



MOUNTAIN REGIONAL WATER
SPECIAL SERVICE DISTRICT

STAFF REPORT

To: Summit County Council
From: Andy Armstrong, General Manager
Date: February 7, 2018
Subject: Community Water Company Annexation

Control Board Recommendation

Mountain Regional's Control Board has given a positive recommendation on the Community Water annexation. The Control Board has taken a neutral position on the method the County Council chooses to move the annexation forward.

District management is supportive of the County Council adopting the attached annexation Resolution at its February 14th meeting, since delays in the annexation process could jeopardize the ability to provide outdoor irrigation water to Community Water customers this summer.

Several HOAs within Community Water have provided a positive recommendation for the annexation as well. These recommendations are attached as Exhibit A.

The annexation resolution is attached as Exhibit B. ***The date of the public hearing still needs to be inserted into the Resolution.***

The related annexation agreement is still being worked out. The most recent draft is attached as Exhibit C. The Control Board will be discussing this agreement at its February 8th meeting and may recommend changes to the agreement before it makes a positive recommendation to the Council. It may be a few more weeks before the annexation agreement is brought before the County Council for approval, but this should not delay the annexation process.

Background

TCFC approached Mountain Regional three times the past 16 months to see if a deal could be reached to annex Community Water into Mountain Regional. Following the third contact, a deal was reached.

Proposed Terms of Annexation

Under the proposed terms of the annexation, Community Water's customer base would annex into Mountain Regional, and its customers would fall under Mountain Regional Waters Rules & Regulations and existing rate structure. Mountain Regional would provide the same level of water service to these customers as it provides to all its other customers.

Capital Projects Required

To address the water system inadequacies to bring Community Water in compliance with Mountain Regional standards, Mountain Regional would obtain a \$2.35 million state loan.

Mountain Regional Water
Estimated Community Water Capital Project Costs & Debt Service
February 8, 2018

		State Bond
Project Cost		\$ 1,590,000
Master Plan / Preliminary Engineering	\$ 346,000	346,000
Final Engineering	5.0%	79,500
Project Contingency	10.0%	186,950
Well Feasibility Study	15,000	15,000
Water Rights Transfer	30,000	15,000
Inspection	3.0%	63,689
Issuance Costs	1.0% + \$30,000	52,961
Total Bond		2,350,000
Interest Rate		3.0%
Years		20.00
Annual Payment		\$157,957
Units		509
Monthly Infrastructure Fee		\$ 25.86
On-site Projects		
Meter Replacement		475,000
Line Work		175,000
Line Relocation		-
(Line is in future construction site, outside of any easements)		
Interconnect (Tee Box)		100,000
Refurbish PRVs		90,000
Refurbish Wells (Electrical & SCADA)		100,000
Replace Well Pumps (Clean Wells)		100,000
Demolish Treatment Plant		50,000
SCADA Improvements		50,000
Total On-site Projects		1,140,000
Off-site Projects (In lieu of fixing CW Treatment Plant and Tank) ⁽¹⁾		
Well - Willow Draw or Silver Creek		320,000
Pump/VFD - Old Ranch Road		85,000
Standby Generator (50%)		45,000
Total Off-site Projects		450,000
Total Project Costs		\$ 1,590,000

(1) - It is much more cost effective for MRW to drill a replacement well and add a booster pump to its existing Old Ranch Road booster station than it is to replace the Community Water Treatment Plant and failed tank. Further, the well can be operated year-round, while the treatment plant is limited to early summer. MRW can store the water from the new well in its existing White Pine Canyon storage tank, that has more than sufficient surplus storage capacity to serve Community Water. Doing these off-site projects will also improve backup and redundancy for Community Water.

This is \$210,000 more than reported to the County Council two weeks ago due to the identification of additional needs. This increases the estimated monthly infrastructure assessment to \$25.86 from the \$23.55 reported to the Council two weeks ago. This is a \$2.31 per month increase.

The increases in the bond amount include:

- | | | |
|----|--------|--|
| 1) | 46,000 | Additional CW Reimbursement for Failed Tank |
| 2) | 40,000 | Additional PRV Work |
| 3) | 30,000 | Water Rights Issues (the water rights have diversion issues) |
| 4) | 15,000 | Well Feasibility Study |

These increases have resulted in corresponding increases in final engineering costs, project contingency, inspection fees, and bond issuance costs.

Prior to Mountain Regional's proposal being accepted by TCFC, TCFC expended roughly \$346,000 for a water system master plan and preliminary engineering for the required water system improvements. This work provided some benefit to Mountain Regional, and as such the State Division of Drinking Water has indicated these sunk costs can be reimbursed to TCFC from the state loan proceeds.

This, combined with future engineering costs, project contingencies, inspection fees, and bond issuance costs, brings the total loan amount to \$2.35 million.

TCFC Requests Additional Water Line Relocation Project

TCFC has requested that the **Water Line Relocation** be added to the list of bond funded projects because it is in a future construction site, and it might be that this waterline is not in an easement.

Mountain Regional initially thought this line would **not** need to be relocated, as it was included in the original Bowen & Collins study to improve fire flow. Since Mountain Regional will install an interconnect to Community Water, this relocation is no longer needed to address fire flow issues.

Once engineering, inspection fees are contingencies are added to the base \$150,000 cost estimate, this increases the bond amount by \$180,000 and the infrastructure fee by \$1.98 beyond what is shown in the table on the previous page.

Projected Rates

If annexed into Mountain Regional, Community Water customers would be charged the same water rates as all other Mountain Regional customers for water service. In addition, Community Water customers would be charged a monthly infrastructure charge, estimated at \$25.86 per ERC, for twenty years. This revenue source would be used solely to make debt service payments on the state loan.

This is the same approach applied to Stagecoach Estates when it annexed into Mountain Regional in 2008. Stagecoach customers pay all the normal water charges and fees assessed on all other Mountain Regional customers, plus an additional monthly infrastructure charge.

After accounting for the \$2.31 increase in the infrastructure fee discussed above, the total average residential customer monthly bill increases to \$108.34, as shown below. The monthly water bill is based

upon actual water usage by month for 2015 and 2016. However, usage assumptions were made by Mountain Regional for broken meters - which represents about 15% to 20% of all meters.

As stated at the County Council meeting two weeks ago, it is possible the infrastructure fee could drop by up to \$2.00 to \$3.00 per month if the District gets a lower interest rate on its state loan than the 3.0% assumed for this analysis. Further, the fee could be reduced by a few more dollars if the state bond has 25 or 30-year term instead of 20-year term – but this would increase the total amount paid by Community Water customers in the long run due to higher interest costs.

Mountain Regional Water Estimated Monthly Water Bills - Community Water Based Upon 2015 and 2016 Usage Provided by TCFC

	Monthly Water Bill	Monthly Infrastructure	Monthly Total	Monthly Bill Reported To Council Feb 1, 2017	Increase
Residential					
Park West Village Homes	\$ 91.59	\$ 25.86	\$ 117.45	\$ 115.14	\$ 2.31
Park West Village Canyon View Condos	72.89	25.86	98.75	96.44	2.31
Park West Townhomes	127.30	25.86	153.16	150.85	2.31
Red Pine Townhomes (Includes Pool) <i>these broken meters is estimated.</i>	80.27	25.86	106.13	103.82	2.31
Red Pine Condos (Includes Pool)	72.99	25.86	98.85	96.54	2.31
Hidden Creek Condos (Includes Open Space & Pool)	89.54	25.86	115.40	113.09	2.31
Scott McKay Home	67.65	25.86	93.51	91.20	2.31
Total Residential	82.48	25.86	108.34	106.03	2.31
Non-Residential					
7-11	133.54	25.86	159.40	157.09	2.31
Shepherd Church	394.19	61.13	455.32	449.85	5.47
Colby School	145.91	25.86	171.77	169.46	2.31
Canyons Resort	2,724.68	381.57	3,106.26	3,072.17	34.09
Total Non-Residential					
Total Community Water					
Monthly Infrastructure Assessment					
\$	25.86				

Keep in mind that some customers would pay more than this average while others would pay less, depending upon the amount of outdoor irrigation water used per unit. For example, Park West Townhome customers would pay an average \$153.16 per month due to the fact it irrigates 0.25 acres per each of its 30 units. On the other hand, Red Pine Condos irrigate .02 acres per its 200 units, resulting in an average \$98.85 water bill.

EXHIBIT A
CUSTOMER LETTERS SUPPORTING ANNEXATION

Park West Condos HOA

This email from Scott Savage from the Park West HOA is shown below:

Summit County Council:

I am the President of the Park West Village Plat B&D Homeowners Association. This HOA has 30 homeowners who own townhomes in Park West Village. We are one of the largest, if not the largest, user of water from what is presently the Community Water Company. I have not had a meeting of the Plat B&D homeowners and do not know the views of any of those homeowners at this time concerning the proposed annexation. I personally have attended one meeting that was hosted by MRSSD and CWC but I still have much to learn concerning the details of the proposed annexation. Nevertheless, based upon what I presently know, I personally favor the proposed annexation.

Thank you,

Scott

Van and Linda Martin

DATE: 2/5/2018

TO: Kim Carson kcarson@summitcounty.org

FROM: Van and Linda Martin

3935 Village Rim

Park City UT 84098

SUBJECT: Annexation of Community Water Company (CWC) to Mountain

Regional Special Services District (MRSSD)

Dear Ms. Carson and the Summit County Council:

We have been aware of TCFC's desire to modify the administration and management of the CWC. Most recently we have been informed of MRSSD's willingness to take over the responsibility of CWC. Having looked at and considered other alternatives we presently believe that annexation of CWC into MRSSD is the most reasonable solution presented to date. We are in support of this proposal.

Van and Linda Martin

cc: to swilson@tc-fc.com

Hidden Creek

February 5, 2018 Summit County Council SENT BY ELECTRONIC MAIL FOR DISTRIBUTION TO COUNTY COUNCIL VIA: Kim Carson kcarson@summitcounty.org SUBJECT: Proposed Annexation of Community Water Company into Mountain Regional Special Service District (MRSSD)

This letter is submitted to the Summit County Council in support of the proposed annexation of the Community Water System into the MRSSD by the Hidden Creek at the Canyons Homeowners Association (HCHOA) Board of Directors. HCHOA is a customer of CWC and includes 130 units located near the base of the Canyons Cabriolet, on the north side of Canyons Resort Drive. The Hidden Creek Board of Directors strongly supports Annexation. Over the past three years, the Hidden Creek Board of Directors has invested a significant amount of time closely monitoring actions by Community Water Company (CWC) to find a solution to address the failed infrastructure of the water system and identify a mechanism for funding the necessary work to provide a reliable source of high quality water going forward. As you are aware, a failed water tank (the larger of the two tanks) resulted in a ban on outdoor irrigation water last summer. Time is of the essence in moving forward with the annexation solution. Our landscaping cannot survive another summer without irrigation! Also, the marginal condition of the system makes everyone nervous about culinary water interruptions. Directly following Annexation, CWC customers will benefit from existing MRSSD infrastructure. Connecting to MRSSD infrastructure represents the best opportunity for CWC customers to have access to irrigation water this coming season.

Sincerely, Hidden Creek Homeowners Association

Leanne Miller
Dan Mitrovich
Guy Rawson
Lisa Graveline
Patricia Blake

Red Pine HOA

2/1/2018

To: Summit County Council

From: Terry Lange President Red Pine HOA

Re: Support for CWC annexation into Mountain Regional Special Service District (MRSSD)

Dear County Council Members,

My name is Terry Lange and I am the President of the Red Pine HOA. Red Pine consists of 200 Chalets, 60 Townhomes, and 1 pool facility for a total of 261 of the approximate 500 customers served by Community Water Company.

I am pleased to say that the Red Pine Board of Directors totally supports the proposed CWC annexation into MRSSD.

I am an Intervenor in the current CWC rate case in front of the Public Service Commission (PSC) and was an Intervenor in several past CWC rate cases. I know first hand the challenges that both CWC and its customers face with the failing current system infrastructure. In addition, TC-FC, owner of CWC has maintained for several years now that they do not want to be in the water business. Over that time period, several options were presented and reviewed by the customer base. Annexation by MRSSD has emerged as the most feasible and attractive option for the CWC customers.

We see the annexation as a win over CWC and its owner TC-PC trying to stay in the water business any longer. Andy Armstrong and his staff have proposed infrastructure upgrades which will be in the order of \$1.4 million less than what CWC can do if there is no annexation. The \$1.4 million plus the carrying costs of the loan over 20 years is a substantial savings to the 500 current customers. These savings are a result of the synergies between the CWC and MRSSD systems. For example, large parts of the CWC infrastructure can be abandoned rather than fully renovated and rebuilt resulting in significant savings to the CWC customers. Equally important, MRSSD is well positioned with sufficient wet water to satisfy the demand of CWC customers.

