



WILSON ARCH WATER AND SEWER
SPECIAL SERVICE DISTRICT
SAN JUAN COUNTY
P.O. BOX 97 LA SAL, UTAH 84530

November 28, 2022

WILL SERVE LETTER
Phase II, Wilson Arch Resort Community

This Will-Serve Letter is issued in connection with a development located within the boundaries of the Wilson Arch Water and Sewer Special Service District (the "District"), which development is known as Phase II, Wilson Arch Resort Community ("Phase II") and consists of approximately 134.07 acres and 73 residential lots, with each lot constituting an Equivalent Residential Connection ("ERC"). Phase II is currently owned by Wilson Arch Properties, LLC, a Utah limited liability company ("WAP") and is listed for sale. Strictly subject to the terms and conditions stated herein, the District agrees to provide water service and sewer service to Phase II at the time the property is developed.

This Will-Serve Letter and any future will-serve letters are, subject to terms and conditions established by the District, including but not limited to conditions, limitations, and requirements set forth in Policies and Procedures and/or Rules and Regulations and construction specifications established from time-to-time by the District.

Water service is dictated by allowable ERCs by the Utah Department of Environmental Quality, which includes the Division of Drinking Water and the Division of Water Rights ("DEQ"), not to exceed 73 ERCs in Phase II. In addition, the Phase II infrastructure shall include a connection to the current west side storage tanks on Lot F, Phase I, Wilson Arch Resort Community ("Lot F") and may, as required by DEQ, include the drilling of a new well and the installation of water storage tank(s) needed to meet water system demands for which the Phase II owner/developer will be responsible. If the water storage tanks located on Lot F need to be resized or if new water tanks are required to accommodate Phase II development, the owner/developer of Phase II shall be responsible to install and pay for the same.

Further, the owner/developer of Phase II shall 1) bear the entire cost of installing all infrastructure, including a water well, required to provide culinary water and sanitary sewer services to Phase II; 2) obtain the District's approval in advance of construction/installation of the Phase II water and sewer infrastructure; and 3) meet all applicable District, San Juan County, Health Department, and Utah State (including but not limited to DEQ and the Utah Division of Water Rights) laws, ordinances, rules, regulations, and specifications including but not limited to:

District Rules, Regulations, and Specifications

Requirements of Phase II Development Agreement(s) with the District and/or San Juan County

San Juan County Fire and Health Department Rules and Regulations

Utah DEQ Rules and Regulations.

Prior to District inspection, acceptance, and approval of the Phase II water or septic sanitary sewer system improvements, and conveyance of the same to the District (which is a mandatory requirement of this Will Serve Letter), the owner/developer of Phase II shall 1) prove to the District that system infrastructure has been installed pursuant to District specifications and is free and clear of liens and encumbrances; and 2) obtain all necessary permits, licenses, and authorizations for the water and sewer systems.

Nothing in this Will Serve Letter, including the obligation of the owner/developer to install and pay for the Phase II water and septic infrastructure, shall be deemed to waive the payment of impact fees, hookup fees, or other fees and charges that may be due to the District at the time each lot in Phase II is connected to the District's system.

The District's commitment in this Will Serve Letter is limited to water for indoor use only, and there is to be no secondary or irrigation use of water provided by the District. The District's obligation to serve individual lots within Phase II shall be conditioned upon the lot owner's adherence to all Rules and Regulations of the District and the timely payment to the District of all applicable fees and charges.

The District's commitment herein shall expire on December 31, 2025, if the owner/developer of Phase II has not, by that date, installed, paid for, and obtained the approval of the District for the required Phase II water and sewer infrastructure.

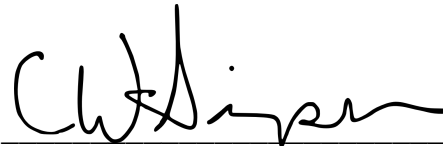
Wilson Arch Water and Sewer Special Service District



By:
Chair, Administrative Control Board



By:
Secretary, Administrative Control Board



By:
Treasurer, Administrative Control Board