IF NEEDED - TO BE ANNOUNCED IN MOTION

() indicates support information, if any, will follow at the Council meeting.*

The public is invited to participate in all Spanish Fork City Council Meetings located at 40 South Main St. If you need special accommodation to participate in the meeting, please contact the City Manager's Office at 798-5000.

Connie Swain

From: Contact [contact@spanishfork.org]
Sent: Monday, November 14, 2005 3:09 PM
To: 'Connie Swain'
Subject: FW: request to be on SF city council agenda

Seth Perrins
Assistant City Manager
Spanish Fork City
Phone: 801-798-5000 x. 27
Fax: 801-798-5005

-----Original Message-----

From: Christine Watson Mikell [mailto:christine@isotruss.com]
Sent: Monday, November 14, 2005 3:05 PM
To: contact@spanishfork.org
Subject: request to be on SF city council agenda

1. Date of meeting requested to attend—December 6th
2. Subject of your request : Wasatch Wind met tower lease
3. List detailed information regarding your request : Spanish Fork City and Wasatch Wind entered into a lease agreement last year. As part of that lease agreement, Wasatch Wind was given the right to install an 83 meter wind tower on city property. The lease expires at the beginning of December. Wasatch Wind would like to ask the council to extend that lease for another year or longer. In addition, Wasatch Wind would like to give an update of the status of the wind farm
4. Your full name Christine Watson Mikell
5. Your e-mail address Christine@isotruss.com
6. Your physical or mailing address 3658 E Golden Oaks Dr Salt Lake City UT 84121
7. Your phone Number 801-943-0104 or if busy 801-455-1045

Thanks,

Christine Watson Mikell
Wasatch Wind, Project Director
Christine@isotruss.com
801-943-0104 (office)
801-455-1045 (cell)
801-942-1675 (fax)

LEASE AGREEMENT

THIS LEASE AGREEMENT (Lease) dated as of November 16, 2004, is between Wasatch Wind, LLC, (Lessee) whose address is 357 W. 910 S. Heber City, Utah and Spanish Fork City, (Lessor) whose address is 40 South Main Spanish Fork, Utah 84660.

The parties hereto agree as follows:

1. Premises. Lessor owns the real property legally described in Exhibit "A," which is part of a parcel commonly known as the Olsen Well Property. Subject to the following terms and conditions, Lessor leases to Lessee that property described in Exhibit "A" (Property), including any applicable easements for access and utilities.

2. Use. The Property may be used by Lessee for the construction of a tower to test wind velocities for potential electric wind turbines. Lessee is responsible for all licenses, permits and any and all other necessary approvals that may be required for Lessee's intended use of the Property. This Lease is limited to testing and wind turbines may not be erected without a new lease agreement.

3. Condition Precedent. This Lease is conditioned upon Lessee, or Lessee's assigns, obtaining all governmental permits and approvals enabling Lessee, or its assigns, to construct and operate the test tower on the Property.

4. Term. The term of this Lease (Term) shall be twelve (12) months commencing on the 16th day of November, 2004. Lessee shall have the option to extend the Lease an additional twelve (12) months, by giving notice to Lessor at least ninety (90) days prior to the expiration of the initial Term.

5. Early Termination. Lessor may terminate the lease prior to the end of the term if it sells the property, upon sixty days notice to Lessee, provided that Lessor may not terminate the lease prior to June 1, 2005 (notice given by April 1, 2005). However, Lessor and any actual or potential buyer may access the leased property at any time and make preparations for future site work, so long as such access/preparation does not interfere with Lessee's tower nor guy wires. Lessor and Lessee agree to cooperate in access/preparation issues. If the lease is terminated early, the rent shall be pro-rated and a refund returned to Lessee with the notice required.

6. Rent. Upon the execution of this Lease, Lessee shall pay Lessor, as rent, the sum of Five Hundred dollars (\$500) for the Term. If Lessee exercises its option, rent for the next year, in the same amount, shall be due on or before November 16, 2005.

7. Improvements; Access.

(a) Lessee shall maintain all access upon the Property. If Lessee causes any damage, it shall promptly repair the same.

(b) Lessee shall have the right to take an electrical feed from Lessor's meter at the nearby well pump house for minimal electrical usage. Lessee shall be limited to electrical usage for FAA required strobe lights at the top of its test tower and shall pay to Lessor the sum of ten dollars (\$10.00) per month for such electrical usage. This payment is in addition to the rent and shall be paid monthly. If Lessee's electrical power needs turn out to be greater, the parties will modify this paragraph.

(c) Lessee shall remove all its Facilities, at its sole expense, at the expiration of the Term, any Renewal Term, or upon early termination. Lessee shall repair any damage to the Property caused by such removal and shall return the Property to the condition which existed on the Commencement Date, reasonable wear and tear excepted.

8. Interference with Well. Lessee's Facilities shall not disturb Lessor's use of the well located on Lessor's property adjacent to the Property, nor cause any disruption to the flows, nor damage, in any manner, Lessor's well.

9. Taxes. Lessee shall pay personal property taxes assessed against Lessee's Facilities, when due.

10. Insurance. Lessee shall maintain the following insurance: (1) Commercial General Liability with limits of \$1,000,000.00 aggregate and per occurrence, (2) \$1,000,000.00 excess policy, (3) Workers Compensation as required by law, and (4) Employer's Liability with limits of \$1,000,000.00 per occurrence.

11. Assignment. Lessee may assign this Lease with the consent of Lessor, which consent shall not be unreasonably withheld.

12. Title and Quiet Enjoyment. Lessor warrants that it has full right, power, and authority to execute this Lease; Lessor further warrants that Lessee shall have quiet enjoyment of the Property during the Term of this Lease or any Renewal Term, unless terminated early based upon a sale of the property.

13. Environmental. Lessor represents that the Premises have not been used for the generation, storage, treatment or disposal of hazardous materials, hazardous substances or hazardous wastes. In addition, Lessor represents that no hazardous materials, hazardous substances, hazardous wastes, pollutants, asbestos, polychlorinated biphenyls (PCBs), petroleum or other fuels or underground storage tanks are located on the Property.

14. Miscellaneous.

(a) If any provision of the Lease is ruled invalid or unenforceable, the remainder of this Lease shall be severable from the invalid portion, and each remaining provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

(b) This Lease shall be binding on and inure to the benefit of the successors and assignees of the respective parties.

(c) Any notice or demand required to be given herein shall be made by certified mail, return receipt requested, or reliable overnight mail to the address of the respective parties set forth below:

Lessor: Spanish Fork City
40 North Main
Spanish Fork, Utah 84660
Attn: David Oyler

Lessee: Wasatch Wind, LLC
357 W. 910 S.
Heber City, Utah 84032
Attention: Tracy Livingston

Lessor or Lessee may from time to time designate any other address for this purpose by written notice to the other party.

(d) This Lease shall be governed under the laws of the State of Utah.

(e) The substantially prevailing party in any legal claim arising hereunder shall be entitled to its reasonable attorney's fees, expert witness fees, and court costs, including appeals, if any.

(f) This Lease constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other leases concerning the subject matter contained herein. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease must be in writing and executed by both parties.

IN WITNESS WHEREOF, the parties have executed this Lease as of the date first above written.

SPANISH FORK CITY by:

DALE R. BARNEY, Mayor

ATTEST:

KENT R. CLARK, Recorder

WASATCH WIND, LLC by:

TRACY LIVINGSTON, Manager
EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Lessor's Property subject to this lease is legally described as follows:

Commencing at a point which is South 1880.53 feet and East 1591.27 feet from the West Quarter Corner of Section 27, Township 8 South, Range 3 East, Salt Lake Base and Meridian; Thence S20°05'13"E 265.62 feet; Thence N70°08'37"E 267.07 feet; Thence N20°10'25"W 267.86 feet; Thence S69°39'46W 266.67feet to the Point of Beginning. CONTAINING 1.63 ACRES.

Seth Perrins

From: therobinsons@sfcn.org
Sent: Thursday, December 15, 2005 6:45 AM
To: sperrins@spanishfork.org
Subject: Agenda RequestagendaSubject

Values submitted by the user:

first_name - Dana
last_name - Robinson
address - 774 E. 700 N.
city - Spanish Fork
state - UT
zip - 84660
contactphone - 921-9878
email - therobinsons@sfcn.org
agendaSubject - Dana Robinson
detailed - An expression of thanks to the Mayor and the members of the City Council.
submit - submit

SPANISH FORK CITY COUNCIL STAFF REPORT



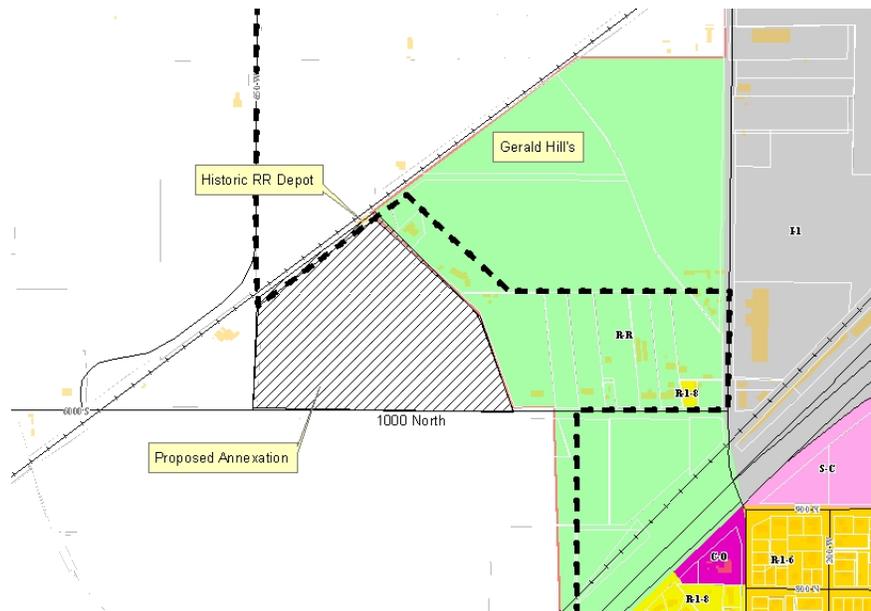
| | | | |
|------------------|--|------------------------|---|
| To: | City Council | Property Size: | 23.5 acres |
| From: | Emil Pierson, City Planner | General Plan: | Residential 1 unit to 5 acres & light industrial |
| Date: | December 20, 2005 | Zoning: | County R-A |
| Subject: | Rigtrup Annexation | Requested Zone: | I-1 |
| Location: | 1000 North Depot Road (City) 6000 South 650 West (County) | | |

Background

The applicant(s), Carolyn Rigtrup, is requesting to annex approximately 23.5 acres into Spanish Fork City from Utah County.