Yes, water bills will go up, but they need to go up because CWC historical water rates have been far too low for too long to sustain the water system. This was no fault of the customer base but rather inaction by owners of CWC over many years.

Last year all customers were forbidden to use any water for lawns and other landscape. This has had a devastating effect on the grounds of the HOAs and single-family residences. Connecting to MRSSD infrastructure represents the best opportunity for CWC customers to have access to irrigation water this coming season. I know that certain legal requirements and time frames need to be met for annexation and urge Council to move forward expeditiously so the annexation can be completed sooner than later preserving the possibility of having the much-needed irrigation water during 2018.

In conclusion, there are many other advantages for the CWC customer base to become customers of Mountain Regional. I can only speak for the 261 customers at Red Pine, however I have worked closely with the 3 other HOAs which are CWC customers too. Together with Red pine, the 4 HOAs comprise 441 customers of the 500-customer base and I know that they are all in favor of the annexation. The single-family homeowners that I have worked with during the rate cases over the past three years have also expressed support of the annexation.

Terry Lange

President Red Pine HOA

The Callaways

Dear Kim,

This communication is in support of Mountain Regional annexing Community Water Company into their service district.

I am a long time and full time resident of the Hidden Creek Condominiums. I have also been involved in the last three or so years of discussions regarding the disposition of Community Water.

I believe, for many reasons, that annexation into Mountain Regional is in the long term best interest of CWC users.

I can be reached at this e-mail if you have any questions.

Please share this communication with the County Council and any other pertinent party.

Best Regards,

Cynthia and Christopher Callaway

EXHIBIT B

RESOLUTION NO. _____

**RESOLUTION INITIATING PROCEEDINGS
RELATED TO THE ANNEXATION OF CERTAIN REAL
PROPERTY INTO THE BOUNDARIES OF THE
MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
(Community Water Company Service Area Annexation)**

WHEREAS, as set forth in the Utah Special Service District Act, Title 17D, Chapter 1, et seq. Utah Code Ann., 1953, as amended (the “Act”), with all statutory references herein being to the Act unless otherwise stated, the County Council of Summit County, Utah (the “Council”), having created the Mountain Regional Water Special Service District (the “District”), is the governing authority of the District, and pursuant to the Act has sole authority to annex property into the legal boundaries of the District; and

WHEREAS, pursuant to the authority of §17D-1-401(1), the Council is authorized to annex area into the District applying the provisions of Part 2 of the Act, Creating a Special Service District, as the procedures governing the annexation; and

WHEREAS, §17D-1-203(1)(a) provides that the process to annex an area into the District may be initiated through resolution of the Council: (i) declaring that the public health, convenience and necessity require the annexation of the area into the District; (ii) indicating that it is the Council’s intent to annex the area into the District; and (iii) complying with the requirements of §17D-1-203(3) with respect to the contents of the resolution; and

WHEREAS, Community Water Company, LLC, a Delaware limited liability company (“CWC”), has historically provided water service to the citizens and customers residing within the service area of the company situated in the western side of the Snyderville Basin; and

WHEREAS, the CWC water system has historically and recently experienced numerous well, storage and other system failures which must be repaired, replaced and otherwise addressed, including, without limitation, serious deficiencies in storage capacity requiring the imposition of a moratorium on all

outside uses of water so as to maintain sufficient water in storage to satisfy the State's fire protection storage regulations; and

WHEREAS, Summit Water Distribution Company ("Summit Water"), which has by contract managed and operated the CWC water system, has sent written notice to CWC that it will not renew its contract beyond the current term, leaving the CWC water system without experienced management and a certified system operator as required by State regulations; and

WHEREAS, the District and CWC shall entered into an Annexation and Asset Acquisition Agreement which sets forth the terms and conditions upon which, among other things, (i) how the CWC water system infrastructure can be transferred to the District and assimilated into the District system; (ii) how improvements to the CWC water system infrastructure may be financed, constructed and installed; and (iii) how water service can be provided by the District to the citizens and customers within the CWC service area, subject to the annexation of said area into the legal boundaries of the District; and

WHEREAS, the annexation of the CWC service area into the District is consistent with and furthers the District's mission and purpose of being a regional public water supplier within the Snyderville Basin area; and

WHEREAS, the Council finds that under current circumstances, it is in the best interests of the public health, convenience and necessity of the citizens of Summit County residing within that portion of the CWC service area proposed to be annexed into the District that the Council initiate the legal proceedings required to consider and approve the annexation in accordance with the requirements of Title 17D, Chapter 1, Part 4 of the Act, including, without limitation, the notice, public hearing and protest procedures provided for therein.

NOW, THEREFORE, be it hereby resolved by the County Council as follows:

SECTION 1. INCORPORATION OF RECITALS. The Recitals hereinabove set forth are incorporated into this Resolution and made a part hereof as though fully set forth herein.

SECTION 2. DECLARATION AND STATEMENT OF INTENT. The Council hereby declares that the public health, convenience and necessity require the annexation of the CWC service

area, as defined herein (the “Annexation Area”), into the legal boundaries of the Mountain Regional Water Special Service District and states its intent to annex said area into the District subject to compliance with all procedural requirements of the Act. The Annexation Area is to be annexed for the purpose of enabling the District to provide municipal water service to the citizens and customers within the Annexation Area.

SECTION 3. INITIATION OF ANNEXATION PROCEEDINGS. Pursuant to and in conformance with the authority set forth in §17D-1-401(1) and §17D-1-203(1)(a), the Council by this Resolution initiates the proceedings necessary for the annexation of the Annexation Area, as more particularly described in the form of the Notice of Annexation set forth in Section 5 herein, and as depicted on the Boundary Expansion Exhibit attached hereto as EXHIBIT “A” and incorporated by reference herein.

SECTION 4. PUBLIC HEARING. The Council hereby calls for a public hearing to held on the proposed annexation in conformance with the provisions of §17D-1-204(2) and §17D-1-207. The public hearing held shall be on the ____ day of _____, 2018, at the hour of 6:00 p.m., in the County Council Chambers in the Summit County Courthouse, located at 60 N. Main Street, Coalville, Utah. A quorum of the Council shall be present throughout the public hearing. At the public hearing, the Council shall give full consideration to each written protest that has been filed, and hear and consider each interested person desiring to be heard concerning the proposed annexation. The Council may continue the public hearing to another date and time as it deems necessary.

SECTION 5. NOTICE OF THE PUBLIC HEARING.

(1) In conformance with the provisions of §7D-1-204(1), the County Clerk shall give written notice of the public hearing. The notice shall be given, in conformance with all applicable requirements of §17D-1-205, (i) by publication of said notice once a week for four (4) consecutive weeks, not fewer than five days nor more than 20 days before the date of the public hearing, in the *Park Record*, a newspaper of general circulation in Summit County, and (ii) on the Utah Public Notice Website, in accordance with the §45-1-101, for 35 days before the date of the public hearing.

(2) The Council hereby directs the officers and staff of the District to publish the Notice of Annexation in substantially the following form:

THE FORM OF NOTICE APPEARS ON THE FOLLOWING PAGE

NOTICE OF ANNEXATION

NOTICE IS HEREBY GIVEN, pursuant to and in conformance with the provisions of §17D-1-204 and 205, that the County Council of Summit County, Utah (the “County Council”), under authority of §17D-1-401 and §17D-1-203(1)(a), has initiated proceedings to annex the following real property, consisting generally of those real properties situated within the service area of Community Water Company (the “Annexation Area”), into the boundaries of the Mountain Regional Water Special Service District (the “District”). All statutory references herein are to Utah Code Ann. 1953, as amended.

The proposed Annexation Area is more particularly described in EXHIBIT “A” hereto.

In conformance with the provisions of §17D-1-204(2) and §17D-1-207, the County Council has called for a public hearing to held on the proposed annexation. The public hearing shall be held on the ____ day of _____, 2018, at the hour of 6:00 p.m., in the County Council Chambers in the Summit County Courthouse, located at 60 N. Main Street, Coalville, Utah. At the public hearing, the County Council shall give full consideration to each written protest that has been filed, and hear and consider each interested person desiring to be heard concerning the proposed annexation. The County Council may continue the public hearing to another date and time as it deems necessary.

The purpose of the proposed annexation is to facilitate water service being provided by the District to those citizens and customers situated within the Annexation Area previously serviced by Community Water Company. Upon annexation, taxes may be levied annually upon all taxable property within the proposed Annexation Area and fees and charges may be imposed to pay for water service proposed to be provided by the District.

Any interested person may, pursuant to and in conformance with the provisions of §17D-1-206, protest the proposed annexation by submitting a written protest to the County Council no later than 60 days after the public hearing. The protest shall explain why the person is protesting the annexation.

END OF NOTICE

SECTION 6. APPROVAL OF THE ANNEXATION. If adequate protests are not timely filed, and otherwise in conformance with the provisions of §17D-1-208, the County Council may adopt a resolution approving the annexation of the Annexation Area into the legal boundaries of the District. In conformance with the provisions of §17D-1-206(4), the County Council may not adopt a resolution approving the annexation if adequate protests are filed.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect immediately upon its approval and adoption by the County Council.

APPROVED AND ADOPTED this _____ day of February, 2018.

COUNTY COUNCIL OF SUMMIT COUNTY, UTAH

Kim Carson
Council Chair

ATTEST:

Kent Jones
County Clerk

APPROVED AS TO FORM:

David L. Thomas
Chief Civil Deputy

EXHIBIT “A”
BOUNDARY EXPANSION EXHIBIT
(LEGAL DESCRIPTION OF PROPERTY TO BE ANNEXED)

Property I. Red Pine Chalets Condo Phases 1 through 4, consisting of Buildings A through Z described as follows:

<u>Tax Parcel ID No.</u>	<u>Summit County Tax Account #</u>	<u>Property Address</u>
RP-A-1	0188403	2025 Canyons Resort Dr., #A-1
RP-A-2	0188411	2025 Canyons Resort Dr., #A-2
RP-A-3	0188429	2025 Canyons Resort Dr., #A-3
RP-A-4	0188437	2025 Canyons Resort Dr., #A-4
RP-A-5	0188445	2025 Canyons Resort Dr., #A-5
RP-A-6	0188452	2025 Canyons Resort Dr., #A-6
RP-A-7	0188460	2025 Canyons Resort Dr., #A-7
RP-A-8	0188478	2025 Canyons Resort Dr., #A-8
RP-B-1	0188486	2025 Canyons Resort Dr., #B-1
RP-B-2	0188494	2025 Canyons Resort Dr., #B-2
RP-B-3	0188502	2025 Canyons Resort Dr., #B-3
RP-B-4	0188510	2025 Canyons Resort Dr., #B-4
RP-B-5	0188528	2025 Canyons Resort Dr., #B-5
RP-B-6	0188536	2025 Canyons Resort Dr., #B-6
RP-B-7	0188544	2025 Canyons Resort Dr., #B-7
RP-B-8	0188551	2025 Canyons Resort Dr., #B-8
RP-C-1	0188569	2025 Canyons Resort Dr., #C-1
RP-C-2	0188577	2025 Canyons Resort Dr., #C-2
RP-C-3	0188585	2025 Canyons Resort Dr., #C-3
RP-C-4	0188593	2025 Canyons Resort Dr., #C-4
RP-C-5	0188601	2025 Canyons Resort Dr., #C-5