Analysis

The City Boundary is to the east of the property. The properties to the east were annexed as part of the Gerald Hill Annexation. The General Plan currently shows the parcels as Residential 1 unit per 5 acres and light industrial. The property is within Spanish Fork City's policy declaration boundary but outside of the current



growth boundary. The property owner is requesting for the property to be zoned Light Industrial (I-1) therefore, it could be developed outside of the growth boundary.

Utilities

The electric for this location is located along Depot road on the east side of the property. Water is located in 1000 North and the sewer and all other utilities are located at the corner of 1000 North and 300 West.

Development Review Committee

The DRC reviewed this request at their October 26, 2005 meeting and carefully reviewed the City's Policy Declaration Boundary with follows the railroad tracks. The DRC also reviewed the utility locations for water, sewer, electric and storm drainage for the site. A discussion also arose pertaining to the four (4) roads that surround the property and the adjacent railroad track and spur on the north side of the property and the future needs of those.

The Development Review Committee recommended approval with the finding that the property is within the City's Policy Declaration Boundary and that available utilities are close to the property when it develops in the future.

The Development Review Committee recommended that the Planning Commission carefully look at the zoning for the intended property and take into consideration the adjacent uses prior to recommending a zone to the City Council.

Planning Commission

The Planning Commission reviewed this request at their November 2, 2005 meeting and discussed the surrounding uses, utilities locations for the property, and future uses.

Planning Commission minutes from November 2, 2005

Mr. Pierson presented the background for this annexation request as follows: The applicant(s), Carolyn Rigtrup, is requesting to annex approximately 23.5 acres into Spanish Fork City from Utah County. Mr. Pierson stated that the Development Review Committee recommended approval with the finding that the property is within the City's Declaration Boundary and that available utilities are close to the property when it develops in the future.

The Development Review Committee recommended that the Planning Commission carefully look at the zoning for the intended property and take into consideration the adjacent uses prior to recommending a zone to the City Council.

Darren Rigtrup, representing Carolyn Rigtrup, stated that the reason that they are requesting this is that there is a company that is interested in purchasing the property, and the sale is pending annexation and other details. Commissioner Robins confirmed that the property is all owned by Mrs. Rigtrup, and she stated that it is. There was discussion about roads in the area, as well as traffic concerns.

Mr. Rigtrup stated that as he spoke with the potential buyers, they expressed that it would make more sense for the heavy trucks to go out and around the industrial area, rather than through the residential area. Commissioner Robins asked what we are allowing in this area. Mr. Pierson stated no gravel operation, no explosives, no residential used, but pretty much any other manufacturing uses.

Commissioner Lewis made a **motion** to give a **positive recommendation** to the City Council for the Rigtrup Annexation, subject to the following condition: 1. That the Rigtrup property be zoned Light Industrial (I-1). Commissioner Robins **seconded**, with all in favor.

RECOMMENDATION

Approve:

Make a motion to **APPROVE** the Rigtrup Annexation at 1000 North Depot Road (City) 6000 South 650 West (County) subject to the following condition(s):

1. That the Rigtrup property be zoned Light Industrial (I-1)

Table

Make the motion to **TABLE** the Rigtrup Annexation located at 1000 North Depot Road (City) 6000 South 650 West (County) for the following reason(s):

Deny:

Make the motion to **DENY** the Rigtrup Annexation located at 1000 North Depot Road (City) 6000 South 650 West (County) for the following reason(s):

Rigtup Map

1 Inch equals 776 Feet



Legend

- Roads
- Not Paved
 - Paved
 - Railroad
 - Rivers
 - Property Lines
 - County_SF_Parceles
 - Draft_Growth_Boundary_2005
 - 1 U/40 Acres
 - 1 U/5+ Acres
 - 1 U/5+ Acres / 0.5-1.5 U/A
 - 1 U/5+ Acres / 1.5-2.5 U/A
 - 1 U/5+ Acres / 2.5-3.5 U/A
 - 1 U/5+ Acres / 3.5-4.5 U/A
 - 1 U/5+ Acres / 4.5-5.5 U/A
 - 1 U/5+ Acres / 5.5-8 U/A
 - 1 U/5+ Acres / Business Park
 - 1 U/5+ Acres/General Commercial
 - 1 U/5+ Acres/Light Industrial
 - 1 U/5-12 Acres / Residential Office
 - 1.5-2.5 U/A
 - 2.5-3.5 U/A
 - 3.5-4.5 U/A
 - 3.5-4.5 U/A / Professional Office
 - 3.5-4.5 U/A / General Commercial
 - 4.5-5.5 U/A
 - 4.5-5.5 U/A / General Commercial
 - 5.5-8 U/A
 - 5.5-8 U/A / Professional Office
 - 5.5-8 U/A / Residential Office
 - 5.5-8 U/A / General Commercial
 - 9-12 U/A
 - Downtown
 - Professional Office
 - Professional Office / Residential Office
 - Shopping Center
 - General Commercial
 - General Commercial / Business Park
 - Light Industrial
 - Light Industrial / 3.5-4.5 U/A
 - Light Industrial / Commercial
 - Light Industrial / Business Park
 - Medium Industrial
 - Heavy Industrial
 - Public Facilities
 - Recreation
 - Spanish Fork Boundary

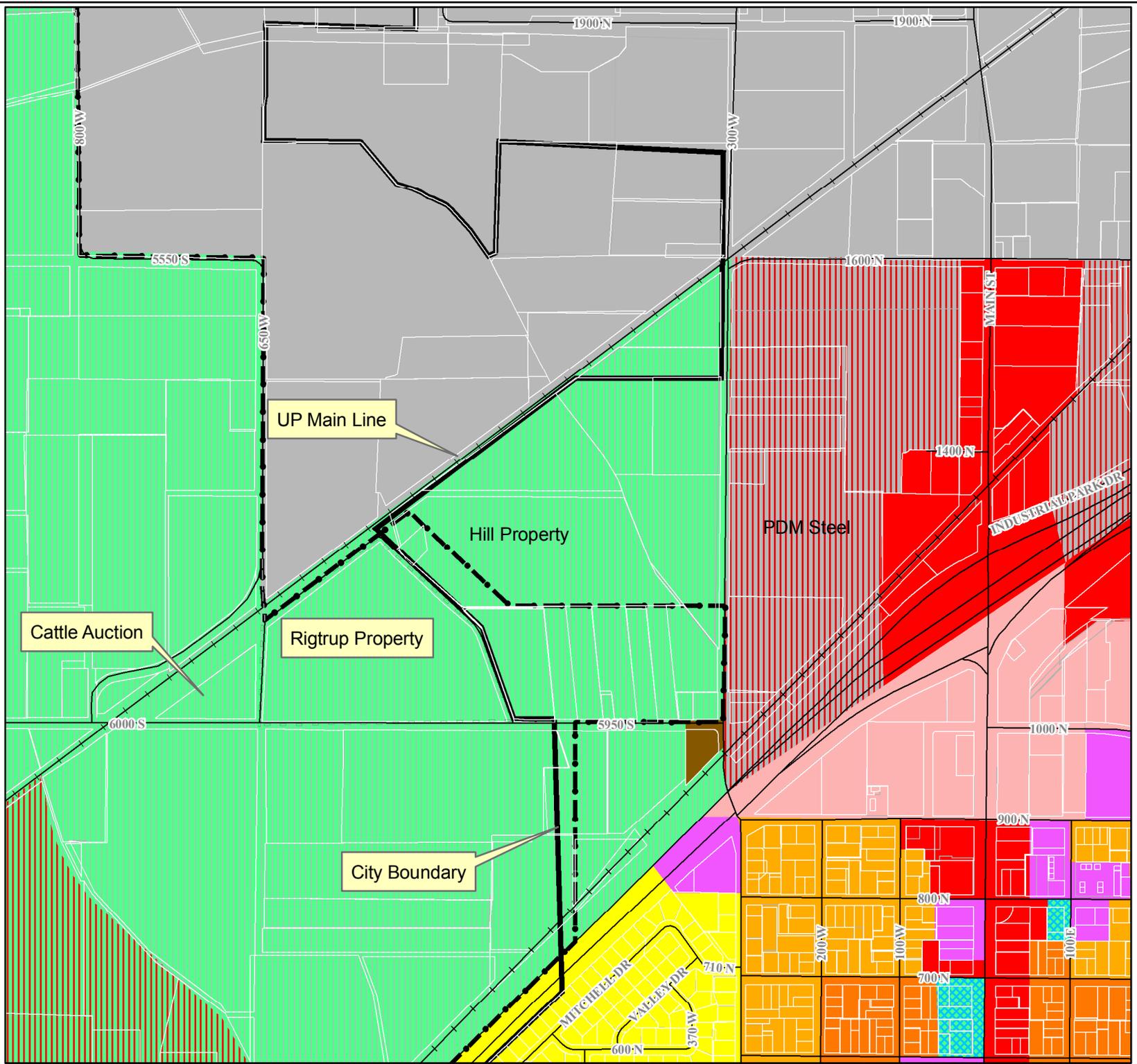
9/29/2004



Geographic Information Systems

Spanish Fork City GIS
 40 South Main Street
 Spanish Fork, UT 84660
 (801) 798-5000

Disclaimer: Spanish Fork City makes no warranty with respect to the accuracy, completeness, or usefulness of these maps. Spanish Fork City assumes no liability for direct, indirect, special, or consequential damages resulting from the use or misuse of these maps or any of the information contained herein. Portions may be copied for incidental uses, but may not be resold.



HANGAR/BUILDING A
HANGAR LEASE AGREEMENT
SPANISH FORK/SPRINGVILLE AIRPORT
LESSOR: SPANISH FORK/SPRINGVILLE CITY
LESSEE: ROCKY MOUNTAIN COMPOSITES
DATED: _____

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HANGAR/BUILDING LEASE AGREEMENT

LEASE AGREEMENT made _____, 2005, between SPANISH FORK CITY and SPRINVILLE CITY through the SPANISH FORK/SPRINGVILLE AIRPORT BOARD, herein called Lessor, and ROCKY MOUNTAIN COMPOSITES, of SPANISH FORK, UTAH, herein called Lessee.

RECITALS

A. Lessor owns and operates the SPANISH FORK/SPRINGVILLE AIRPORT located in Utah County, State of Utah, herein called Airport.

B. Lessee desires to lease PARCEL A, a three-acre tract, together with BUILDING A, to be constructed on PARCEL A, on the Airport premises for the purpose of erecting and/or maintaining an industrial business to be owned and operated by Lessee for the fabrication and certification of aircraft.

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

I. PREMISES. Lessor hereby leases to Lessee PARCEL A and BUILDING A at the Spanish Fork/Springville Airport, more fully described on Exhibit "A" which is attached and incorporated by this reference.

II. TERM. Subject to all other provisions of this Agreement regarding termination reserved herein, the term of this lease shall commence on _____, 2006__ and end on _____, 2105 _____ at 5:00 p.m.

III. FIRST RIGHT OF REFUSAL TO RENEW LEASE. Lessee shall have the first right of refusal to renew this lease agreement on the condition that Lessee is not in default

hereunder at the time of such renewal and provided the renewal term does not exceed fifteen (15) years. This lease shall automatically renew at the expiration thereof unless Lessee provides a minimum of thirty (30) days written notice to Lessor prior to the expiration of the initial lease term stating Lessee will not renew the lease. The terms and conditions contained herein shall govern any renewal of this lease unless otherwise agreed between the parties hereto.

IV. LESSEE'S RIGHT TO REMOVE IMPROVEMENTS. Upon the termination of this lease, Lessee shall have the right to remove any improvements erected by Lessee on the premises during the lease term or any renewal except those items which have become fixtures. Lessee, upon removal of any improvements, shall restore the land to as good condition as it was in prior to the erection of any improvements thereon. Lessee hereby agrees that removal of any and all improvements shall be completed on or before sixty (60) days from termination of this lease. Lessee hereby consents and agrees that any improvements remaining on the premises after the sixty (60) day removal period shall be deemed abandoned and owned by Lessor without any claim or right whatsoever in Lessee. After the termination of this lease, the primary structure on the property shall remain the property of Lessee, unless sold to a successor tenant at fair market value. Lessor shall not lease PARCEL A to a successor tenant until the successor tenant has purchased, or entered into an agreement to purchase the property from Lessee.

V. RENTALS, FEES AND CHARGES. Subject to renegotiation and change of rental rates as hereinafter provided, the Lessee agrees to pay the City for the use of the premises, facilities, rights, services and privileges granted herein, the following rental, payable to Springville City, on an annual basis.

A. Rental for PARCEL A and BUILDING A shall be at the current rate of fifteen cents (\$0.15) per square foot of hanger space, based upon the outside dimensions of BUILDING A, with a minimum charge of \$235.00 annually (based on a minimum square footage of 1680 feet).

| Hangar/Building | Area | Rate |
|-----------------|----------------|---------|
| A | 61,600 sq. ft. | \$9,240 |

B. Rent shall commence on January 1, 2006. In the event the Lease term commences on some date other than January 1, the first years annual rent will be pro-rated to reflect the actual first year occupancy period of this agreement. The rental amount pro-rated from _____, 2006 to December 31, 2106 is \$_____.

C. The rent of the above-described property shall be reviewed by the Spanish Fork/Springville Airport Board every 20 years basis provided the lease may not increase more than 20% at any review, and is due and payable to Springville City in advance, on the first day of each calendar year of the Agreement.

D. All payments due Lessor under this lease, including rent, that are not paid on or before thirty (30) days from the due date shall incur a late fee of one (1%) percent per month (12% per annum) or \$5.00, whichever is greater.

E. All payments due Lessor under this lease shall be delivered to Springville City 50 South Main Springville, Utah 84663 or as otherwise directed in writing by Lessor.

VI. USE OF PREMISES. The leased premises and any and all improvements located thereupon shall be used solely for conducting the following activities:

- A. Fabrication, certification, repair, maintenance of aircraft
- B. Aircraft storage
- C. Non-Aviation activities which are required for Lessee's normal business operation.

Lessee acknowledges that the premises may not be used for commercial purposes beyond the scope of this agreement.

VII. CONSTRUCTION-IMPROVEMENTS. Lessee will maintain improvements on the premises as an industrial business facility or facilities of not less than _____ square feet.

VIII. OBLIGATIONS OF LESSEE.

A. Lessee shall be solely responsible for all costs or charges for utility services required by the Lessee during the term of this lease.

B. Lessee agrees to repair and maintain the demised premises in a reasonably neat, orderly and safe condition, and free from waste, rubbish, snow or other hazards throughout the term of this Lease. Lessee shall not store or let stand any equipment or property belonging to the Lessee or under the Lessee's custody, outside the boundaries of the leased areas without prior consent of the Lessor's Airport Manager, except when such equipment or property is in the process of being loaded or unloaded. Should the Lessee fail to repair and maintain the leased premises in proper condition, the Lessor's Airport Manager shall so notify the Lessee in writing. If the Lessee then fails to make such repair or maintenance within ten (10) days after the notice has been sent the Lessor may cause such repair or maintenance service to be made. Lessee agrees to pay

all Lessors costs incurred thereby and reimburse Lessor therefore on demand. If said costs and expenses are not paid within fifteen (15) days after demand therefore, this Lease shall be deemed to be in default and the Lessor shall be entitled to all legal remedies provided hereunder, including termination of this Lease.

C. Lessee shall exercise due and reasonable caution to prevent fire, accidents, hazards or nuisances on the premises. Should the Lessee fail to remove or abate said hazard or nuisance after notified to do so, the City may abate said hazard or nuisance and charge the cost thereof to the Lessee as provided in paragraph B above.

D. Lessee agrees, at its own expense, to cause the premises and improvements and appurtenances thereto to be maintained in a presentable condition consistent with good maintenance practices. This shall include, although not be limited to, the obligations of the Lessee to maintain the premises in a clean, neat and orderly condition at all times, and to perform any necessary mowing, including weed removal around the perimeter of any structures, to maintain the asphalt, and provide snow removal on the premises during the appropriate periods of the year. The Airport will assist in snow removal when capability and priority permit.

E. Lessee shall not erect, install, or cause to permit to be erected, installed or operated upon the premises herein any sign or advertising device without first having obtained the City's consent thereto as to size, construction, location and general appearance.

F. Lessee shall have the right to fabricate, sell, and distribute aircraft parts and machinery as part of its normal business practices. Sale or distribution of any other parts, fuels, oils, or similar products upon said demised premises or upon said airport properties pursuant to this Lease is prohibited.

G. Lessee agrees to keep the demised premises free of any mechanic's or materialmen's liens or other lien of any kind or nature for any work done, labor performed or material furnished thereon at instance or occasion of the Lessee and the Lessee further agrees to indemnify and save the Lessor harmless from and against any and all claims, demands, costs and expenses of any nature whatsoever from any such work done, labor performed or materials furnished.

H. Lessee shall obey all applicable rules, regulations, ordinances and laws that may be from time to time promulgated by the City, State and Federal Government or agency thereof.

I. Lessee agrees to cause to be removed from the premises, at its own expense, all waste, garbage, and rubbish and agrees not to deposit same, except temporarily in connection with collection for removal in Airport designated locations, on any part of the premises or other property of the city constituting the Airport.

J. The Lessee shall provide the City with a copy of the bond to protect mechanics and materialmen as required by Utah Code Ann. §14-1-5 as amended, during the course of construction of any improvements on the leased land.

IX INDEMNIFICATION AND HOLD HARMLESS. Lessee expressly agrees to defend, protect, indemnify and hold harmless the Lessor, its officers, agents and employees free and harmless from and against any and all claims, demands, damages, expenses, losses or liability of any kind or nature whatsoever which the Lessor, its officers, agents or employees may sustain or incur or which may be imposed upon them for injury to or death of persons or damages to property arising out of or resulting from the negligent acts or negligent omissions of the Lessee, its officers, agents or employees use or misuse of the demised premises. Lessee agrees to defend at its own cost,

expense and risk all claims or legal actions that may be instituted against either the Lessee or the Lessor, which arise out of the negligent acts or omissions of the Lessee. Lessor may have its own attorney to defend such action, to be paid by Lessee. Lessee agrees to pay any settlement entered into and satisfy any judgment that may be rendered against either the Lessee or the Lessor as a result of any negligent injuries or damages which have resulted from or are connected with this Lease or the occupancy or use of the demised premises by the Lessee, or its officers, agents, employees or licensees, including reasonable attorney fees.

X. CHAPTER 7.12 SPANISH FORK CITY ORDINANCES. Lessee hereby acknowledges the applicability of Chapter 7.12 Spanish Fork City Municipal Code to this Lease Agreement. Lessee hereby acknowledges notice of the terms, conditions and requirements presently contained therein and agrees, so far as said ordinance applies to persons such as Lessee herein, to comply with such ordinance as now in effect or as it may be amended during the term of this Lease or any renewal.

XI. INSURANCE. Concurrent with the execution of this Lease and as partial performance of the obligations assumed under Clause IX, (INDEMNIFICATION AND HOLD HARMLESS) hereof, the Lessee shall, have from a reliable insurance company or companies authorized to do business in the State of Utah, liability insurance in the minimum amount of \$ None or such other minimum amount as may be required by the Spanish Fork/Springville Airport Board pursuant to reasonable exercise of its municipal powers.

The above insurance policy or policies shall contain an endorsement which provides that the Lessor is named as an additional insured as it pertains to said leasehold. Lessee shall provide Lessor with written evidence of said insurance at all times this Lease is in effect.

All insurance policies secured by the Lessee providing the coverages which affect the leasehold premises required under this Lease shall require each insurer to notify the Lessor by registered or certified mail of any modification, termination or cancellation of any policy of insurance that affects the leasehold premises no less than thirty (30) days prior to the effective date of such modification, termination or cancellation. Notice by the insurer shall be effective upon the receipt of said notice by the Lessor. In addition to any other requirements of this Lease, the Lessee shall notify the Lessor of any modification which affects the leasehold premises, termination or cancellation of any policy of insurance secured by the Lessee pursuant to this paragraph as soon as the Lessee learns of any such modification, termination or cancellation. Each of said policies shall stipulate that the policy provided coverage is not subordinate to nor contributing with any other insurance coverage held or maintained by the Lessor. The procuring of such policy or policies of insurance shall not be construed to be a limitation upon the Lessee's liability or a waiver of performance on the Lessee's part of the indemnification and hold harmless provisions of this Lease; and the Lessee understands and agrees that notwithstanding any policy or policies of insurance it remains the Lessee's obligation to protect, indemnify and hold harmless the Lessor hereunder for the full and total amount of any damage, injuries, loss, expense, costs or liabilities, including attorneys fees, caused by or in any manner connected with or attributed to the negligent acts or omissions of the Lessee, its officers, agents, employees, licensees or the operations conducted by the Lessee, or the Lessee's use, misuse or neglect of the premises described herein.

XII PERMITS, LICENSES AND CERTIFICATES. Lessee shall obtain any and all permits, licenses and certificates which may be required in connection with the improvement and use of the demised premises and aircraft operations. Lessee shall comply with all applicable federal,

state and local laws and regulations and the Lessee shall keep in effect any and all licenses, permits, notices and certificates as are required.