RP-C-6	0188619	2025 Canyons Resort Dr., #C-6
RP-C-7	0188627	2025 Canyons Resort Dr., #C-7
RP-C-8	0188635	2025 Canyons Resort Dr., #C-8
RP-D-1	0188643	2025 Canyons Resort Dr., #D-1
RP-D-2	0188650	2025 Canyons Resort Dr., #D-2
RP-D-3	0188668	2025 Canyons Resort Dr., #D-3
RP-D-4	0188676	2025 Canyons Resort Dr., #D-4
RP-D-5	0188684	2025 Canyons Resort Dr., #D-5
RP-D-6	0188692	2025 Canyons Resort Dr., #D-6
RP-D-7	0188700	2025 Canyons Resort Dr., #D-7
RP-D-8	0188718	2025 Canyons Resort Dr., #D-8
RP-E-1	0188726	2025 Canyons Resort Dr., #E-1
RP-E-2	0188734	2025 Canyons Resort Dr., #E-2
RP-E-3	0188742	2025 Canyons Resort Dr., #E-3
RP-E-4	0188759	2025 Canyons Resort Dr., #E-4
RP-E-5	0188767	2025 Canyons Resort Dr., #E-5
RP-E-6	0188775	2025 Canyons Resort Dr., #E-6
RP-E-7	0188783	2025 Canyons Resort Dr., #E-7
RP-E-8	0188791	2025 Canyons Resort Dr., #E-8
RP-F-1	0188809	2025 Canyons Resort Dr., #F-1
RP-F-2	0188817	2025 Canyons Resort Dr., #F-2
RP-F-3	0188825	2025 Canyons Resort Dr., #F-3
RP-F-4	0188833	2025 Canyons Resort Dr., #F-4
RP-F-5	0188841	2025 Canyons Resort Dr., #F-5
RP-F-6	0188858	2025 Canyons Resort Dr., #F-6
RP-F-7	0188866	2025 Canyons Resort Dr., #F-7
RP-F-8	0188874	2025 Canyons Resort Dr., #F-8
RP-G-1	0188882	2025 Canyons Resort Dr., #G-1

RP-G-2	0188890	2025 Canyons Resort Dr., #G-2
RP-G-3	0188908	2025 Canyons Resort Dr., #G-3
RP-G-4	0188916	2025 Canyons Resort Dr., #G-4
RP-G-5	0188924	2025 Canyons Resort Dr., #G-5
RP-G-6	0188932	2025 Canyons Resort Dr., #G-6
RP-G-7	0188940	2025 Canyons Resort Dr., #G-7
RP-G-8	0188957	2025 Canyons Resort Dr., #G-8
RP-H-1	0188965	2025 Canyons Resort Dr., #H-1
RP-H-2	0188973	2025 Canyons Resort Dr., #H-2
RP-H-3	0188981	2025 Canyons Resort Dr., #H-3
RP-H-4	0188999	2025 Canyons Resort Dr., #H-4
RP-H-5	0189005	2025 Canyons Resort Dr., #H-5
RP-H-6	0189013	2025 Canyons Resort Dr., #H-6
RP-H-7	0189021	2025 Canyons Resort Dr., #H-7
RP-H-8	0189039	2025 Canyons Resort Dr., #H-8
RP-I-1	0189047	2025 Canyons Resort Dr., #I-1
RP-I-2	0189054	2025 Canyons Resort Dr., #I-2
RP-I-3	0189062	2025 Canyons Resort Dr., #I-3
RP-I-4	0189070	2025 Canyons Resort Dr., #I-4
RP-I-5	0189088	2025 Canyons Resort Dr., #I-5
RP-I-6	0189096	2025 Canyons Resort Dr., #I-6
RP-I-7	0189104	2025 Canyons Resort Dr., #I-7
RP-I-8	0189112	2025 Canyons Resort Dr., #I-8
RP-J-1	0189120	2025 Canyons Resort Dr., #J-1
RP-J-2	0189138	2025 Canyons Resort Dr., #J-2
RP-J-3	0189146	2025 Canyons Resort Dr., #J-3
RP-J-4	0189153	2025 Canyons Resort Dr., #J-4
RP-J-5	0189161	2025 Canyons Resort Dr., #J-5

RP-J-6	0189179	2025 Canyons Resort Dr., #J-6
RP-J-7	0189187	2025 Canyons Resort Dr., #J-7
RP-J-8	0189195	2025 Canyons Resort Dr., #J-8
RP-2-N-1	0189203	2025 Canyons Resort Dr., #N-1
RP-2-N-2	0189211	2025 Canyons Resort Dr., #N-2
RP-2-N-3	0189229	2025 Canyons Resort Dr., #N-3
RP-2-N-4	0189237	2025 Canyons Resort Dr., #N-4
RP-2-N-5	0189245	2025 Canyons Resort Dr., #N-5
RP-2-N-6	0189252	2025 Canyons Resort Dr., #N-6
RP-2-N-7	0189260	2025 Canyons Resort Dr., #N-7
RP-2-N-8	0189278	2025 Canyons Resort Dr., #N-8
RP-2-O-1	0189286	2025 Canyons Resort Dr., #O-1
RP-2-O-2	0189294	2025 Canyons Resort Dr., #O-2
RP-2-O-3	0189302	2025 Canyons Resort Dr., OJ-3
RP-2-O-4	0189310	2025 Canyons Resort Dr., #O-4
RP-2-O-5	0189328	2025 Canyons Resort Dr., #O-5
RP-2-O-6	0189336	2025 Canyons Resort Dr., #O-6
RP-2-O-7	0189344	2025 Canyons Resort Dr., #O-7
RP-2-O-8	0189351	2025 Canyons Resort Dr., #O-8
RP-2-P-1	0189369	2025 Canyons Resort Dr., #P-1
RP-2-P-2	0189377	2025 Canyons Resort Dr., #P-2
RP-2-P-3	0189385	2025 Canyons Resort Dr., #P-3
RP-2-P-4	0189393	2025 Canyons Resort Dr., #P-4
RP-2-P-5	0189401	2025 Canyons Resort Dr., #P-5
RP-2-P-6	0189419	2025 Canyons Resort Dr., #P-6
RP-2-P-7	0189427	2025 Canyons Resort Dr., #P-7
RP-2-P-8	0189435	2025 Canyons Resort Dr., #P-8
RP-2-Q-1	0189443	2025 Canyons Resort Dr., #Q-1

RP-2-Q-2	0189450	2025 Canyons Resort Dr., #Q-2
RP-2-Q-3	0189468	2025 Canyons Resort Dr., #Q-3
RP-2-Q-4	0189476	2025 Canyons Resort Dr., #Q-4
RP-2-Q-5	0189484	2025 Canyons Resort Dr., #Q-5
RP-2-Q-6	0189492	2025 Canyons Resort Dr., #Q-6
RP-2-Q-7	0189500	2025 Canyons Resort Dr., #Q-7
RP-2-Q-8	0189518	2025 Canyons Resort Dr., #Q-8
RP-2-R-1	0189526	2025 Canyons Resort Dr., #R-1
RP-2-R-2	0189534	2025 Canyons Resort Dr., #R-2
RP-2-R-3	0189542	2025 Canyons Resort Dr., #R-3
RP-2-R-4	0189559	2025 Canyons Resort Dr., #R-4
RP-2-R-5	0189567	2025 Canyons Resort Dr., #R-5
RP-2-R-6	0189575	2025 Canyons Resort Dr., #R-6
RP-2-R-7	0189583	2025 Canyons Resort Dr., #R-7
RP-2-R-8	0189591	2025 Canyons Resort Dr., #R-8
RP-2-S-1	0189609	2025 Canyons Resort Dr., #S-1
RP-2-S-2	0189617	2025 Canyons Resort Dr., #S-2
RP-2-S-3	0189625	2025 Canyons Resort Dr., #S-3
RP-2-S-4	0189633	2025 Canyons Resort Dr., #S-4
RP-2-S-5	0189641	2025 Canyons Resort Dr., #S-5
RP-2-S-6	0189658	2025 Canyons Resort Dr., #S-6
RP-2-S-7	0189666	2025 Canyons Resort Dr., #S-7
RP-2-S-8	0189674	2025 Canyons Resort Dr., #S-8
RP-2-T-1	0189682	2025 Canyons Resort Dr., #T-1
RP-2-T-2	0189690	2025 Canyons Resort Dr., #T-2
RP-2-T-3	0189708	2025 Canyons Resort Dr., #T-3
RP-2-T-4	0189716	2025 Canyons Resort Dr., #T-4
RP-2-T-5	0189724	2025 Canyons Resort Dr., #T-5

RP-2-T-6	0189732	2025 Canyons Resort Dr., #T-6
RP-2-T-7	0189740	2025 Canyons Resort Dr., #T-7
RP-2-T-8	0189757	2025 Canyons Resort Dr., #T-8
RP-3-U-1	0189765	2025 Canyons Resort Dr., #U-1
RP-3-U-2	0189773	2025 Canyons Resort Dr., #U-2
RP-3-U-3	0189781	2025 Canyons Resort Dr., #U-3
RP-3-U-4	0189799	2025 Canyons Resort Dr., #U-4
RP-3-U-5	0189807	2025 Canyons Resort Dr., #U-5
RP-3-U-6	0189815	2025 Canyons Resort Dr., #U-6
RP-3-U-7	0189823	2025 Canyons Resort Dr., #U-7
RP-3-U-8	0189831	2025 Canyons Resort Dr., #U-8
RP-3-V-1	0189849	2025 Canyons Resort Dr., #V-1
RP-3-V-2	0189856	2025 Canyons Resort Dr., #V-2
RP-3-V-3	0189864	2025 Canyons Resort Dr., #V-3
RP-3-V-4	0189872	2025 Canyons Resort Dr., #V-4
RP-3-V-5	0189880	2025 Canyons Resort Dr., #V-5
RP-3-V-6	0189898	2025 Canyons Resort Dr., #V-6
RP-3-V-7	0189906	2025 Canyons Resort Dr., #V-7
RP-3-V-8	0189914	2025 Canyons Resort Dr., #V-8
RP-3-W-1	0189922	2025 Canyons Resort Dr., #W-1
RP-3-W-2	0189930	2025 Canyons Resort Dr., #W-2
RP-3-W-3	0189948	2025 Canyons Resort Dr., #W-3
RP-3-W-4	0189955	2025 Canyons Resort Dr., #W-4
RP-3-W-5	0189963	2025 Canyons Resort Dr., #W-5
RP-3-W-6	0189971	2025 Canyons Resort Dr., #W-6
RP-3-W-7	0189989	2025 Canyons Resort Dr., #W-7
RP-3-W-8	0189997	2025 Canyons Resort Dr., #W-8
RP-3-X-1	0190003	2025 Canyons Resort Dr., #X-1

RP-3-X-2	0190011	2025 Canyons Resort Dr., #X-2
RP-3-X-3	0190029	2025 Canyons Resort Dr., #X-3
RP-3-X-4	190037	2025 Canyons Resort Dr., #X-4
RP-3-X-5	190045	2025 Canyons Resort Dr., #X-5
RP-3-X-6	190052	2025 Canyons Resort Dr., #X-6
RP-3-X-7	190060	2025 Canyons Resort Dr., #X-7
RP-3-X-8	190078	2025 Canyons Resort Dr., #X-8
RP-3-Y-1	190086	2025 Canyons Resort Dr., #Y-1
RP-3-Y-2	190094	2025 Canyons Resort Dr., #Y-2
RP-3-Y-3	190102	2025 Canyons Resort Dr., #Y-3
RP-3-Y-4	190110	2025 Canyons Resort Dr., #Y-4
RP-3-Y-5	190128	2025 Canyons Resort Dr., #Y-5
RP-3-Y-6	190136	2025 Canyons Resort Dr., #Y-6
RP-3-Y-7	190144	2025 Canyons Resort Dr., #Y-7
RP-3-Y-8	190151	2025 Canyons Resort Dr., #Y-8
PR-3-Z-1	190169	2025 Canyons Resort Dr., #Z-1
RP-3-Z-2	190177	2025 Canyons Resort Dr., #Z-2
PR-3-Z-3	190185	2025 Canyons Resort Dr., #Z-3
RP-3-Z-4	190193	2025 Canyons Resort Dr., #Z-4
PR-3-Z-5	190201	2025 Canyons Resort Dr., #Z-5
RP-3-Z-6	190219	2025 Canyons Resort Dr., #Z-6
PR-3-Z-7	190227	2025 Canyons Resort Dr., #Z-7
RP-3-Z-8	190235	2025 Canyons Resort Dr., #Z-8
RP-4-K-1	206254	2025 Canyons Resort Dr., #K-1
RP-4-K-2	206262	2025 Canyons Resort Dr., #K-2
RP-4-K-3	206270	2025 Canyons Resort Dr., #K-3
RP-4-K-4	206288	2025 Canyons Resort Dr., #K-4
RP-4-K-5	206296	2025 Canyons Resort Dr., #K-5

RP-4-K-6	206304	2025 Canyons Resort Dr., #K-6
RP-4-K-7	206312	2025 Canyons Resort Dr., #K-7
RP-4-K-8	206320	2025 Canyons Resort Dr., #K-8
RP-4-L-1	206338	2025 Canyons Resort Dr., #L-1
RP-4-L-2	206346	2025 Canyons Resort Dr., #L-2
RP-4-L-3	206353	2025 Canyons Resort Dr., #L-3
RP-4-L-4	206361	2025 Canyons Resort Dr., #L-4
RP-4-L-5	206379	2025 Canyons Resort Dr., #L-5
RP-4-L-6	206387	2025 Canyons Resort Dr., #L-6
RP-4-L-7	206395	2025 Canyons Resort Dr., #L-7
RP-4-L-8	206403	2025 Canyons Resort Dr., #L-8