XIII ASSIGNMENT. Assignment of this Lease by Lessee is permitted solely to the financial institution which is to provide funding for construction of BUILDING A on PARCEL A. Lessor hereby agrees that this Lease may be assigned as security for any loan required by Lessee, provided that such assignment permits Lessee to remain in possession except in the event of foreclosure. In the event of foreclosure or forfeiture by the holder of such security, the Lessor consents to further assignment to any person, firm or corporation which is fully competent and has the necessary facilities, experience and financial resources to perform the obligations contained in this agreement on the part of the Lessee to be performed, provided such proposed assignee shall expressly assume said obligations in writing.

XIV RIGHT OF ENTRY AND INSPECTION. Lessor hereby reserves the right to enter into and upon the leased premises and any improvements thereon at all reasonable times and for all reasonable purposes without prior notice. The airport manager or his designated representative shall exercise this right.

XV RULES AND REGULATIONS. The Lessor shall have the right to adopt and enforce reasonable rules and regulations with respect to the use of the airport and the public terminal building and appurtenances, provided that such rules and regulations shall not be inconsistent with safety and with rules and regulations of the Federal Aviation Administration with respect to aircraft operations at the airport.

XVI GOVERNMENTAL RESERVATIONS AND RESTRICTIONS.

A. During the time of war or national emergency, the Lessor shall have the right to lease the landing area, or any part thereof, to the United States Government for military or naval use, and if such lease is executed, the provisions of this instrument, insofar as they are inconsistent with the provisions of the lease to the government, shall be suspended.

B. The Lessor reserves the right to further develop or improve the airport as it sees fit, regardless of the desires or views of the Lessee and without interference or hindrance from Lessee.

C. There is hereby reserved to the Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises hereby leased, together with the right to cause such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from or operating on the airport.

D. The Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstructions together with the right to prevent the Lessee from erecting, or permitting to be erected, or maintaining any building or other structure on or adjacent to the airport which, in the opinion of the Lessor, would limit the usefulness of the airport or constitute a hazard to aircraft. It is understood and agreed that nothing in this Lease shall be construed to grant or authorize the granting of any exclusive rights to Lessee within the meaning of the civil Aeronautics Act.

XVII LESSOR'S RIGHT OF CANCELLATION. In addition to all other remedies reserved by Lessor, this agreement, shall be subject to cancellation by the Lessor should one or more of the following events occur:

A. If the Lessee fails to pay when due the whole or any part of the amounts agreed upon for rents and charges and such default continues for ten (10) days after the Lessor has demanded payment in writing.

B. If the Lessee shall fail to perform or keep and observe any of the covenants and conditions contained in this contract to be performed, kept and observed by Lessee, and Lessee fails to correct any breach hereof after thirty (30) days written notice from Lessor, then and in such event the Lessor shall have the right at once to declare this contract terminated.

XVIII LESSEE'S RIGHT OF CANCELLATION. In addition to all other remedies available to the Lessee, this agreement shall be subject to cancellation by the Lessee should any one or more of the following events occur:

A. The permanent and complete abandonment of the airport as an aviation facility.

B. The issuance by any court of competent jurisdiction of an injunction in any way preventing or restricting the use of the airport and the remaining in force of such injunction for at least thirty (30) days.

C. The breach by the Lessor of any terms, conditions and covenants of this agreement to be kept, performed and observed by the Lessor and the failure to remedy such a breach for a period of thirty (30) days after written notice from the Lessee of the existence of such a breach.

D. The assumption by the United States Government, or any authorized agents of the same, of the operation, control or use of the airport and its facilities, in such a manner

as to substantially restrict the Lessee from normal use, if such restriction is continued for a period of ninety (90) days or more.

XIX FORCE MAJEURE. If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason or act of God, flood, hurricane, tornado, earthquake, strikes, lockouts, which are beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period of the performance of any such act shall be extended for a period equivalent to the period of such delays; provided, however, nothing in this clause shall excuse the Lessee from the prompt payment of rental or other charges required hereunder to be paid by Lessee except as may expressly be provided elsewhere in this Lease.

XX DESTRUCTION OF PREMISES. Should the improvements to the demised premises be damaged or destroyed in whole or in part, by fire, earthquake or any other casualty at any time during the term of this Lease so that the same cannot be repaired within ninety (90) working days to substantially the same condition it was in immediately prior to the happening of such casualty, then either the Lessor or the Lessee may, within fifteen (15) working days after the ninety (90) working days after the happening of such casualty, terminate this Lease as of the date of said casualty. Lessee shall proceed, within ninety (90) working days, with the restoration and reconstruction of the improvements on the demised premises to substantially the same condition in which they were in prior to the happening of the casualty. In no event shall the Lessor be liable to the Lessee for any damages resulting to the Lessee from the happening of such fire or other casualty or from the repair or construction of the demised premises or from the termination of this Lease as

herein provided, nor shall the Lessee be released thereby from any of its obligations hereunder except as expressly stated in this clause.

XXI COSTS OF SUSTAINING AN ACTION FOR BREACH OR DEFAULT. In the event either the Lessor or the Lessee commences legal action against the other claiming a breach or default of this Lease, the prevailing party in such litigation shall be entitled to recover from the other reasonable attorney fees and all costs connected with said litigation.

XXII PARTIAL INVALIDITY. If any term, covenant, condition or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

XXIII ABANDONMENT. If the Lessee shall abandon or be dispossessed by process of law or otherwise, any personal property belonging to the Lessee and left on the premises after such abandonment or dispossession shall be deemed to have been transferred to the Lessor; and the Lessor shall have the right to remove and to dispose of the same without liability to account therefore to the Lessee or to any person claiming under the Lessee.

XXIV AFFIRMATIVE ACTION. The Lessee assures that it will undertake and comply with the program as required by Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, to insure that no person shall on the grounds of race, creed, color, national origin, sex or other prescribed ground, be excluded from participation in any employment activities covered in said Title 49. The Lessee assures that no person shall be excluded on these grounds from participating in or

receiving the services or benefits of any program or activity covered by the subpart. The Lessee assures that it will require assurances from their sub-organizations to provide assurance to the Lessor that they similarly will undertake and comply with the Title 49 programs and laws.

XXV UNLAWFUL USE. Lessee agrees that no improvement shall be erected, placed upon, operated or maintained on the demised premises, nor shall business be conducted or carried on therein in violation of the terms of this Lease or any applicable law, statute, ordinance, regulation, rule or order of any governmental agency having jurisdiction hereover.

XXVI NONDISCRIMINATION In the operations to be conducted pursuant to the provisions of this Lease and otherwise in the use of the airport, the Lessee will not discriminate or permit discrimination against any person or class of persons by reason of race, color, creed, sex, national origin or other prescribed ground, in any manner prohibited by Title 49, Code of Federal Regulations, Subtitle A, Part 21 or any amendments thereto. Lessee shall make its accommodations and/or services available to the public on a fair, reasonable and nondiscriminatory price for each item, article, unit or service; provided that the Lessee may be allowed to make reasonable and nondiscriminating discounts, rebates or other similar type of price reduction to volume purchasers. Noncompliance with provisions of this clause shall constitute a material breach thereof; and in the event of such noncompliance, the Lessor shall have the right to terminate this Lease and the estate hereby created without liability therefore, or at the election of the Lessor or the United States, either or both said governments shall have the right to judicially enforce said provisions.

XXVII LEASE SUBORDINATE TO AGREEMENTS WITH U.S.A. This Lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States, relative to the operation or maintenance of the Airport, the execution of which has

been or may be required as a condition precedent to the expenditures of Federal funds for the development of the Airport.

XXVIII WAR OR NATIONAL EMERGENCY. This Lease and all of the provisions hereof shall be subject to whatever right the United States Government has or may have affecting the control, operation and taking over of said Airport, or the exclusive or nonexclusive use of the Airport by the United States during the time of war or national emergency. In such event, the parties' obligations to each other under this Lease thereby made inconsistent shall be suspended.

XXIX DEVELOPMENT OF AIRPORT. Lessor reserves the right to further develop or improve the Airport as it sees fit, regardless of the desires or views of the Lessee and without interference or hindrance by the Lessee.

XXX AIRPORT FACILITIES. Lessee is hereby granted the nonexclusive right, in common with all present and future users, to the use of such of the Lessor's Spanish Fork/Springville Airport public facilities as are designated by the Airport Manager from time to time. As an incident to all the other uses provided for in this Lease, the Lessee, its employees, authorized representatives, invitees, permittees, licensees, customers and patrons shall have the right to use all public waiting rooms and public lavatories provided such use shall be in common with others and may be suspended during any period when maintenance, repairs or improvements are being made thereto.

XXXI BANKRUPTCY. Should the Lessee make an assignment for the benefit of creditors or should a voluntary or involuntary petition of bankruptcy or for reorganization or any arrangement be filed by or against the Lessee, or if the Lessee should become bankrupt or insolvent or if a receiver be appointed at the request of the Lessee's creditors (except as a receiver appointed

at the request of the Lessor) such action shall constitute a breach of this Lease for which the Lessor at its option, may terminate all rights of the Lessee or Lessee's successors in interest under this Lease.

XXXII TAXES AND ASSESSMENTS. Lessee shall pay before delinquency, all taxes, license fees, assessments and other charges which are levied and assessed against and upon the premises, fixtures, equipment or other property caused or suffered by the Lessee to be installed, located or placed upon the leased premises. The Lessee shall furnish the Lessor with satisfactory evidence of these payments upon demand from the Lessor. Lessee acknowledges that this Lease may create a possessory interest subject to property taxation and that the Lessee may be subject to the payment of property taxes levied on such interest. Lessee agrees to assume and pay any such assessment.

XXXIII MARGINAL CAPTIONS. The various headings and numbers herein and the grouping of the provisions of this Lease into separate section, paragraphs and clauses are for the purpose of convenience only and shall not be considered a part thereof.

XXXIV AMENDMENTS TO BE IN WRITING. This Lease sets forth all of the agreements and understandings of the parties and is not subject to modification except in writing, duly executed by the legally authorized representatives of each of the parties.

XXXV SUCCESSORS IN INTEREST. The covenants herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all the parties hereto; and all of the parties shall be jointly and severally liable hereunder.

XXXVI NONEXCLUSIVE RIGHTS. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 1349, of the United States Code.

XXXVII WAIVER OF RIGHTS. The failure of the Lessor to insist upon strict enforcement of any of the terms, conditions and covenants herein shall not be deemed a waiver of any rights or remedies that the Lessor may have and shall not be deemed a waiver of any subsequent breach or default by Lessee of the terms, conditions and covenants herein contained.

XXXVIII NOTICES. All notices given or to be given, by either party to the other shall be given in writing and shall be addressed or delivered to the parties at the addresses hereinafter set forth or at such other addresses as the parties may by written notice hereafter designate. Notices to the Lessor and the Lessee shall be addressed as follows:

| | | |
|------------------------|-------------------|-------------------|
| TO: <u>LESSOR</u> | TO: <u>LESSEE</u> | TO: <u>LESSEE</u> |
| Airport Manager | _____ | _____ |
| 2050 N 300 W | _____ | _____ |
| Spanish Fork, Ut 84660 | _____ | _____ |

XXXIX HOLDOVER. In the event the Lessee shall hold over after the term granted herein, then such holding over shall be construed to be a tenancy from month-to-month only. Prepayment of rent beyond one month shall not be construed to alter or change the month-to-month status of any holdover tenancy. Lessee agrees to comply and abide with all other terms and conditions of this Lease in the event Lessee holds over after the term provided in this Lease expires.

XXXX TIME. Time is of the essence of this Lease.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed, in triplicate, with all the formalities required by law on the respective dates set forth opposite their signatures to be effective the day and year first above written.

SPANISH FORK CITY, by

Date:
DALE R. BARNEY, Mayor

ATTEST:

Date:
KENT R. CLARK, Recorder

RECOMMENDED FOR APPROVAL

Date:
TOM WOODHOUSE, Airport Management

SPRINGVILLE City by,

Date:
HAROLD WING, Mayor

ATTEST:

Lessee

EXHIBIT "A"

PARCEL A, previously referred to as the subject of the hanger lease agreement *supra*, is more specifically described as follows:

Commencing at a point located West 896.19' and North 355.37' of
the South Corner of Section 1, Township 8 South, Range 2 East;
thence South 89° 19' 18" West 300.01'
thence North 00° 18' 47" West 436.01'
thence North 89° 19' 18" East 300.01'
thence South 00° 18' 47" East 436.01'
to the point of beginning, comprising 3.00 acres

STATE CONTRACT #-
Vendor No.
Commodity Code

**UTAH DIVISION OF PARKS AND RECREATION
TRAILS AND PATHWAYS FEDERAL FUNDING PROGRAM**

FISCAL ASSISTANCE AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, **2005**, between the UTAH DIVISION OF PARKS AND RECREATION, hereinafter referred to as the DIVISION, and **Spanish Fork City**, qualifying under this agreement as a federal agency, state agency, or political subdivision of the State of Utah and hereinafter referred to as the PARTICIPANT.

WHEREAS, the DIVISION and the PARTICIPANT desire to provide for the planning, acquisition, construction, or improvement of motorized and/or non-motorized trails and associated facilities in Utah; and,

WHEREAS, the federal Recreational Trails Program (RTP) funds for this purpose to be matched by the PARTICIPANT for said project of planning, acquisition, construction, or improvement of motorized and/or non-motorized trails and associated facilities hereinafter described; and,

WHEREAS, federal agencies are authorized to enter into this agreement under provisions of the Granger-Thye Act of April 24, 1950, (16 U.S.C. 490, 504-504a, 555, 557, 571c, 572, 579a, 580c-5801, 581i-l), specifically Sec. 5; the Cooperative Funds Act of June 30, 1914 (CH. 131, 38 Stat. 415, as amended: 16 U.S.C. 498); and the Federal Land Policy and Management Act of 1976 (FLPMA), Public Law 94-579.

NOW, THEREFORE the DIVISION and PARTICIPANT hereby agree as follows :

PROJECT EXECUTION for: Spanish Fork Sports Complex Trail System (Phase II)

AMOUNT OF FEDERAL RTP FUNDING **\$ 42,000**

AMOUNT OF PROJECT PARTICIPANT FUNDING **\$ 42,000**

TOTAL TRAIL PROJECT EXPENDITURES **\$ 84,000**

UTAH DIVISION OF PARKS AND RECREATION FISCAL ASSISTANCE AGREEMENT
Page 2

1. The DIVISION shall reimburse the PARTICIPANT up to a total of **\$ 42,000** from funds made available from the federal Recreational Trails Program (RTP) and/or the State of Utah upon receipt of satisfactory documentation of total trail project expenditures and certification that the project has been completed as proposed in the project application, which application, by reference is made part of this agreement. Said project shall be started within 180 calendar days and be completed on or before **December 31, 2007**.

2. The PARTICIPANT shall comply with all applicable Federal and State Statutes and will be responsible for obtaining any necessary permits and approvals prior to commencement of the project.

3. Each contract the PARTICIPANT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Division deems appropriate

4. The PARTICIPANT, excluding federal agencies, shall indemnify the State of Utah and its officers, agents, and employees against and hold the same free and harmless from any and all claims, demands, losses, costs, and/or expenses of liability due to, or arising from, either in whole or in part, whether directly or indirectly, and relative to, the execution of this project, subject to and in accordance with the provisions and limitations contained within the Utah Governmental Immunity Act and the Utah Public Employees Indemnification Act.

5. The PARTICIPANT agrees that the project area acquired, developed or improved pursuant to this agreement shall not be converted to other than public motorized and/or non-motorized recreational trail use without written notice to the Director of the Utah Division of Parks and Recreation. Furthermore, if a trail developed with National Recreational Trail and/or State funds is converted to other use, another trail or trail facility of comparable value, as mutually agreed upon by both parties, in the same general location, will be provided by the PARTICIPANT.

6. The PARTICIPANT shall maintain all facilities and property covered by this agreement in a safe, usable, and attractive condition. The DIVISION makes no claims to ownership nor management interests of facilities constructed pursuant to this agreement on lands legally owned by the PARTICIPANT.

UTAH DIVISION OF PARKS AND RECREATION FISCAL ASSISTANCE AGREEMENT
Page 3

6. The PARTICIPANT shall provide suitable permanent public acknowledgment of State participation at the project site. Such acknowledgment shall at least be the display of a sign, the design of which to be made by mutual agreement.

B. TERMINATION

1. The PARTICIPANT, upon written notice to the DIVISION and by refunding all monies received pursuant to this agreement, may unilaterally rescind this agreement prior to the commencement of the project. After project commencement, this agreement may be rescinded, modified, or amended only by mutual agreement. The project shall be deemed commenced when the PARTICIPANT makes any expenditure of funds provided in this agreement or incurs any financial obligation with respect to the project.

2. The PARTICIPANT shall, at no cost to the DIVISION, execute, complete, operate and maintain the approved Project in accordance with the approved Project Proposal and applicable plans and specifications, which documents are by this reference made part hereof. Failure to render satisfactory progress or to complete this Project may be cause for the suspension of all obligations of the DIVISION under this agreement. In the event this agreement is terminated under the provisions of this paragraph and in the event the Project has not been brought up to a useful stage at the time of such termination, the PARTICIPANT shall reimburse to the DIVISION all payments which have been received by the PARTICIPANT under this agreement.

3. Failure by the PARTICIPANT to comply with the terms of this agreement, if not corrected within thirty (30) days after written notice from the DIVISION, shall be cause for suspension of all obligations of the DIVISION hereunder and may result in a declaration by the DIVISION that the PARTICIPANT is ineligible for participation in DIVISION sponsored grant programs.

C. FINANCIAL RECORDS

1. The PARTICIPANT shall conform to generally accepted accounting principles and shall maintain its fiscal accounts in a manner that provides an audit trail of payments adequate to establish that such funds have been used in accordance with this agreement.

2. The PARTICIPANT shall provide to the DIVISION a fiscal report within sixty days upon completion of the project on forms to be provided by the DIVISION. Said report shall include an accounting of project expenditures and assurances that all monies paid to the PARTICIPANT by the DIVISION under this agreement were used for the planning, acquisition, construction, or improvement as herein described. Said report shall include a summary list of all personnel, supplies, materials and construction costs associated with this project in a manner prescribed by the DIVISION.

UTAH DIVISION OF PARKS AND RECREATION FISCAL ASSISTANCE AGREEMENT
Page 4

3. The DIVISION, upon reasonable notice, shall have access to and the right to examine such books, documents, papers or records as the DIVISION may reasonably require.

4. The PARTICIPANT agrees to make immediate monetary restitution for any disallowances of costs or expenditures determined through audit or inspection by the DIVISION.

FURTHER, the PARTICIPANT shall prosecute all phases and aspects of the project in a timely manner and shall in all respects comply with the terms, conditions, covenants and other obligations of this agreement. It is understood and agreed that the PARTICIPANT shall have the basic responsibility for all phases and aspects of the project, and that all phases are subject to review and acceptance by the DIVISION.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the year and day first above written:

Spanish Fork City

State – Utah Division of Parks and Recreation

Signature

Date

Agency's Signature

Date

Type or Print Signature

Budget & Acct Officer

Date

Div. of Finance

Date

(other names and lines if necessary)



**MEMO
SPANISH FORK CITY
PUBLIC WORKS DEPARTMENT**

DATE: December 8, 2005

TO: Mayor Barney and City Council

FROM: Richard J. Nielson, Assistant Public Works Director

RE: Salt Shed RFP

This year there is a salt shed budgeted for the storage of road salt. This shed is needed to keep the road salt out of the weather and reduce the amount of salt that is not usable due to the moisture causing it to clump together. We are also needing the shed to meet the storm water requirements for the storm water discharge from the salt storage area. We cannot allow the concentrated salty storm water to discharge into the storm drains. The storage shed will eliminate the storm water/ salt conflict.

The Engineering Department requested proposals for a new salt storage shed to be located at the city shops. Two proposals were received for the structure. Both proposals are for membrane covered buildings with an alternate on one proposal for a steel building. The building size requested in the RFP's is 50 feet by 80 feet. The first proposal is from Sprung Instant Structures amount of \$88,484.00. This building is complete, but would require the Public Utilities Department crew to erect the structure with technical assistance from the supplier. This would require approximately 6 people for 4, 8 hour days. This building is similar to the one that the Utah County Public Works Department has at their shop in Provo. They have been very happy with the product and it has worked well for them. The second proposal is from ForestLine Construction in the amount of \$97,623.00 with an additional \$7,797.00 for each of two roll-up doors for a total cost of \$113,217.00. This building would be constructed by the contractor and would not require any city forces to complete.

The budget amount for this salt shed is \$82,000.00 was based on an estimate received last February. The cost has increased during the past several months due to increases in material costs.

I would recommend that the city council accept the proposal from Sprung Instant Structures in the amount of \$88,484.00 and adjust the budget amount to reflect that amount.



innovation | versatility | reliability

December 6, 2005

Richard Nielson
Spanish Fork City
40 South Main
Spanish Fork, Utah 84660

Telephone: 801-798-5000
Fax: 801-798-5085

Dear Mr. Nielson,

We are pleased to submit the following quotation for a Sprung Structure to be located at your site in Spanish Fork City, Utah. Sprung is the inventor of the stressed membrane structure which has been patented Worldwide. With over 118 years of experience, Sprung offers an innovative, cost effective building alternative which dramatically accelerates construction time lines while providing complete flexibility for the future.