Property II. Red Pine Townhouses Condominium Units described as follows:

<u>Tax Parcel ID No.</u>	<u>Summit County Tax Account #</u>	<u>Property Address</u>
RP-T-10	0212138	2149 W. Apache TRL # 10
RP-T-11	0212146	2148 W. Apache TRL # 11
RP-T-12	0212153	2148 W. Apache TRL # 12
RP-T-13	0212161	2148 W. Apache TRL # 13
RP-T-14	0212179	2149 W. Apache TRL # 14
RP-T-15	0212187	2148 W. Apache TRL # 15
RP-T-16	0212195	2149 W. Apache TRL # 16
RP-T-17	0212203	2148 W. Apache TRL # 17
RP-T-18	0212211	2149 W. Apache TRL # 18
RP-T-19	0212229	2144 W. Apache TRL # 19
RP-T-20	0212237	2105 W. Apache TRL # 20
RP-T-21	0212245	2144 W. Apache TRL # 21
RP-T-22	0212252	2105 W. Apache TRL # 22

RP-T-23	0212260	2144 W. Apache TRL #23
RP-T-24	0212278	2105 W. Apache TRL # 24
RP-T-25	0212286	2144 W. Apache TRL # 25
RP-T-26	0212294	2105 W. Apache TRL # 26
RP-T-27	0212302	2144 W. Apache TRL # 27
RP-T-30	0212310	2143 W. Comanche TRL #30
RP-T-32	0212328	2143 W. Comanche TRL #32
RP-T-33	0212336	2410 W. Comanche TRL #33
RP-T-34	0212344	2143 W. Comanche TRL #34
RP-T-35	0212351	2140 W. Comanche TRL #35
RP-T-36	0212369	2143 W. Comanche TRL#36
RP-T-37	0212377	2140 W. Comanche TRL#37
RP-T-38	0212385	2143 W. Comanche TRL#38
RP-T-39	0212393	2140 W. Comanche TRL#39
RP-T-40	0212401	2109 W. Comanche TRL#40
RP-T-41	0212419	2140 W. Comanche TRL#41
RP-T-42	0212427	2109 W. Comanche TRL#42
RP-T-44	0212435	2109 W. Comanche TRL#44
RP-T-45	0212443	2110 W. Comanche TRL#45
RP-T-46	0212450	2109 W. Comanche TRL#46
RP-T-47	0212468	2110 W. Comanche TRL#47
RP-T-48	0212476	2109 W. Comanche TRL#48
RP-T-49	0212484	2110 W. Comanche TRL#49
RP-T-51	0212492	2110 W. Comanche TRL#51
RP-T-53	0212500	2110 W. Comanche TRL#53
RP-T-55	0212518	2110 W. Comanche TRL#55
RP-T-61	0212526	3661 N Nanajo TRL#61
RP-T-62	0212534	3662 N Nanajo TRL#62

RP-T-63	0212542	3661 N Nanajo TRL#63
RP-T-64	0212559	3662 N Nanajo TRL#64
RP-T-65	0212567	3661 N Nanajo TRL#65
RP-T-66	0212575	3662 N Nanajo TRL#66
RP-T-67	0212583	3661 N Nanajo TRL#67
RP-T-68	0212591	3662 N Nanajo TRL#68
RP-T-69	0212609	3661 N Nanajo TRL#69
RP-T-70	0212617	3710 N Nanajo TRL#70
RP-T-72	0212625	3710 N Nanajo TRL#72
RP-T-74	0212633	3710 N Nanajo TRL#74
RP-T-76	0212641	3710 N Nanajo TRL#76
RP-T-80	0212658	3754 N Nanajo TRL#80
RP-T-82	0212666	3754 N Nanajo TRL#82
RP-T-84	0212674	3754 N Nanajo TRL#84
RP-T-86	0212682	3754 N Nanajo TRL#86
RP-T-90	0212690	3796 N Nanajo TRL#90
RP-T-92	0212708	3796 N Nanajo TRL#92
PR-T-94	0212716	3796 N Nanajo TRL#94
RP-T-96	0212724	3796 N Nanajo TRL#96

Property III. Park West Condominiums described as follows:

<u>Tax Parcel ID No.</u>	<u>Summit County Tax Account #</u>	<u>Property Address</u>
PT-1-A	0055180	2100 Canyons Resort Dr #1-A
PT-1-B	0055198	2100 Canyons Resort Dr #1-B
PT-1-C	0055206	2100 Canyons Resort Dr #1-C
PT-1-D	0055214	2100 Canyons Resort Dr #1-D
PT-10-A	0055222	2100 Canyons Resort Dr #10-A
PT-10-B-1	0055230	2100 Canyons Resort Dr #10-B
PT-10-B-2	0055248	2100 Canyons Resort Dr #10-B-2
PT-11-A	0055255	2100 Canyons Resort Dr #11-A
PT-11-B	0055263	2100 Canyons Resort Dr #11-B
PT-11-C	0055271	2100 Canyons Resort Dr #11-C
PT-11-D	0055289	2100 Canyons Resort Dr #11 D
PT-12-A-1	0055297	2100 Canyons Resort Dr #12-A1
PT-12-A-2	0055305	2100 Canyons Resort Dr #12-A2
PT-12-B-1	0055313	2100 Canyons Resort Dr #12-B1
PT-12-B-2	0055321	2100 Canyons Resort Dr #12-B2
PT-13-A-1	0055339	2100 Canyons Resort Dr #13-A1
PT-13-A-2	0055347	2100 Canyons Resort Dr #13-A2
PT-13-B-1	0055354	2100 Canyons Resort Dr #13-B1
PT-13-B-2	0055362	2100 Canyons Resort Dr #13-B2
PT-14-A-1	0055370	2100 Canyons Resort Dr #14-A1
PT-14-A-2	0055388	2100 Canyons Resort Dr #14-A2
PT-14-B-1	0055396	2100 Canyons Resort Dr #14-B1
PT-14-B-2	0055404	2100 Canyons Resort Dr #14-B2
PT-14-C-1	0055412	2100 Canyons Resort Dr #14-C1
PT-14-C-2	0055420	2100 Canyons Resort Dr #14-C2

PT-14-D-1	0055438	2100 Canyons Resort Dr #14-D1
PT-14-D-2	0055446	2100 Canyons Resort Dr #14-D2
PT-15-A-1	0055453	2100 Canyons Resort Dr #15-A1
PT-15-A-2	0055461	2100 Canyons Resort Dr #15-A2
PT-15-B-1	0055479	2100 Canyons Resort Dr #15-B1
PT-15-B-2	0055487	2100 Canyons Resort Dr #15-B2
PT-16-A-1	0055495	2100 Canyons Resort Dr #16-A1
PT-16-A-2	0055503	2100 Canyons Resort Dr #16-A2
PT-16-B-1	0055511	2100 Canyons Resort Dr #16-B1
PT-16-B-2	0055529	2100 Canyons Resort Dr #16-B2
PT-17-A-1	0055537	2100 Canyons Resort Dr #17-A1
PT-17-A-2	0055545	2100 Canyons Resort Dr #17-A2
PT-17-B-1	0055552	2100 Canyons Resort Dr #17-B1
PT-17-B-2	0055560	2100 Canyons Resort Dr #17-B2
PT-17-C-1	0055578	2100 Canyons Resort Dr #17-C1
PT-17-C-2	0055586	2100 Canyons Resort Dr #17-C2
PT-17-D-1	0055594	2100 Canyons Resort Dr #17-D1
PT-17-D-2	0055602	2100 Canyons Resort Dr #17-D2
PT-18-A	0055610	2100 Canyons Resort Dr #18-A1
PT-18-B	0055628	2100 Canyons Resort Dr #18-A2
PT-19-A	0055636	2100 Canyons Resort Dr #19-A
PT-2-A	0055644	2100 Canyons Resort Dr #2-A
PT-2-B	0055651	2100 Canyons Resort Dr #2-B
PT-20-A	0055669	2100 Canyons Resort Dr #20-A
PT-20-B	0055677	2100 Canyons Resort Dr #20-B
PT-21-A	0055685	2100 Canyons Resort Dr #21-A
PT-21-B	0055693	2100 Canyons Resort Dr #21-B
PT-21-C	0055701	2100 Canyons Resort Dr #21-C

PT-21-D	0055719	2100 Canyons Resort Dr #21-D
PT-22-A	0055727	2100 Canyons Resort Dr #22-A
PT-22-B	0055735	2100 Canyons Resort Dr #22-B
PT-23-A	0055743	2100 Canyons Resort Dr #23-A
PT-23-B	0055750	2100 Canyons Resort Dr #23-B
PT-24-A	0055768	2100 Canyons Resort Dr #24-A
PT-24-B	0055776	2100 Canyons Resort Dr #24-B
PT-24-C	0055784	2100 Canyons Resort Dr #24-C
PT-3-A	0055974	2100 Canyons Resort Dr #3-A
PT-3-B	0044982	2100 Canyons Resort Dr #3-B
PT-3-C	0055990	2100 Canyons Resort Dr #3-C
PT-3-D	0056006	2100 Canyons Resort Dr #3-D
PT-4-A	0056303	2100 Canyons Resort Dr #4-A
PT-4-B	0056311	2100 Canyons Resort Dr #4-B
PT-4-C	0056329	2100 Canyons Resort Dr #4-C
PT-4-D	0056337	2100 Canyons Resort Dr #4-D
PT-5-A	0056345	2100 Canyons Resort Dr #5-A
PT-6-A	0056352	2100 Canyons Resort Dr #6-A
PT-6-B	0056360	2100 Canyons Resort Dr #6-B
PT-6-C	0056378	2100 Canyons Resort Dr #6-C
PT-6-D	0056386	2100 Canyons Resort Dr #6-D
PT-7-A	0056394	2100 Canyons Resort Dr #7-A
PT-7-B	0056402	2100 Canyons Resort Dr #7-B
PT-8-A-1	0056410	2100 Canyons Resort Dr #8-A1
PT-8-A-2	0056428	2100 Canyons Resort Dr #8-A2
PT-8-B	0056436	2100 Canyons Resort Dr #8-B
PT-9-A-1	0056444	2100 Canyons Resort Dr #9-A1
PT-9-A-2	0056451	2100 Canyons Resort Dr #9-A2

PT-9-B-1	0056469	2100 Canyons Resort Dr #9-B1
PT-9-B-2	005677	2100 Canyons Resort Dr #9-B2
PT-25-A	0055792	1920 W Canyons Resort Dr #25-A
PT-25-B	0055800	1920 W Canyons Resort Dr #25-B
PT-25-C	0055818	1920 W Canyons Resort Dr #25-C
PT-25-D	0055826	1920 W Canyons Resort Dr #25-D
PT-26-A	0055834	1920 W Canyons Resort Dr #26-A
PT-26-B	0055842	1920 W Canyons Resort Dr #26-B
PT-26-C	0055859	1920 W Canyons Resort Dr #26-C
PT-27-A	0055867	1920 W Canyons Resort Dr #27-A
PT-27-B	0055875	1920 W Canyons Resort Dr #27-B
PT-27-C	0055883	1920 W Canyons Resort Dr #27-C
PT-28-A	0055891	1920 W Canyons Resort Dr #28-A
PT-28-B	0055909	1920 W Canyons Resort Dr #28-B
PT-28-C	0055917	1920 W Canyons Resort Dr #28-C
PT-28-D	0055925	1920 W Canyons Resort Dr #28-D
PT-29-A	0055933	1920 W Canyons Resort Dr #29-A
PT-29-B	0055941	1920 W Canyons Resort Dr #29-B
PT-29-C	0055958	1920 W Canyons Resort Dr #29-C
PT-29-D	0055966	1920 W Canyons Resort Dr #29-D
PT-30-A	0056014	1920 W Canyons Resort Dr #30-A
PT-30-B	0056022	1920 W Canyons Resort Dr #30-B
PT-31-A	0056030	1920 W Canyons Resort Dr #31-A
PT-31-B	0056048	1920 W Canyons Resort Dr #31-B
PT-31-C	0056055	1920 W Canyons Resort Dr #31-C
PT-32-A	0056063	1920 W Canyons Resort Dr #32-A
PT-32-B	0056071	1920 W Canyons Resort Dr #32-B
PT-32-C	0056089	1920 W Canyons Resort Dr #32-C