STRUCTURE

DESCRIPTION:

SIGNATURE SERIES, 50 feet wide by 80 feet long, measured by maximum width by maximum length, including the following accessories:

- 2 - 30" turbo vent(s)
 - Tedlar coated exterior membrane with translucent skylight
- 2 - bay(s) of cable bracing
- 1 - complimentary graphic logo at entrance
- 2 - double panel rolling door(s)
- 16 - earth anchors
 - engineered stamped drawings
- 2 - exterior (150 watt) hood light(s) c/w photocell
- 24 - interior suspension eyenut(s) maximum load 75 LBS
 - perimeter aluminum flat bar
- 2 - single personnel door(s) c/w hood (3'0x7'0")

Please Note: The number of electric exhaust fans and/or turbo vents as shown above may be adequate for your needs, however, we recommend that a HVAC professional be consulted.

24 MONTH FIRM LEASE:

ARCHITECTURAL

MEMBRANE AND

COLOR SELECTION:

Tedlar coated opaque membrane in Shell White, Dawn Grey, Granite Gray, Concord Cream, Desert Sand, Georgian Gold, Spruce Green, Bayberry, Mediterranean Olive, Brownstone Red, Salem Blue and Regal Blue from Inventory.

MONTHLY LEASE

PRICE:

*F.O.B. Salt Lake City, Utah; Sales and/or use taxes extra: \$2,549.00
(Two thousand five hundred and forty-nine dollars.)*

TERMS, O.A.C.:

Payable monthly in advance.

SPRUNG INSTANT STRUCTURES, INC.

5711 West Dannon Way (9280 South) West Jordan Utah 84088 Tel: (801) 280.1555 Fax: (801) 280.7072 Toll Free: 1 800 528.9899 www.sprung.com

Spanish Fork City
December 6, 2005
50 x 80

36 MONTH FIRM LEASE:

Structure and accessories as above:

ARCHITECTURAL
MEMBRANE AND
COLOR SELECTION:

Tedlar coated opaque membrane in Shell White, Dawn Grey, Granite Gray, Concord Cream, Desert Sand, Georgian Gold, Spruce Green, Bayberry, Mediterranean Olive, Brownstone Red, Salem Blue and Regal Blue from Inventory.

MONTHLY LEASE
PRICE:

F.O.B. Salt Lake City, Utah; Sales and/or use taxes extra: \$2,005.00
(Two thousand five dollars.)

TERMS, O.A.C.:

Payable monthly in advance.

PURCHASE PRICE:

Structure and accessories as above:

PURCHASE:

Total Purchase Price,
F.O.B. Salt Lake City, Utah; Sales and/or use taxes extra: \$88,484.00
(Eighty-eight thousand four hundred and eighty-four dollars.)

TERMS, O.A.C.:

50% with order; balance upon delivery of the structure.

DELIVERY:

Normally from inventory. At your request we can arrange, on your behalf, for delivery of this structure by commercial carrier to your site in Spanish Fork City, Utah at **NO CHARGE**.

PURCHASE OPTION:

The Lessee has the option to purchase the structure as follows:

i) If all lease payments have been made on time during the first three months of the lease period, 100% of these payments will be credited towards the purchase price, **or**

ii) If all lease payments have been made on time during the first twenty four months of the lease period, 90% of these payments will be credited towards the purchase price.

Either option can only be exercised by presentation of Lessee's check for the full purchase price, less the applicable credit.

INTERIOR

HANGING DETAILS:

Sprung Instant Structures offers a large selection of brackets and hangers which can be utilized for the hanging of lighting, HVAC and any other items that may need to be suspended from the interior of the structure. The type and size in each case will depend on weight and proposed position. Please contact your Sprung representative for diagrams and further details.

ERECTION:

We will supply a Technical Consultant on site to provide information about structure assembly and erection and will supply hand tools for your use, at no charge. The Technical Consultant is not authorized to perform any other services. Customer is responsible for supervision of and safety compliance in structure location, assembly and erection.

Recommended equipment and manpower:

- a) Scaffolding or manlifts.
- b) Electrical power to site.
- c) 6 workmen for approximately 4, 8 hour working days.
- d) A supervisor with construction experience.

CRANE: We request that you supply a crane, with operator, for approximately 5 hours to assist in raising the free span aluminum beams during the erection sequence.

HAND TOOLS: Although specialized hand tools are supplied for your use at no charge, you are responsible for the tools until they are returned, prepaid, to our depot in Salt Lake City, Utah following erection of the structure.

TECHNICAL CONSULTANT: Although the Technical Consultant is supplied, his travel, accommodation and meals will be charged to you at **NO CHARGE**.

ANCHORAGE: Earth anchors, in connection with drift pins may only be used providing adequate soil conditions exist. Base reactions will be provided where required. A compressor complete with 90 lb jack hammer, will be needed to install these anchors. In order to optimize the erection time for the structure, earth anchors should be installed prior to delivery of the structure and prior to arrival of the technical consultant. The time to install these anchors is not included in the time estimate above. A detailed drawing will be provided by Sprung showing anchor locations. Perimeter aluminum flat bar will be supplied to secure the architectural membrane to the asphalt pad. The quality of the asphalt will determine the effectiveness of this procedure. It should also be noted that flat bar will not stop surface water from migrating into the structure since there is no means of ensuring a water tight seal when attaching flat bar to asphalt.

DISMANTLING: Leased structures will require our Technical Consultant for dismantling. The same terms as outlined above under the heading "Erection", "Technical Consultant" and "Crane" will apply, except that dismantling procedures will take approximately one-half of the erection time. It will be your responsibility to return the structure and tools, prepaid, to the depot in Salt Lake City, Utah.

PERMITS, LICENSES AND TAXES: It will be your responsibility to obtain all permits and licenses and pay all applicable taxes. This structure is designed to meet 80 mph, Exposure C Wind, as per ASCE-7-93 (BOCA, SBCCI, UBC) and 100 mph, Exposure C, 3 second gust as per ASCE-7-98 (IBC).

This quotation is valid for 60 days.

Thank you for the opportunity to submit this quotation. To demonstrate our confidence in the quality and longevity of the Sprung Structure, our product comes with a 30 year pro-rata guarantee on the aluminum substructure and a 20 year guarantee on the architectural membrane, all in accordance with the attached Guarantee Certificate No: E-0100. We look forward to being of service to you.

Yours very truly,
SPRUNG INSTANT STRUCTURES, INC.

Gerald Heath
Assistant Sales Manager

Sprung Instant Structures

Guarantee

E 0100

The architectural membrane and aluminum materials utilized in Sprung Structures have been selected for their proven strength, durability and longevity. To show our sincere confidence in our product, Sprung Instant Structures is pleased to issue the following guarantees.

A. ARCHITECTURAL MEMBRANE

All membranes used are water and mildew resistant, insect proof and flame retardant. They withstand extreme climatic variations and contain ultra-violet inhibitors to reduce degradation by the sun's rays. Flame retardant status has been warranted by the membrane suppliers.

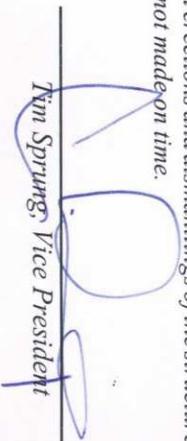
*Sprung Instant Structures guarantees to supply new replacement membrane, on a pro-rata basis at the then current price, for membrane which deteriorates from any of the aforementioned factors within **TWELVE (12) YEARS** from the date of delivery of the structure(s), for acrylic coated architectural membranes in white or tan colors, and **TWENTY (20) YEARS** for Tedlar[®] coated architectural membranes for all colors.*

B. ALUMINUM

*Aluminum used is professionally engineered and is of the highest quality and structural capability. Sprung Instant Structures guarantees to replace, on a pro-rata basis at the then current price, any aluminum which deteriorates from normal usage within **THIRTY (30) years** from the date of delivery of the structure(s).*

The guarantee will not be valid if a Sprung technical consultant is not present during all erections and dismantlings of the structure during the guarantee period or if any payments associated with the structure(s) are not made on time.

 P.D. Sprung, Jr., President

 Tim Sprung, Vice President

"The Sprung Group of Companies have been in business for over 117 years."



ForestLine

CONSTRUCTION

Estimate

DATE

ESTIMATE #

12/7/2005

5079

TERMS

Net 15

NAME / ADDRESS

Spanish Fork City
 Richard Heap, P.E.
 Public Works Director/City Engineer
 40 South Main Street
 Spanish Fork, UT 84660

PROJECT

JOB

Salt Shed

Spanich Fork Salt Shed

| ITEM | DESCRIPTION |
|-------------------------|---|
| 13000-Special Constr... | 50 x 80 x 20 Salt Storage Building per Request for Proposal Dated Nov. 16, 2005 Furnish and install 50 x 80 Cover-All Building with 15 year Warrenty Base bid Includes: Building and erection. Concrete footings for two side walls and end wall. (labor, concrete, & reinforcement) Concrete foundation (9' High by 1' thick) for two side walls and end wall. (labor, concrete, xypex admixture, & reinforcement) Engineering Lighting- (3) High bay lights and (1) exterior wall pack. Footing Excavation labor and equipment. |
| 3000-Concrete | Deduct (\$3500.00) to eliminate Xypex. |
| 8030-Overhead Doors | Add (\$7797) for Each Roll-up door with opener. |
| 13000-Special Constr... | Add (\$11500) to change to a Pre-Engineered All Steel Building with 20 Year Warrenty. |
| TOTAL | |
| \$97,623.00 | |

APPROVAL SIGNATURE _____

Payment is due according to the terms stated above. Finance charges of 1.5% per month will be assessed on payments that are more than 30 days overdue. The afforesigned also agrees to pay all collection and attorney fees necessary to receive payment in full.

**AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT FOR
NPDES PHASE II STORM WATER PUBLIC EDUCATION AND
OUTREACH BEST MANAGEMENT PRACTICE COMPLIANCE**

THIS AMENDMENT, is entered into this _____ day of _____, 2005, by and between PROVO, OREM, PLEASANT GROVE, AMERICAN FORK, SPRINGVILLE, SPANISH FORK, LEHI, PAYSON, UTAH COUNTY, LINDON, HIGHLAND, ALPINE, MAPLETON, SALEM, and CEDAR HILLS, political subdivisions of the State of Utah.