PT-33-A	0056097	1920 W Canyons Resort Dr #33-A
PT-33-B	0056105	1920 W Canyons Resort Dr #33-B
PT-33-C	0056113	1920 W Canyons Resort Dr #33-C
PT-33-D	0056121	1920 W Canyons Resort Dr #33-D
PT-34-A	0056139	1920 W Canyons Resort Dr #34-A
PT-34-B	0056147	1920 W Canyons Resort Dr #34-B
PT-34-C	0056154	1920 W Canyons Resort Dr #34-C
PT-35-A	0056162	1920 W Canyons Resort Dr #35-A
PT-35-B	0056170	1920 W Canyons Resort Dr #35-B
PT-35-C	0056188	1920 W Canyons Resort Dr #35-C
PT-36-A	0056196	1920 W Canyons Resort Dr #36-A
PT-36-B	0056204	1920 W Canyons Resort Dr #36-B
PT-36-C	0056212	1920 W Canyons Resort Dr #36-C
PT-37-A	0056220	1920 W Canyons Resort Dr #37-A
PT-37-B	0056238	1920 W Canyons Resort Dr #37-B
PT-37-C	0056246	1920 W Canyons Resort Dr #37-C
PT-37-D	0056253	1920 W Canyons Resort Dr #37-D
PT-38-A	0056261	1920 W Canyons Resort Dr #38-A
PT-38-B	0056279	1920 W Canyons Resort Dr #38-B
PT-38-C	0056287	1920 W Canyons Resort Dr #38-C
PT-38-D	0056295	1920 W Canyons Resort Dr #38-D

Property IV. Park West Village Resort Condominiums described as follows:

<u>Tax Parcel ID No.</u>	<u>Summit County Tax Account #</u>	<u>Property Address</u>
PWC-1-1	0057178	1635 W Village Round Dr #1
PWC-1-2	0057186	1635 W Village Round Dr #2
PWC-1-5	0057194	1635 W Village Round Dr #5
PWC-1-6	0057202	1635 W Village Round Dr #6
PWC-2-3	0057210	1637 W Village Round Dr #3
PWC-2-4	0057228	1637 W Village Round Dr #4
PWC-2-7	0057236	1637 W Village Round Dr #7
PWC-2-8	0057244	1637 W Village Round Dr #8
PWC-3-10	0057251	3801 W Village Round Dr #10
PWC-3-11	0057269	3801 W Village Round Dr #11
PWC-3-12	0057277	3801 W Village Round Dr #12
PWC-3-9	0057285	3801 W Village Round Dr #9
PWC-4-13	0027293	3815 W Village Round Dr #13
PWC-4-14	0057301	3815 W Village Round Dr #14
PWC-4-17	0057319	3815 W Village Round Dr #17
PWC-4-18	0057237	3815 W Village Round Dr #18
PWC-5-15	0057335	3819 W Village Round Dr #15
PWC-5-16	0057343	3819 W Village Round Dr #16
PWC-5-19	0057350	3819 W Village Round Dr #19
PWC-5-20	0057368	3819 W Village Round Dr #20

V. Residential Properties described as follows:

<u>Tax Parcel ID No.</u>	<u>Summit County Tax Account #</u>	<u>Property Address</u>
PWV-B-19-AM	0193007	1638 W Village Round Dr.
PWV-B-20-AM	0193015	1644 W. Village Roud Dr.
PWV-B-21-AM	0193023	1650 W. Village Roud Dr.
PWV-B-22-AM	0193031	1656 W. Village Roud Dr.
PWV-B-23-AM	0193049	1664 W. Village Roud Dr.
PWV-B-24-AM	0193056	1670 W. Village Roud Dr.
PWV-B-25-AM	0193064	1676 W. Village Roud Dr.
PWV-B-26-AM	0193072	1682 W. Village Roud Dr.
PWV-B-27-AM	0193080	1688 W. Village Roud Dr.
PWV-B-28-AM	0193098	1694 W. Village Roud Dr.
PWV-B-29-AM	0193106	1700 W. Village Roud Dr.
PWV-B-30-AM	0193114	1706 W. Village Roud Dr.
PWV-B-31-AM	0193122	3993 N. Village Roud Dr.
PWV-B-32-AM	0193130	3987 N. Village Roud Dr.
PWV-B-33-AM	0193148	3981 N. Village Roud Dr.
PWV-B-34-AM	0193155	3975 N. Village Roud Dr.
PWV-B-35-AM	0193163	3959 N. Village Round Dr.
PWV-B-36-AM	0193171	3953 N. Village Round Dr.
PWV-B-37-AM	0193189	3947 N. Village Round Dr.
PVW-B-38-AM	0193197	3941 N. Village Round Dr.
PWV-B-39-AM	0193205	1685 W. Village Round Dr.
PWV-B-40-AM	0193213	1679 W. Village Round Dr.
PWV-B-41-AM	0193221	1673 W. Village Round Dr.
PWV-B-42-AM	0193239	1667 W. Village Round Dr.
PVW-D-56	0205645	3944 N. Village Round Dr.
PVW-D-57	0205652	3936 N. Village Round Dr.

PWV-D-58	0205660	3928 N Village Round Dr
PWV-D-59	0205678	3920 N Village Round Dr
PWV-D-60	0205686	3912 N Village Round Dr
PWV-D-61	0205694	3904 N Village Round Dr
PWV-A-1-AM	0425425	3885 N Village Round Dr
PWV-A-2-AM	0425433	3867 N Village Round Dr
PWV-A-3	0057608	3853 N Village Round Dr
PWV-A-9	0057731	1623 W. Village Round Dr.
PWV-A-10	0057384	1611 W Village Round Dr.
PWV-A-11	0057392	1599 W Village Round Dr
PWV-A-12	0057400	1587 W Village Round Dr
PWV-A-13	0057418	1573 W Village Round Dr
PWV-A-14	0057426	1572 W Village Round Dr
PWV-A-15	0057434	3866 N. Holiday Curve Dr.
PWV-A-17	0057467	3891 N. Last Run Dr.
PWV-A-19	0057483	3878 N Last Run Dr.
PWV-A-20	0057509	3886 N Holiday Curve Dr.
PWV-A-21	0057517	3898 N. Holiday Curve Dr.
PWV-A-22	0057525	3899 N. Holiday Curve Dr.
PWV-A-23	0057533	3911 N. Last Run Dr.
PWV-B-17-AM	0192983	3965 N Last Run Dr
PWV-A-24	0057541	3912 N. Holiday Curve Dr.
PWV-A-25	0057558	3931 N. Last Run Dr.
PWV-A-26	0057566	3930 N. Holiday Curve Dr.
PWV-A-27	0057574	3948 N. Holiday Curve Dr.
PWV-A-28	0057582	3947 N. Last Run Dr.
PWV-A-29	0057590	3946 N. Last Run Dr.
PWV-A-30	0057616	3924 N. Last Run Dr.

PWV-A-31	0057624	3923 N. Village Rim Road
PWV-A-32	0057632	3935 N. Village Rim Road
PWV-A-33	0057640	3948 N. Village Rim Road
PWV-A-34	0057657	3932 N. Village Rim Road
PWV-A-35	0057665	3916 N. Village Rim Road
PWV-A-36	0057673	3902 N. Village Rim Road
PWV-A-37	0057681	3886 N. Village Rim Road
PWV-A-38	0057699	3872 N. Village Rim Road
PWV-B-1-AM	0192827	3966 N Last Run Dr.
PWV-B-2-AM	0192835	3982 N Last Run Dr.
PWV-B-3-AM	0192843	1579 W. Holiday Curve Dr.
PWV-B-4-AM	0192850	1555 W. Holiday Curve Dr.
PWV-B-5-AM	0192868	3981 N Village Rim RD
PWV-B-6-AM	0192876	3965 N Village Rim RD
PWV-B-7-AM	0192884	3966 N Village Rim Road
PWV-B-8-AM	0192892	3982 N Village Rim Road
PWV-B-9-AM	0192900	3996 N Village Rim Road
PWV-B-10-AM	0192918	4010 N Village Rim Road
PWV-B-11-AM	0192926	1540 W Holiday Curve Dr
PWV-B-12-AM	0192934	1560 W Holiday Curve Dr
PWV-B-13-AM	0192942	1574 W Holiday Curve Dr
PWV-B-14-AM	0192959	1588 W Holiday Curve Dr
PWV-B-15-AM	0192967	1602 W Holiday Curve Dr
PWV-B-17-AM	0192983	3965 N. Last Run Dr.
PWV-B-18-AM	0192975	3970 N. Holiday Curve Dr.
PWV-B-16-AM	0192983	3985 N. Last Run Dr.
PWV-B-12-AM	0192934	1560 W Holiday Curve Dr

EXHIBIT C

DRAFT

ANNEXATION AND ASSET ACQUISITION AGREEMENT (Community Water Company Service Area)

THIS ANNEXATION AND ASSET ACQUISITION AGREEMENT (*“Agreement”*), is made and entered into as of this ____ day of _____, 2018 (the *“Effective Date”*), by and between **MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT**, a body corporate and politic of the State of Utah, acting by and through the County Council of Summit County, Utah (the *“District”*), and **COMMUNITY WATER COMPANY**, a public water corporation (*“CWC”*). (The District and CWC are sometimes referred to herein individually as a *“Party”* and collectively as the *“Parties.”*)

RECITALS

A. CWC is a for-profit water corporation operating in Summit County, Utah, under regulation by the Utah Public Service Commission, which owns and operates a culinary water system, including a culinary water wells, pumps, motors, pipelines, water storage, treatment and reservoir facilities, water meters, fire hydrants and related equipment and facilities (collectively, the *“CWC System”*), through which CWC provides water service to its customers within its service area, including water for indoor culinary, outside irrigation, and fire suppression uses.

B. The CWC System has had numerous well, storage and other system failures and is in need of major repair and replacement. Moreover, the contract manager and operator of the CWC System has notified CWC that it will not renew its contract beyond the current term.

C. The District is a regional public water supplier in Summit County, Utah, which owns and operates a regional public water system (the “*District System*”), through which the District provides municipal water service to its customers within its service area. The County Council of Summit County, Utah (the “*County Council*”), is the governing authority of the District, having the sole statutory authority to annex property into the District.

D. Pursuant to the authority of Title 17D, Chapter 1, Part 4, Utah Code Ann., 1953, as amended (the “*Annexation Statute*”), proceedings to facilitate the annexation of real property within the CWC service area into the boundaries of the District (the “*Annexation*”) shall be initiated by resolution of the County Council; it being the purpose and intent of the Parties that upon Annexation CWC will convey all CWC System assets to the District whereupon the District will take over the CWC System and provide water service to the customers of CWC pursuant to the terms and conditions of this Agreement. The property to be annexed into the District includes all of the property within the current CWC service area (excluding Lookout Cabin, located at 4000 The Canyons Resort Drive, Park City, Utah 84098, and the homes of Rob Astle, located at 2185 Red Pine Road, Park City, Utah, and Scott Thornton, 3524 N. Red Pine Road, 84098, which can be more adequately served by another service provider), and is more particularly described in EXHIBIT “A” hereto (the “*Annexation Property*”).

E. CWC is desirous of entering into this Agreement with the District, and the District is desirous of entering into this Agreement with CWC, as a binding contract between the Parties, for the purpose of setting forth the terms, conditions, procedures and time parameters pursuant to which the assets of CWC shall be transferred to and acquired by the District, and municipal water service shall be provided by the District to CWC customers, subject, among other things, to the successful annexation of the Annexation Property as provided herein.

NOW, THEREFORE, in consideration of the mutual terms and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals and Exhibits.** The Recitals set forth above and all Exhibits attached hereto are hereby incorporated into and made a part of this Agreement as though fully set forth herein.

2. **Annexation of the Property and Commitment to Serve.**

2.1. Annexation Proceedings. The Parties hereby acknowledge that the annexation of the Annexation Property will proceed in accordance with the requirements and procedures of the Annexation Statute, and that the Parties will act in good faith in completing the annexation process.

2.2. Commitment to Provide Water Service. Upon completion of the Annexation, and upon satisfaction of the conditions set forth in Section 3 herein and the other requirements of this Agreement, the transaction contemplated herein shall Close, as defined in Section 4 herein; whereupon, CWC System Assets shall be transferred to the District and the District shall competently and professionally provide municipal water service to the customers of CWC within the Annexation Property pursuant to the terms of this Agreement. The final completion of the Annexation shall be an express condition precedent to Closing. If the Annexation Property is not annexed by the County Council, this Agreement shall upon such determination automatically terminate.