WITNESSETH:

WHEREAS, pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated, 1953 as amended, public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into written agreements with one another for joint or cooperative action; and

WHEREAS, the parties to this Agreement are public agencies as defined in the Interlocal Cooperation Act; and

WHEREAS, the parties desire to amend the Interlocal Cooperation Agreement for NPDES Phase II Storm Water Public Education and Outreach Best Management Practice Compliance (The Storm Water Agreement) to provide for community education;

NOW, THEREFORE, the parties do mutually agree, pursuant to the terms and provisions of the Interlocal Cooperation Act to amend the Storm Water Agreement as follows:

1. Section 4.a. of the Storm Water Agreement is hereby amended by adding Section 4.a.8 as follows:
". . . 8. Contract with part-time instructors to present lessons on waterway pollution prevention to elementary school classes throughout Utah County."
2. The remaining provisions of the Storm Water Agreement shall remain in full force and effect and are only amended as specifically set forth herein.
3. Any further modification of this amendment of the Storm Water Agreement shall be binding only if modified in accordance with the terms of the Storm Water Agreement.

4. This amendment to the Storm Water Agreement shall be (a) approved by Resolution of the governing body of each of the parties, (b) executed by a duly authorized official of each of the parties, (c) submitted to and approved by an Authorized Attorney of each of the parties, as required by Section 11-13-202.5(3), Utah Code Annotated, 1953 as amended, and (d) filed in the official records of each party.

IN WITNESS WHEREOF the parties have caused this amendment to the Storm Water Agreement to be duly executed as follows.

UTAH COUNTY

Authorized by Resolution No. _____, authorized and passed on the _____ day of _____, 2005.

**BOARD OF COUNTY COMMISSIONERS
UTAH COUNTY, UTAH**

By: _____
JERRY D. GROVER, Chairman

ATTEST: Kim T. Jackson
Utah County Clerk/Auditor

By: _____
Deputy

APPROVED AS TO PROPER FORM AND
COMPLIANCE WITH APPLICABLE LAWS:
Carlyle K. Bryson, Utah County Attorney

By: _____
Deputy Utah County Attorney

AGREEMENT AMONG
STRAWBERRY WATER USERS ASSOCIATION,
STRAWBERRY HIGH LINE CANAL COMPANY
AND PAYSON CITY REGARDING
DELIVERY OF SVP WATER

This Agreement is made effective this ____ day of December, 2005 among Strawberry Water Users Association, a Utah non-profit corporation (“Association”), Strawberry High Line Canal Company, a Utah non-profit corporation (“Canal Company”) and Payson City, Utah, a municipal corporation (“City”).

AGREEMENT PURPOSES

The Strawberry Valley Project (“SVP”) was authorized and constructed pursuant to the 1902 Reclamation Act. Under contracts with the United States and reclamation law the Association is responsible for the care, operation and maintenance of the SVP, excepting the Strawberry High Line Canal, and the Mapleton and Springville Lateral. Under contracts with the United States the Canal Company is responsible for the care, operation and maintenance of the Strawberry High Line Canal. The SVP provides approximately 70,000 acre-feet (“AF”) of water annually to SVP lands in south Utah County. Approximately 61,000 AF of this SVP water is released from a Central Utah Project (“CUP”) facility. SVP water is delivered by the Association to 9 different entities commonly, and somewhat inaccurately, referred to as the “canal companies,” including Canal Company. These “canal companies” each have contracts with the United States that give them the right and responsibility to deliver SVP water to SVP water users through those canals. The Canal Company delivers a majority of the SVP water. South Utah County and City are facing challenges resulting from growth. These growth challenges also present challenges to Association and Canal Company. City desires to assure that adequate water supplies are available for the future growth of City. SVP water delivered by Association, Canal Company and City will be critical to meeting the needs of a growing population. At the same time Association and Canal Company have continuing obligations to provide SVP water to those who desire to continue to use SVP water for agriculture. Development challenges the ability of Association and Canal Company to deliver SVP water. Association and Canal Company, and the other “canal companies” face challenges from those who would interfere with their contractual rights and responsibilities for the delivery of SVP water. The purpose of this Agreement is to preserve, protect, enhance and coordinate the roles of the parties in providing water to present and future City residences and business, and current agricultural users.

AGREEMENT TERMS

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

1. TRUST CREATED, TRUSTEE APPOINTED.

The parties hereby create a trust instrument to be known as the Strawberry Valley Project Water Payson Trust. The trust shall consist of all Association shares located within Payson City and the Payson City Annexation Declaration Area that are transferred into the trust. -A copy of the Trust Instrument is attached hereto as Exhibit A. Transactions consistent with the trust instrument will be honored by the parties, subject to the terms and conditions of this Agreement.

2. CITY ORDINANCE AND SECONDARY IRRIGATION PLAN.

A coordination committee, consisting of one person appointed by each party hereto shall be created, which shall make recommendations concerning the design and construction of secondary irrigation systems. The criteria required to ensure delivery of SVP water into the secondary system are 1) a contract in place between City and Canal Company; 2) the means to deliver the water to the lands where the water was historically used; and 3) other shareholders of Association and Canal Company must be held harmless from losses, costs, and expenses to the extent caused by the secondary system. The intent of the secondary irrigation master plan is to provide for the coordinated delivery of SVP water within City and the Canal Company service area by City and Canal Company.

The Coordination Committee will also recommend city ordinances that will: 1) provide effective and early notice to Canal Company regarding developments and annexations within City that may encroach on water delivery systems; and 2) require the equitable improvement and protection of SVP water delivery systems by developers to mitigate the impacts of encroachment consistent with Constitutional guidelines, and improve the delivery and utilization of SVP water within SVP lands.

SVP water will be utilized by City in a manner consistent with the secondary irrigation master plan and City ordinances described above.

Association will approve transfers of Association shares into the trust described by the Trust Agreement above if such transfers provide a reasonably adequate means of serving relevant Association shareholders in a manner both consistent with SVP water rights and acceptable to Canal Company, and does not impose any unmitigated additional cost, loss of water, obligation or burden on Association, other canal companies that have contracts for the delivery of SVP water, or other Association shareholders. One intent of the ordinances and secondary irrigation master plan is to set a framework for meeting the described criteria for approval of transfers so that transfers can be approved City-wide quickly on a routine and predictable manner.

3. TRANSFER OF STRAWBERRY WATER SHARES INTO TRUST

City has in place a development ordinance which requires the transfer of water to City in order to guarantee sufficient water supply to meet the water demands created by a new development. Upon approval of this trust agreement by the parties' governing bodies, and the City has in place its secondary irrigation plan, City will require a prospective developer to transfer any shares of Strawberry Water appurtenant to the property to be developed to the Strawberry Valley Project Water Payson Trust for the purpose of maintaining its appurtenancy to SVP lands and to provide for secondary irrigation to SVP lands. Upon application, Association and Canal Company will act reasonably and timely to approve the transfer and appointment of City as trustee of Association shares pursuant to the terms of the form attached hereto as Exhibit B. The form attached hereto as Exhibit B may also be recorded with the Utah County Recorder, the intent being to ensure the appurtenancy remains intact. This agreement of Association and Canal Company to act reasonably and timely to approve such appointments applies to Association shares that are appurtenant either to lands within the City or those lands to be annexed into the City in consideration of the appointment. In the event temporary excess water exists in the Trust, Canal Company may lease the use of such water to other users for use on lands within the SVP. Any person leasing such water shall pay all assessments and other costs such as to hold City, the Association, and the Canal Company harmless from costs associated with that water. Association and Canal Company will not be obligated to approve such appointments if the criteria described in Article 2 above are not met, forms are not complete or properly executed, or the descriptions are not consistent with County, Canal Company or Association records regarding ownership. Association and Canal Company may, after

reasonably consulting with City, require the Developer(s)/Landowner(s) under such appointments to: 1) pay reasonable fees to cover estimated actual direct and indirect administrative costs of reviewing and approving the appointments; 2) provide adequate proof of title; and 3) provide and agree to defend and indemnify Association and Canal Company from losses and claims resulting from Association and Canal Company acceptance of, or compliance with, such appointment. City shall also be allowed to vote the number of shares held in trust for which City acts as Trustee, subject to any constraints imposed by law.

4. ASSESSMENTS, COST OF DELIVERY.

To the Extent it reasonably and lawfully can do so Association will take steps to utilize available funds other than assessments to cover Association financial commitments and contingencies, in order to minimize or eliminate assessments to Association shareholders.

Association will assess City, through Canal Company, an equitable assessment based upon the cost of service and necessary reserves which is consistent with the assessment of other similarly situated share holders within the Canal Company service area. The initial assessment is \$1.80 per share, which covers the CUWCD assessment and the Spanish Fork River Commissioner assessment. As those assessments change, the Association assessment to Canal Company may change.

5. DELIVERY POINTS, CONTRACTS

City may designate delivery points from the Canal Company system where it will receive its allocation of SVP water for use on Project Lands in its secondary water system. Canal Company will approve delivery points that are consistent with SVP water rights and Canal Company contracts with the United States, provide a reasonably adequate means of serving relevant Association shareholders, and that do not impose any unmitigated additional cost, loss of water, obligation, or burden on Association, other canal companies that have contracts for the delivery of SVP water or other SWUA shareholders. City recognizes that it may be required to enter into separate contracts with Canal Company or other local canal companies that have contracts for the delivery of SVP water. Such may include separate O&M charges and urban encroachment requirements. Urban encroachment requirements are intended to preserve, protect, and enhance the continued agricultural uses of SVP water by those who choose to preserve this part of the local economy.

6. LIAISON TO ASSOCIATION BOARD.

One liaison to the Association board will serve the collective interests of all cities which enter into a trust agreement with Association to act as a trustee to deliver SVP water to SVP lands within its jurisdiction. South Utah Valley Municipal Water Association (SUVWMA) will appoint that collective member. To the extent it lawfully can do so Association will allow a SUVWMA appointed liaison member representative to attend Association Board of Directors meetings. It is the intent of the parties the such liaison member be welcome to attend all meetings, except as may be dictated by the fiduciary duties of the Association Board of Directors or the Utah Code.

7. ASSIGNMENT LIMITED - SUCCESSORS AND ASSIGNS OBLIGATED.

The provisions of this Agreement shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Agreement or any right or interest therein shall be valid until approved in writing by the parties hereto.

8. GOVERNING LAW.

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Utah.

9. ENTIRE AGREEMENT.

This Agreement shall constitute the entire agreement between the parties concerning the delivery of SVP water on SVP lands within City and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

10. MODIFICATION OF AGREEMENT.

This Agreement which cannot be altered or modified in any manner except by a mutually agreed upon written amendment, signed by each of the parties hereto.