2.3. Compliance with District Rules and Regulations. It is hereby acknowledged by the Parties that this Agreement shall not be construed as an attempt to bypass the District's lawfully adopted, enacted and/or amended Rules and Regulations ("*Rules and Regulations*"), and the Parties agree that all relevant requirements set forth in the Rules and Regulations shall apply and be enforced with respect to water

service to the Annexation Property subsequent to the annexation thereof into the District and the satisfaction of the conditions herein, and that the District shall likewise provide water service in accordance therewith and all other necessary and applicable federal, state and local laws, ordinances, rules, and regulations.

2.4. Equality in Priority and Manner of Service. The District shall be obligated to provide water service to the Annexation Property on a basis which is equal in priority and manner to service provided by the District to all other similarly situated customers within the District's service area, including without limitation, payment of the same rates, fees and charges for water service which are imposed by the District upon all customers within the District's service area.

3. **Conditions to Closing.** CWC shall transfer, and the District shall accept, acquire and take assignment and delivery of, all of CWC's right, title and interest, direct or indirect, in and to all assets, properties, goodwill and rights of every nature, kind and description, whether tangible or intangible, real, personal or mixed, accrued or contingent, which are related to, used or held for use by CWC in connection with its operation as a water company, as the same shall exist on the Closing Date. The assets to be transferred by CWC and accepted by the District hereunder (collectively, the "*Transferred Assets*"), are more particularly set forth in this Section, and the transfer thereof by CWC and acceptance thereof by the District shall be an express condition precedent to Closing.

3.1. Transfer of Title to Water Rights.

3.1.1. Water Rights to be Transferred. As a condition to the District's agreement to annex the Annexation Property and provide municipal water service thereto as provided in this Agreement, CWC shall be obligated to provide water rights to the District in an amount sufficient to satisfy the water service demands of the customers within the Annexation Property, including an assignment to the District, for the consideration set forth in Section 3.5 herein, all of CWC's water rights represented by

Weber Basin Water Conservancy District (“*Weber Basin*”) Water Purchase Contracts (“*Water Purchase Contracts*”), and all Exchange Applications approved by the Utah State Engineer authorizing the diversion and use of water pursuant to the Water Purchase Contracts (“*Exchange Applications*”). The District hereby recognizes the Water Purchase Contracts as acceptable water rights for dedication to the District, and agrees to take by assignment the Water Purchase Contracts in satisfaction of the District’s requirement to dedicate water rights as a condition to municipal water service for the Annexation Property. The Water Purchase Contracts and Exchange Applications to be assigned by CWC to the District are more particularly described in and a copy of each is attached as EXHIBIT “B” hereto.

3.1.2. Water Purchase Contracts Good Standing. CWC hereby represents and warrants: (i) that the Water Purchase Contracts are valid and in good standing with Weber Basin; and (ii) that all payments due and owing under the Water Purchase Contracts as of the Effective Date have been paid in full.

3.1.3. Freedom from Encumbrances. CWC warrants that the Water Purchase Contracts and Exchange Applications shall be assigned to the District free and clear of all liens, encumbrances and claims whatsoever, subject to claims for payments due and owing thereunder and the lien imposed thereby in the event of non-payment, held by Weber Basin according to the terms of the Water Purchase Contracts.

3.1.4. Water Purchase Contract Obligations. Upon assignment of the Water Purchase Contracts at Closing as defined herein, the District shall thereupon assume and be responsible for all payments and other obligations due and owing under the Water Purchase Contracts according to the terms thereof.

3.1.5. Amendatory Exchange Applications. The Parties hereby acknowledge and agree that in order to obtain authorization for use of water by the District under the Water Purchase Contracts to be assigned hereunder within the District System, in addition to use of water thereunder within the historic CWC System, it shall be necessary to file amendatory exchange applications on the Exchange Applications

referenced herein. Subsequent to the effective date of the Annexation and assignment of the Water Purchase Contracts to the District, the District shall file the required amendatory applications at its expense, and CWC agrees that it shall fully cooperate in such filing and shall assist in obtaining the State Engineer's approval thereof. Formal approval by the Weber Basin Board of Trustees of CWC's assignment of the Water Purchase Contracts to the District, and a final, non-appealable order of the State Engineer approving the amendatory exchange applications on the Water Purchase Contracts Rights for year-round municipal use within the service area of the District, shall be required to be obtained as conditions precedent to District providing water service thereunder to the Annexation Property. Upon assignment, the District shall thereupon be solely responsible, at its expense, to maintain the Water Purchase Contracts and the Exchange Applications in good standing with Weber Basin and the Utah Division of Water Rights, respectively.

3.2. Transfer of CWC System Infrastructure. Upon completion of the Annexation, the entirety of the CWC System infrastructure shall be transferred by CWC to the District in conformance with the following:

3.2.1. Infrastructure to be Transferred. For the consideration set forth in Section 3.5 herein, all infrastructure components necessary in the operation of the CWC System, and all related equipment and facilities thereto, shall be transferred to the District, which shall include, without limitation, the following:

- (1) All wells, springs and other sources of water supply;
- (2) Water Storage Reservoir;
- (3) Water Treatment Plant;

(4) Water Distribution, Transmission and Lateral Service

Pipelines, manholes and fittings;

(5) Pumps, Pump Stations, Pressure Regulation;

(6) Water Meters, meter boxes and valves;

(7) Fire Hydrants; and

(8) All other facilities utilized by CWC in providing water service

to its customers.

3.2.2. Transfer by Bill of Sale; Freedom from Encumbrances. All CWC System infrastructure components shall be transferred to the District by bill of sale in form and substance as set forth in EXHIBIT "C" hereto, free and clear of all liens, encumbrances and claims whatsoever. Copies of all "as built drawings," operating permits, well logs, and operation and maintenance manuals pertaining to the infrastructure components to be transferred hereunder, which are in the possession of CWC, shall be provided by CWC to the District.

3.2.3. Assimilation of the CWC System. Upon transfer, the CWC System shall be owned solely by the District and the CWC System infrastructure components shall be assimilated and incorporated into and become a part of the District System. As owner, the District shall determine, in its sole discretion, which infrastructure components shall be used, modified or abandoned in fulfilling its obligation hereunder to provide water service to the Annexation Property.

3.2.4. System Modifications. In facilitation of the District providing water service to the Annexation Property, the District shall make certain improvements to the CWC System including, without limitation, the construction and installation of (i) on-site: an interconnection vault (including master water meter, valves and related equipment), pipeline improvements, water meter replacements, refurbishment of

PRVs, refurbishment of wells (cleaning, electrical and SCADA systems), replacement of well pumps, SCADA system improvements, demolition of the existing water treatment plant components (maintaining the building); and (ii) off-site: a new municipal water production well (Old Ranch Road), pump/VFD facility (Old Ranch Road), and a standby generator (all on-site and off-site improvements being referred to collectively as the “*System Improvements*”), as shown on EXHIBIT “D” hereto. The System Improvements shall be financed through a loan contracted for by the District from the Utah Division of Drinking Water, Drinking Water Board, or through other alternative financing, and be designed, constructed, installed, owned and operated by the District as a part of the District System. Costs incurred by the District in making the System Improvements shall be repaid by the customers receiving water service within the Annexation Property in monthly installments which shall be added to the monthly water service fees and charges imposed by the District until final and full repayment of the loan. The District shall include in its loan request an amount sufficient to reimburse CWC for costs previously incurred by it for engineering, attorney’s and consultants’ fees and charges and other costs related to the System Improvements in such amount as shall be approved by the lender in connection with the financing provided for in Section 3.6 hereof. CWC will provide the District the necessary supporting document for such costs as required by the Division of Drinking Water.

3.2.5. Operation, Maintenance and Repair. The District shall be obligated, at its sole cost and expense, to own, operate, maintain, repair and replace all CWC System infrastructure components utilized by the District in providing water service to the Annexation Properties, and all System Improvements, as integral components of the District System.

3.3. Assignment of Easements and Rights-of-Way.

3.3.1. Necessary Easements to be Assigned. For the consideration set forth in Section 3.5 herein, CWC shall dedicate, transfer and assign to the District all existing easements and rights-of-way and grant such

additional easements as shall be necessary for the operation of the CWC System. An itemized inventory of the existing easements to be assigned hereunder with copies of all related documents pertaining thereto, and a list of new easements required to operate the CWC System are identified, shown and attached as EXHIBIT “E” hereto.

3.3.3. Additional Easements and Rights-of-way to be Granted. In the event it is determined by the District that easements in addition to those identified in Exhibit E are required in order to facilitate and maintain the regional service capability of the District’s water system, CWC shall, in good faith, use its best efforts to obtain such easements in favor of the District.

3.3.4. Conveyance Instruments; Freedom from Encumbrances. All instruments assigning and/or granting the easements to the District pursuant to this Section shall be in form and substance as set forth in EXHIBIT “F” hereto. All assignments shall be free and clear of all liens, encumbrances and claims whatsoever, and all grants of easement shall have a perpetual term.

3.4. Assignment of Accounts Receivable and Intangibles. CWC represents that there are no service or other contracts, to which CWC is a party, which are necessary to be assigned to the District in order for the District to operate and maintain the CWC System. All accounts receivable, intangibles, reports and records related to the ownership and operation of the CWC System, which are in CWC’s possession, as identified in EXHIBIT “G” hereto, shall be assigned by CWC to the District. Copies of all mapped meter locations, sanitary surveys, sample records, billing records and account numbers pertaining to the CWC System, as well as an updated balance sheet, shall be provided by CWC to the District at or prior to Closing. Upon completion of the Annexation, all accounts receivable and intangibles assigned hereunder shall be assumed and be enforceable by the District in conformance with the terms thereof.

3.5. Consideration. Consideration for the transfer, assignment and grant by CWC to the District of the Water Rights, CWC System infrastructure, easements and rights-of-way, contracts, accounts receivable

and intangibles, and all other assets of CWC, shall be the perpetual assumption by the District of the obligation, at its sole cost and expense, to own, operate, maintain, repair, refurbish, improve and replace the CWC System and to provide municipal water service to the CWC customers within the Annexation Property. No other monetary consideration shall be charged therefore. The Parties hereby duly acknowledge and agree that the consideration stated herein is good, fair and valuable consideration for the transaction provided for herein.

3.6. Financing of Improvements. The Annexation and assumption by the District of its obligation to provide water service to the CWC customers within the Annexation Property shall be subject to and conditioned upon the District's ability to secure the loan financing referenced in Section 3.2.4 herein, or other alternate financing, required to make the infrastructure improvements identified in said Section, thus enabling the District to properly and safely assimilate and incorporate the CWC System into the District System and efficiently operate the CWC System in providing water service to the CWC customers within the Annexation Property.

4. **Closing**. The closing of the transfer of the assets referenced herein (the "*Closing*"), will take place on a date and at a time and place mutually agreeable to the Parties subsequent to the final Annexation of the Annexed Property, but in no event later than ninety (90) days subsequent to the finalization of the Annexation.

4.1. CWC Closing Deliveries. At the Closing, CWC shall deliver to the District:

4.1.1. An Assignment of Water Purchase Contract(s) identified in Section 3.1.1 herein, duly executed by CWC and Weber Basin, and/or such other documentation of the assignment of said Water Purchase Contracts and approval thereof by Weber Basin, as required by Weber Basin, assigning the Water Purchase Contracts identified in Exhibit B hereto, as required pursuant to Section 3.1.1 herein.

4.1.2. A Bill of Sale, in the form attached as Exhibit C hereto, duly executed by CWC transferring to the District the infrastructure components identified in and as required pursuant to Section 3.2.1 herein.

4.1.3. Assignments and/or Grants of Easement, in the form attached as Exhibit F hereto, duly executed by CWC assigning and/or granting, as the case may be, to the District the easements and rights-of-way identified in Exhibit E hereto, as required pursuant to Section 3.3.2 herein.

4.1.4. All documents required to be delivered by CWC to the District pursuant to Section 3.4 herein as identified in Exhibit G hereto.

4.2. District's Closing Deliveries. At Closing, the District shall deliver to CWC such other customary instruments, filings or documents, in form and substance satisfactory to CWD, as may reasonably be requested by CWC or as may be otherwise necessary or desirable to evidence and effect the of the transfer, conveyance and delivery of Transferred Assets to the District and to put the District in actual possession or control of the Transferred Assets.