11. AUTHORIZATION.

Each person executing this Agreement does hereby represent and warrant to each other person so signing (and each other entity for which another person may be signing) that he or she is duly authorized to sign the Agreement in the capacity and for the entity set forth where he or she signs.

12. NO WAIVER.

No failure by Association, City, or Canal Company to insist upon the strict performance of any covenant, duty or term and condition of this Agreement, or to exercise any rights or remedies following a breach thereof shall constitute waiver of any such breach. Either party may by notice delivered to the other party, waive any of its rights or any conditions to its obligations hereunder, or any covenant or duty of the other party, but shall be under no obligation to do so. No waiver shall affect or alter the remainder of this Agreement, but each and every other covenant, duty, and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

13. ATTORNEY'S FEES.

In the event that any action is filed in relation to this Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party shall be called upon to pay, a reasonable sum for the successful party's attorney fees and engineering fees.

14. RIGHTS AND REMEDIES.

The rights and remedies of the parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions of this Agreement shall not preclude the exercise of any other provisions. The parties confirm that damages at law may be an inadequate remedy for breach or threatened breach of any provision hereof and that the respective rights and obligations of each party hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to or shall limit or affect any rights at law by statute or otherwise of the parties hereto aggrieved as against another party for a breach or threatened breach of any provision hereof.

15. PARAGRAPH HEADINGS.

The titles to the paragraphs of this Agreement are solely for the convenience of the parties hereto and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of the Agreement.

PAYSON CITY CORPORATION by:

Bernell C. Evans, Mayor

Attest:

Jeanette Curtis, Recorder

STRAWBERRY HIGHLINE CANAL COMPANY by:

Dan Ellsworth, President

STRAWBERRY WATER USERS ASSOCIATION by:

Garry Brown, President

When Recorded Mail to:
STRAWBERRY WATER USERS ASSOCIATION
P.O. BOX 70
PAYSON, UTAH 84651

Water Serial #: _____
Parcel #: _____

APPOINTMENT OF PAYSON CITY AS TRUSTEE OF SWUA SHARES

Trustor _____, residing at _____ is the fee title holder of land described in Exhibit A located in Utah County, Utah. Appurtenant to the land described in Exhibit A are _____ shares of Strawberry Water Users Association (SWUA) stock. The described shares of SWUA stock entitle Trustor to use Strawberry Valley Project (SVP) water for irrigation of the land described in Exhibit A in a manner consistent with SWUA Articles of Incorporation, bylaws and policies, and Utah law. Conditioned upon written approval of this appointment by Strawberry High Line Canal Company (SHLCC) and SWUA in the spaces provided below, Trustor, for the benefit of Trustor and Trustor's successors and assigns, hereby irrevocably appoints Payson City as Trustee of the shares of SWUA stock appurtenant to the land described in Exhibit A. As Trustee Payson City shall be responsible to take reasonable measures consistent with Payson City ordinances, agreements and budgets, to see that SVP water available for use under the described SWUA shares is available for the reasonable irrigation of the land described in Exhibit A. As Trustee, Payson City shall be responsible to take reasonable measures, consistent with Payson City ordinances, agreements and budgets, to see that assessments and fees associated with the delivery and use of the SVP water available under the described SWUA shares are properly paid when due and owing. Trustor understands and agrees that the irrevocable appointment of Payson City as Trustee of the described SWUA shares transfers to Payson City as Trustee any and all rights of Trustor or Trustor's successors and assigns to vote the described SWUA shares. Trustor understands and agrees that the irrevocable appointment of Payson City as Trustee of the described SWUA shares terminates any right of Trustor or Trustor's successors and/or assigns to sell, transfer, move, hypothecate, or change the place of use of, the described SWUA shares or the right to use SVP water represented by those shares. Trustor understands and agrees that the irrevocable appointment of Payson City as Trustee of the described SWUA shares shall entitle Payson City to charge a reasonable fee for the delivery of SVP water and withhold the delivery of SVP water if such fee is not timely paid, all in a manner consistent with Payson City ordinance.

TRUSTOR

By: _____

SWUA

By: _____

SHLCC

By: _____

STRAWBERRY VALLEY PROJECT WATER PAYSON TRUST

I. CREATION

Payson City hereby creates an irrevocable trust to be known as the Strawberry Valley Project Water Payson Trust (the Trust). The Trust shall remain in existence as long as Strawberry Valley Project Water is delivered from Strawberry Reservoir to southern Utah County.

II. PURPOSE

The purpose of the Trust is to allow agricultural and domestic irrigation use of Strawberry Valley Project (SVP) water on SVP lands located within Payson City or properties to be annexed into Payson City. The City's intent is to maintain appurtenancy of the SVP water usage to those lands located within the SVP area and which water has historically been used to water those lands. The history and purposes of SVP water and lands is more fully set forth in the "Agreement Among Strawberry Water Users Association, Strawberry Highline Canal company and Payson City Regarding Delivery of SVP Water" (The Agreement).

III. Trust Res

The trust res shall consist of shares in Strawberry Water Users Association (SWUA), which shall be transferred into trust at the time of development and/or annexation.

IV. Trustee

Payson City is appointed trustee of the Trust with full power and authority to vote the SWUA shares and with the obligation to pay all assessments. Appointment shall be by the form attached hereto as Exhibit A and incorporated herein by this reference.

V. Effective Date

The Trust is effective as of the approval of the Agreement by SWUA, Strawberry Highline Canal Company and Payson City.

DATED this _____ of December, 2005.

PAYSON CITY by:

BERNELL EVANS, Mayor

ATTEST:

JEANETTE CURITS, Recorder

CONTRACT

COME NOW SPANISH FORK CITY (City) and WESTFIELD IRRIGATION COMPANY (Westfield) and hereby contract, covenant, and agree as follows:

1. Development on the west side of Spanish Fork City is creating storm water drainage which needs to be appropriately dissipated.

2. Westfield has ditches on the west side of City into which storm water drainage can flow and be properly dissipated.

3. That owners of property and/or developers that create subdivisions on the west side of City desire to dissipate their storm drainage water by using the Westfield ditches.

4. Westfield is willing to let their ditches be used for storm water drainage in consideration of the items set forth herein.

5. Westfield therefore agrees to grant to city a license to discharge its storm water drainage into the Westfield ditches, which license will be for ten years, from January 1, 2006 through December 31, 2015. The license will automatically renew for an additional ten year period, through December 31, 2025, unless either party gives a one year written notice of its intent not to renew the license. This agreement may be terminated earlier under the following conditions:

a. In the event City is required by State or Federal law to use an alternate storm drainage system which does not allow drainage into Westfield waterways, City may terminate this agreement by giving a one year written notice to Westfield; or

b. In the event Westfield is required by zoning, County, State, or Federal law, or by any other factor not within Westfield's control to significantly modify or otherwise change its waterways or which would otherwise prevent Westfield from using its waterways as it presently

does, Westfield may terminate this agreement by giving two years written notice to City, unless governmental regulation requires a shorter time.

6. City will maintain the drainage system in any approved subdivision up to the point of discharge into Westfield ditches.

7. City will retain any liability imposed by law, for any environmental contamination caused to Westfield, or its shareholders, due to discharge of contaminated storm water from the city storm water drainage system. City will retain any liability for excessive discharge of storm water into Westfield ditches. Westfield will assume all responsibility and liability for any other damage to its ditches, canals, or other parts of its irrigation system, caused by any other cause .

8. City currently discharges storm water into the Mill Race Canal which ultimately discharges into Westfield ditches. A bypass diversion ditch has been constructed to prevent excess flows from discharging into Westfield ditches. City hereby agrees to maintain the diversion bypass ditch and to assume all responsibility and liability for its upkeep and maintenance. Westfield agrees to maintain the Mill Race Canal from Main Street to the diversion bypass structure, to maintain the diversion bypass structure, and to assume all responsibility and liability for their upkeep and maintenance. City hereby grants to Westfield a perpetual easement to discharge excess waters into the diversion bypass ditch.

9. City will pay to Westfield an annual fee in order to drain into Westfield ditches from existing areas and subdivisions, as shown on Exhibit A, attached hereto and incorporated herein by this reference, as of January 1, 2006, including the Mill Race Canal as set forth in the preceding paragraph. This fee is calculated at \$61.60 per acre for the 265.2 acres shown as areas 1 and 2 on Exhibit A, which will drain into the Westfield ditches, plus \$620.00 representing half the annual

maintenance for the Millrace Canal and diversion bypass structure, which facilities drain the area represented by Area 3 on Exhibit A. Area 2 will eventually be connected to a storm water drain system independent of Westfield. At that time, City will no longer discharge into Westfield ditches from Area 2 and shall no longer be required to pay for the acreage in Area 2 so removed from the discharge area. The parties agree that the annual fee will be adjusted for inflation pursuant to the Wasatch Front Consumer Price Index as published by Wells Fargo Bank, or its successor.

10. The City agrees to obey and follow all federal, state, and local environmental laws and regulations, and to indemnify and hold harmless Westfield and its assigns from any and all claims, damages, or liabilities stemming from or in connection with the violation of any federal, state, or local environmental laws or regulations with respect to Westfield waterways and this Agreement, including attorney's fees and costs that may be incurred by Westfield relating to any violation or claimed violation. City further agrees to indemnify and hold Westfield harmless from any and all expenses, costs, liability and damages arising from or as the result of, or in any way related to, any action at law or equity of any kind that may be brought against Westfield relating in any way to the granting or giving of the privileges and rights to City pursuant to the terms of this Agreement.

11. Westfield agrees to obey and follow all federal, state, and local environmental laws and regulations, and to indemnify and hold harmless City and its assigns from any and all claims, damages, or liabilities stemming from or in connection with the violation of any federal, state, or local environmental laws or regulations with respect to Westfield waterways and this Agreement, including attorney's fees and costs that may be incurred by City relating to any violation or claimed violation.

12. Each party shall be fully liable and responsible for the negligence and acts of its respective employees. Each party agrees to indemnify and hold harmless the other from any and all liability and damages, costs, and expenses related in any way to any act or omission of any of its employees.

13. This document represents the entire agreement between the parties concerning storm water drainage. Any prior negotiations, representations, agreements, or understandings are merged herein and superseded hereby.

14. This document may be amended only by a writing signed by all the parties hereto.

15. In the event of the breach of this agreement, the non-breaching party shall be entitled to recover its costs and attorney's fees.

16. This agreement is binding on the successors and assigns of the parties.

DATED this ____ day of December, 2005.

SPANISH FORK CITY by:

DALE R. BARNEY, Mayor

ATTEST:

KENT R. CLARK, Recorder

WESTFIELD IRRIGATION COMPANY by:

BRENT MONEY

ATTEST:

CODY HOLT, Secretary