4.3. Taxes and Assessments. Liability for all real property taxes, personal property taxes, assessments, and similar obligations levied with respect to the Transferred Assets and business of CWC, which are determined by any taxing or levying jurisdiction to be due and owing by CWC for calendar year 2018, shall be the sole responsibility of and all such taxes and assessments shall be paid by CWC, in full, at its sole cost and expense, at or prior to Closing.

5. **Representations of the Parties**. As an inducement to the Parties to enter into this Agreement, the Parties hereby represent as follows:

5.1. Representations of CWC. CWC hereby represents as follows as of the date of this Agreement and remade as of the Closing:

5.1.1. Authority of CWC. CWC has full power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by CWC of this Agreement, the performance by CWC of its obligations hereunder and the consummation by CWC of the transactions contemplated hereby have been duly authorized by all requisite company action. This Agreement has been, and upon its execution will have been, duly executed and delivered by CWC; and, assuming due execution and delivery by both Parties hereto, this Agreement constitutes, and upon its execution will constitute, a legal, valid and binding obligation of CWC enforceable against CWC in accordance with its terms, except as may be affected by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally or by rules of law governing specific performance, injunctive relief or other equitable principles (regardless of whether such principles are considered in a proceeding at law or in equity).

5.1.2. No Conflicts; Consents. The execution, delivery and performance by CWC of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the organizational documents of CWC; (ii) conflict with or result in a violation or breach of any provision of any law, regulation or order applicable to CWC, including, without limitation, any regulation or order of the Utah Public Service Commission (provided, that, the annexation may require the Utah Public Service Commission's consent as provided for in Section 6 below); and (iii) result in any breach of, constitute a default (or an event that, with or without notice or lapse of time or both, would become a default) under any agreement or other instrument, or result in the creation of any encumbrance on any of the Transferred Assets pursuant to any note, bond, mortgage, indenture, agreement, lease, license, permit, franchise, instrument, obligation or other contract to which CWC is a party or by which CWC or the Transferred Assets may be bound or affected.

5.1.3. No Liabilities. To CWC's knowledge, CWC has no liabilities of any nature arising out of, the operation of the water company relating to or affecting the water company, whether accrued, absolute, contingent or otherwise, whether known or unknown, except for those liabilities specified in Section 3.4.1 herein.

5.1.4. Good and Marketable Title to be Conveyed. CWC owns good and marketable title to all of the Transferred Assets, free and clear of any encumbrance, title imperfection or restriction of any kind whatsoever (whether accrued, absolute, contingent, or otherwise). The delivery to the District of all assignments, bill of sale, grants of easement and assignment of easements at Closing will transfer to the District good and marketable title to all of the Transferred Assets, free and clear of any encumbrance. CWC makes no representation or warranty regarding the condition or suitability of the Transferred Assets and the District accepts the Transferred Assets in their as-is condition.

5.1.5. No Pending Actions. There are no actions pending or, to CWC's knowledge, threatened in connection with the Transferred Assets or CWC's ownership or operation thereof, nor is there any basis for any such action, that seek to prevent, hinder, modify, delay or challenge the transactions contemplated by this Agreement. There are no actions by CWC pending, or which CWC has commenced preparations to initiate, against any other person in connection with the Transferred Assets. There are no outstanding and unsatisfied, or to CWC's knowledge, threatened, orders, writs, judgments, injunctions, penalties or awards against, relating to or affecting the Transferred Assets, CWC's ownership or operation thereof or the transactions contemplated by this Agreement.

5.2. The District's Representations. The District hereby represents as follows:

5.2.1. Authority of the District. The District has full power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by the District of this Agreement, the performance by the District of its

obligations hereunder and the consummation by the District of the transactions contemplated hereby have been duly authorized by requisite action of its governing board. This Agreement has been, and upon its execution will have been, duly executed and delivered by the District; and, assuming due execution and delivery by both Parties hereto, this Agreement constitutes, and upon its execution will constitute, a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms, except as may be affected by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally or by rules of law governing specific performance, injunctive relief or other equitable principles (regardless of whether such principles are considered in a proceeding at law or in equity).

5.2.2. No Conflicts; Consents. The execution, delivery and performance by the District of this Agreement, and the consummation of the transactions contemplated hereby, do not and will not: (i) conflict with or result in a violation or breach of, or default under, any provision of the organizational documents of the District; (ii) conflict with or result in a violation or breach of any provision of any law, regulation or order applicable to the District; and (iii) result in any breach of, constitute a default (or an event that, with or without notice or lapse of time or both, would become a default) under any agreement or other instrument to which the District is a party or by which the District may be bound or affected.

5.2.3. There are no actions pending or, to the District's knowledge, threatened that seek to prevent, hinder, modify, delay or challenge the transactions contemplated by this Agreement.

5.3. Survival. All representations of CWC and the District in this Agreement shall survive the Closing and shall remain in full force and effect, until the expiration of the statute of limitations following the date all performance thereunder was due to be performed.

6. **Dissolution of CWC.** Upon completion of the Annexation, the satisfaction of the conditions set forth in Section 3 herein and the other requirements of this Agreement, and upon authorization by order of the Public Service Commission, the certificate of convenience and necessity issued by the Public Service Commission shall terminate and CWC shall legally be dissolved in conformance with the requirements of state law.

7. **Indemnification.**

7.1. Indemnity by CWC. CWC will indemnify, reimburse, defend and hold the District and its officers, directors, trustees, employees, consultants and agents from and against and in respect of any and all demands, claims, actions, causes of action, judgments, assessments, taxes, fines, losses, damages, liabilities, interest, penalties, costs, and expenses, including, without limitation, reasonable legal fees, other professional fees and any disbursements incurred in connection therewith, (collectively “Losses”), resulting from, arising out of, relating to, or incurred by reason of: (i) any breach of any representation, warranty, covenant, or agreement of CWC contained in this Agreement or any agreement, instrument, or document executed and delivered by CWC pursuant hereto; (ii) any action taken by any taxing authority in relation to the classification and taxation of the Transferred Assets for tax purposes as a result of this Agreement; and (iii) the operation of CWC as a water corporation providing water service to its customers within its service area prior to the Closing.

7.2. Indemnity by the District. The District will indemnify, reimburse, defend, and hold harmless CWC and its parent entity, shareholders, officers and directors, employees, consultants and agents from and against and in respect of any and all Losses suffered, incurred or sustained by any of them or to which any of them becomes subject, resulting from, arising out of or relating to: (i) any breach of any representation, warranty, covenant, or agreement of the District contained in this Agreement or other instrument or document executed and delivered by the District pursuant hereto or thereto; (ii) the

operation of the District in providing water service to the former customers of CWC and other customers of the District subsequent to Closing; and (iii) and subsequent to Closing, any assumed liability.

8. **Waiver of Jury Trial.** To the fullest extent permitted by law, each of the Parties hereto expressly and knowingly waives any right it may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement, the transactions contemplated hereby, or the actions of such party in the negotiation, administration, performance and enforcement hereof. Each Party further waives any right to consolidate any action in which a jury trial cannot be or has not been waived. This provision shall survive any termination of this Agreement.

9. **Miscellaneous Provisions.**

9.1. **No Assignment.** Neither Party may assign its interest in this Agreement without the written consent of the other Party.

9.2. **No Third-Party Beneficiaries.** This Agreement shall not confer any rights or remedies upon any person or entity other than the Parties and their respective successors-in-interest.

9.3. **Inducement.** The making and execution of this Agreement has not been induced by any representation, statement, warranty or agreement other than those herein expressed.

9.4. **No Recourse.** This Agreement shall not create or be deemed to create or permit any personal liability or obligation on the part of any direct or indirect equity holder of CWC or any officer, director, employee, representative or investor of CWC.

9.5. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

9.6. **Business Relationship.** This Agreement does not acknowledge the existence of or establish a partnership, joint venture, or any other form of business relationship between the Parties other than as expressly set forth herein, and this Agreement is limited solely to the purposes and interests expressed herein.

9.7. **Severability.** If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of this Agreement; and the Parties agree to attempt in good faith to reform such void or unenforceable provision to the extent necessary to render such provision enforceable and to carry out its original intent.

9.8. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement by and between the Parties hereto, and supersedes all prior agreements, representations or understandings by and among them, whether written or oral, pertaining to the subject matter hereof.

9.9. **Construction.** As used herein, all words in any gender shall be deemed to include the masculine, feminine or neuter, all singular words shall include the plural, and all plural words shall include the singular, as the context may require.

9.10. **Amendment.** This Agreement cannot be altered or amended except pursuant to an instrument in writing executed by the Parties.

9.11. **Force Majeure.** Performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrections, strikes, lock-outs, floods, earthquakes, fires, casualties, acts of God, epidemics, quarantine, restrictions, inability (when the responsible Party is faultless) to secure necessary labor, materials, tools, acts or failure to act of any public or governmental agency or entity, or by any other reason not the fault of the Party delayed in performing work or doing acts

required under the terms of this Agreement, and in such event, the performance of such work or the doing of such act shall be excused for the period of the delay and the period of performance for any such work or the doing of any such act shall be extended for a period equivalent to the period of such delay.

9.12. **Further Action.** The Parties hereby agree to execute and deliver such additional documents and to take such further action as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

9.13. **Expenses of Enforcement.** In any proceeding to enforce, interpret, rescind or terminate this Agreement or in pursuing any remedy provided hereunder or by applicable law, the prevailing Party shall be entitled to recover from the other Party all costs and expenses, including a reasonable attorney's fee, whether such proceeding or remedy is pursued by filing suit or otherwise, and regardless of whether such costs, fees and/or expenses are incurred in connection with any bankruptcy proceeding. For purposes of hereof, the term "prevailing Party" shall include, without limitation, a Party who agrees to dismiss an action or proceeding upon the other's payment of the sums allegedly due or performance of the covenants allegedly breached, or who obtains substantially the relief sought. The provisions set forth in this paragraph shall survive the merger of these provisions into any judgment.

9.14. **Notice.** Any notice required or desired to be given pursuant to this Agreement or otherwise relating to this Agreement shall be in writing, addressed to the Party at the address listed below, and shall be deemed effective: (i) upon personal delivery, or (ii) three business days following deposit in the United States Mail, postage prepaid, certified mail, return receipt requested.

To: **Mountain Regional Water Special Service District**
6421 N. Business Park Loop Rd. Suite A
P.O. Box 982320

Park City, Utah 84098
Telephone: (435) 940-1916

To: **Community Water Company**
1840 Sun Peak Drive
P.O. Box 680033
Park City, Utah 84098
Telephone: (435) 200-8410

Either Party hereto may change its address for the purpose of receiving notices as herein provided by serving written notice given in the manner aforesaid.

9.15. **Applicable Law; Jurisdiction and Venue.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah. The Parties hereby consent to the jurisdiction and venue of the state courts located in Summit County, Utah.

9.16. **Counterparts.** This Agreement may be executed in counterparts and delivered by electronic transmission.

IN WITNESS WHEREOF the Parties have caused this instrument to be executed as of the Effective Date first set forth above.

MOUNTAIN REGIONAL WATER SPECIAL

**acting by and through the
County Council, as its governing body**

**SERVICE DISTRICT,
Summit**

By

County Council

Chair, Summit

**COMMUNITY WATER COMPANY,
a Utah corporation**

By

Its:

LIST OF EXHIBITS

- EXHIBIT "A"** Legal Description and Depiction of Property to be Annexed
- EXHIBIT "B"** Weber Basin Water Conservancy District Water Purchase Contracts and
Approved Exchange Applications to be Assigned
- EXHIBIT "C"** Form of Bill of Sale
- EXHIBIT "D"** Depictions of System Improvements
- EXHIBIT "E"** List and Depictions of Existing and Required Future Easements
- EXHIBIT "F"** Form of Assignment of Easements and Grant of Easement
- EXHIBIT "G"** List of Accounts Receivable, Reports and Records to be Assigned
- EXHIBIT "H"** Project Timeline

EXHIBIT “A”
BOUNDARY EXPANSION EXHIBIT
(LEGAL DESCRIPTION OF PROPERTY TO BE ANNEXED)

Property I. Red Pine Chalets Condo Phases 1 through 4, consisting of Buildings A through Z described as follows:

This is the same long list that is included with the Resolution above.

EXHIBIT "B"

List and Copies of Water Purchase Contracts and Approved Exchange Applications to be Assigned

1. Assignment dated June 16, 1989, by J.E. Roberts and Marilyn H. Roberts to Community Water Inc.

Exchange Application No. 1714 (35 Area), approved March 5, 1981, related to the above water purchase contract.

2. Assignment dated June 16, 1989, by J.E. Roberts to Community Water Inc.

Exchange Application No. 1286 (35 Area), approved July 16, 1982, related to the above water purchase contract.

SEE COPIES ATTACHED

COPIES PENDING

EXHIBIT “C”
BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS THAT:

Community Water Company, LLC a Delaware limited liability company (“Community Water”), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has bargained, sold, assigned and transferred, and by these presents does hereby bargain, sell, assign and transfer to **Mountain Regional Water Special Service District**, a body corporate and politic of the State of Utah (“Mountain Regional”), the infrastructure components necessary in the operation of the Community Water public water system, and all equipment and facilities related thereto, currently utilized by Community Water in providing water service to its customers in Summit County, State of Utah as set forth on Exhibit A hereto.

By acceptance of this Bill of Sale, Mountain Regional hereby acknowledges and agrees that it shall take title to the Personal Property in its “AS IS, WHERE IS” condition, and without warranty of any kind, either express or implied.

This Bill of Sale is given subject to and in conformance with the terms and conditions set forth in that certain Annexation and Asset Acquisition Agreement dated _____, 2018, by and between Community Water and Mountain Regional, the terms and conditions of which survive this Bill of Sale.

IN WITNESS WHEREOF, Community Water Company, LLC has set its hand to this Bill of Sale this ____ day of _____, 2018.

COMMUNITY WATER COMPANY, LLC
a Delaware limited liability company

By: _____

Its: _____

State of Utah }

:ss.

County of Summit }

On the ____ day of _____, 2018, personally appeared before me _____, the _____ of Community Water Company, LLC a Delaware limited liability company, who duly acknowledged that he executed the foregoing instrument in behalf of said limited liability company and that said limited liability company duly executed the same.

Notary Public

List of Assets and Infrastructure

1. The following Weber Basins Water Conservancy District Exchange Contracts:

- Exchange Contract 12037 - 125 AF of Water
 - AKA: Water Right No. 35-6721; Exchange Application E1286
- Exchange Contract 12038 - 150 AF of Water
 - AKA: Water Right No. 35-7497; Exchange Application E1714

2. The following Wells, Tanks and Other System Components (Division of Drinking Water System # 22012):

- **Wells**
 - Gulch Well Head with 100 GPM, 8 inch casing and approximately 446 feet deep
 - Gulch Well Equipment, pitless adaptor, pump and vault
 - Wagon Trail #2 Well Head with 30 GPM, 6 inch well casing and approximately 409 feet deep
 - Wagon Trail #2 Well Equipment, pitless adaptor, pump and vault
- **Treatment Plant:**
 - Willow Draw Water Treatment Plant installed between 1970 and 1980 with design capacity of 300 GPM and estimated actual current capacity of 220 GPM
- **Storage Tanks:**
 - Storage Tank #1: Steel tank with 423,000 Gallon holding capacity installed between 1970 and 1980. Currently out of service and partially demolished

- Storage Tank # 2: Steel tank with 240,000 Gallon holding capacity installed between 1970 and 1980.

- **Misc. System Components:**
 - Master Water Meters:
 - Upper Master Water Meter installed between 1980 and 1990
 - Master Water Meter #1 installed between 1980 and 1990
 - Master Water Meter #1 installed between 1980 and 1990
 - 3 Pressure Reducing Values installed between 1980 and 1990
 - Interconnect #1 with Summit Water Distribution Company installed in 1996
 - Interconnect #2 with Summit Water Distribution Company installed in 2004
 - Air/Vacuum Release Valve installed in 2000
 - Service Connection Meters:
 - 8-inch waterline – approximately 28,300 linear feet installed before 1980
 - 6-inch waterline – approximately 12,200 linear feet installed before 1980
 - 3-inch waterline – approximately 100 linear feet installed before 1980
 - 2-inch waterline – approximately 1,200 linear feet installed before 1980
 - Transmission and Distribution Lines

EXHIBIT D

Depictions of System Improvements

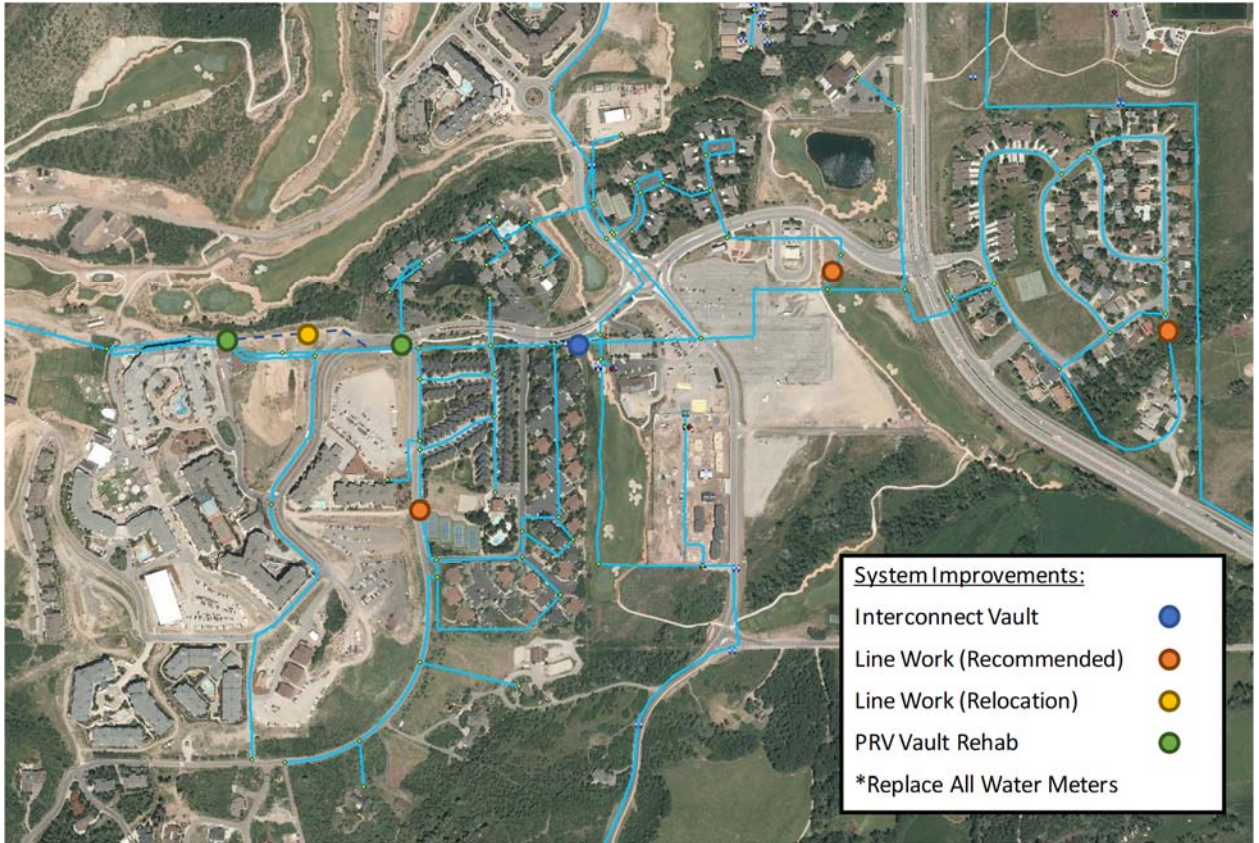


EXHIBIT E

List and Depictions of Easements to be Assigned and Acquired

A. Existing Easements Utilized in the Operation of the CWC System.

1. Grant of Easement, recorded in the office of the Summit County Recorder as Entry No. 302944.
2. Easement for Utilities and Right of Way Granted by those Certain Warranty Deeds, recorded in the office of the Summit County Recorder as Entry Nos. 263004 and 223551.
3. Easement Agreement, recorded in the office of the Summit County Recorder as Entry No. 803013
4. Easement Agreement, recorded in the office of the Summit County Recorder as Entry No. 927103.
5. Easement Agreement, recorded in the office of the Summit County Recorder as Entry No. 803015.

B. New Easements Required for Operation of the CWC System.

SEE ATTACHED

ATTACHMENT PENDING

EXHIBIT "F"

Form of Assignment of Easements and Grant of Easement

Recording Requested By:

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

6421 N. Business Park Loop Rd., Suite A

Park City, Utah 84098

Above Space for Recorder's Use Only

ASSIGNMENT OF EASEMENTS

IN CONSIDERATION of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **Community Water Company**, a Utah corporation ("*Assignor*"), hereby CONVEYS, ASSIGNS and QUIT CLAIMS to **Mountain Regional Water Special Service District**, a body politic of the State of Utah, and its successors-in-interest and assigns ("*Assignee*"), all right, title and interest which Assignor owns or otherwise claims in and to the following easements of record in Summit County, State of Utah, to wit:

1. Grant of Easement, dated December 31, 1988, recorded in Summit County, State of Utah on January 6, 1989, under Entry No. 302944. Township 1 South, Range 3 East, Section 35; Township 1 South, Range 3 East, East ½ of Section 34; Township 1 South, Range 3 East, West ½ of the Southwest ¼ of Section 36

2. Easement Agreement, recorded in Summit County, State of Utah on January 25, 2007, under Entry No. 00803013. Parcel PP-102-C-2, PP-102-B-3, PP-B-3-A, PP-102-D-3-E, PP-102-M

3. Easement Agreement, dated July 27, 2011, recorded in Summit County, State of Utah on July 28, 2011, under Entry No. 00927103. Parcels PP-102-C-2-A, PP-PW-1-610-A, PP-102-B-12, PP-C-2-B, PP-102-C-2, LVDAM-LV2A, LVDAM-LV3

4. Grant of Easement, recorded in Summit County, State of Utah on July 25, 2007, under Entry No. 00803015. Parcels PP-102-C-2-A, PP-PW-1-610-A, PP-102-B-12, PP-102-C-2-B, PP-102-C-2, LVDAM-LV2A, LVDAM-LV3

5. That certain easement granted under that certain Warranty Deed dated December 29, 1986, recorded in Summit County, State of Utah on December 30, 1986, under Entry No. 263004. Parcel PP-2-J

6. That certain easement granted under that certain Warranty Deed dated July 30, 1984, recorded in Summit County, State of Utah on August 2, 1984, under Entry No. 223551. Parcel PP-2-F

7. All rights and interests of Assignor in and to the use of all public utility easements, and public utility corridors in which the water system assets of Assignor may be situated.

By acceptance of this Assignment, Assignee hereby acknowledges and agrees that it shall take its rights and interests in and to the easements assigned hereunder "AS IS, WHERE IS" and without warranty of any kind, either express or implied.

The individual executing this Agreement on behalf of Grantor hereby warrants that he has the requisite authority to execute this Agreement on behalf of Assignor and that Assignor has agreed to be and is bound hereby.

Dave Thomas Comments

[4&5]Easements 3 and 4 are for the exact same easement, one going to Community Water and the other to MRW.

[6&7] These three easements/deeds are granted to MRW, Thornton, and MOYCO respectively. There is nothing granting Community Water Co. an easement or property right in which to assign. If a Community Water transmission line passes through these easements, we need a conveyance showing that Community Water has the right to use the easements. That instrument would be assignable to MRW.

What we really need is a map of the entire Community Water system showing the location of all transmission lines.

[7.]This doesn't mean anything except as a catch-all.

WITNESS the hand of Assignor this ____ day of _____, 2018.

COMMUNITY WATER COMPANY,
a Utah corporation,

By: _____

Its:

STATE OF UTAH)

: ss.

County of Summit)

On this ____ day of _____, 2018, personally appeared before me _____, signer of the above instrument, who duly acknowledged to me that he/she executed the same for and in behalf Community Water Company, and that said corporation duly executed the same.

NOTARY PUBLIC

EXHIBIT H Project Timeline

Mountain Regional has established the following time frame for constructing the improvements required by the annexation agreement. Mountain Regional will make its best reasonable effort to meet this timeline. However, unforeseen events could delay the timing of these projects.

Summer 2018

Interconnect – (Tee Box)
Refurbish PRVs (Upper)
SCADA Improvements

Fall 2017 thru Winter 2018

Refurbish PRVs (Lower)

Replace Well Pumps (Clean Wells)
Refurbish Wells (Electrical & SCADA)

Demolish Treatment Plant

Drill & Equip New Willow Draw or Silver Creek Well
Pump/VFD – Old Ranch Road

Meter Replacement – Phase I

Spring / Early Summer 2019

Standby Generator

Meter Replacement – Phase II

Line Work

Line Relocation (if included in bond funded projects)