

ANNEXATION AND DEVELOPMENT AGREEMENT

THIS ANNEXATION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into effective as of the 13th day of June, 1995 between LEHI CITY, a Utah municipal corporation (the "City") and MICRON TECHNOLOGY, INC., a Delaware corporation ("MICRON").

Recitals:

- A. The City is a municipality and political subdivision of the State of Utah classified as a third class city under the provisions of Section 10-2-301, Utah Code Annotated. The City is located in Utah County, Utah.
- B. Micron is the owner of certain real property as more particularly described in Exhibit A hereto (the "Property") which is located contiguous to the eastern boundary of the City and within an area proposed for municipal expansion under the Lehi City Master Policy Declaration. Micron desires to develop on the Property a technology and light manufacturing facility and associated supporting structures and facilities as described on Exhibit B hereto (the "Project") and has incurred and will incur substantial expenditures in furtherance thereof.
- C. The City is authorized to enter into annexation and development agreements in appropriate circumstances in order to promote orderly development of property within its boundaries, implement the Lehi City General Plan, and provide infrastructure and other benefits in connection with development.
- D. The City desires to enter into an agreement with Micron to encourage development of the Project in furtherance of the comprehensive planning objectives contained within the Lehi City General Plan.

Agreement:

NOW, THEREFORE, in consideration of the foregoing goals and objectives, the annexation of the Property to the City, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Micron and the City, intending to be legally bound, agree as follows:

1. Definitions. When used in this Agreement, each capitalized term shall have the meaning indicated on Exhibit 1 hereto or elsewhere in this Agreement unless such meaning is clearly precluded by the context in which the term is used.

2. Conditions to Obligations. The obligations of Micron and the City hereunder are contingent upon and subject to the satisfaction of each of the following conditions:

2.1 Annexation. The Property shall have been annexed into Lehi City.

2.2 Amendment to Lehi City Master Plan and Development Code. The City shall have adopted an amendment to the Lehi City Master Plan and the Lehi City Development Code in the form of Exhibit 2.2 hereof.

Micron may waive any of the foregoing conditions in writing. This Agreement is not intended to bind the Lehi City Council in the independent exercise of its legislative discretion with respect to the annexation and zoning of the Property.

3. Regulation of Development.

3.1 Vested Rights. Micron shall have the vested right to have preliminary and final site plans approved and to develop and construct the Project in accordance with the site plan and narrative description set forth on Exhibit B hereto (together with any amendments or changes thereto approved by the City) and the other terms and conditions of this Agreement. It is the intent of the parties hereto to vest Micron with the right to develop the Project to the full extent permitted under Utah law. Such vested rights shall be effective for a period of ten (10) years following the date of annexation of the Property into Lehi City, with an option on the part of Micron or the City to extend such vested rights for an additional ten (10) years if the terms of this Agreement have been substantially complied with and Micron is proceeding with reasonable diligence in the Development of the Project in the phases contemplated hereby, or the term of this Agreement is modified by written amendment. Except as provided in Section 3.2 hereof, (a) the Land Use Regulations applicable to and governing the Development of the Project shall be the Existing Land Use Regulations, and (b) no moratorium, ordinance, resolution, or other Land Use Regulation or limitation on the timing or sequencing of the Development of the Project or any portion thereof shall apply to or govern the Development of the Project or any Development Approval. The parties acknowledge that the most efficient and economic Development of the Project depends on numerous factors, such as market and demand, interest rates, competition, and similar factors. Accordingly, the timing, sequencing, and phasing of Development of the Project shall be as determined by Micron in its sole subjective business judgment and discretion.

3.2 Reserved Legislative Powers. The parties agree that the City is restricted in its authority to limit its police power by contract and that the limitations, reservations, and exceptions set forth herein are intended to reserve to the City all of its police power that cannot be so limited. This Agreement shall be construed, contrary to its stated terms if necessary, to reserve to the City all such power and authority that cannot be restricted by contract. In the event the City exercises its legislative discretion to enact future Land Use Regulations, such Land Use Regulations shall apply to the Development of the Project only to the extent that (a) Micron has received prior written notice and the opportunity to be heard with respect to such proposed

action, (b) the application of such Land Use Regulations to the Development of the Project is necessary to avoid a substantial risk of injury to the public health, safety and general welfare, or is required by federal or state law; provided, that in the event that state or federal law precludes compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended only as necessary to comply with such state and federal laws and the remainder of this Agreement shall remain in full force and effect to the extent that performance of the remaining provisions would not be inconsistent with the intent of this Agreement.

4. City's Obligations. The City agrees as follows:

4.1 Infrastructure Improvements and Utility Services. To the extent of funds received by the City from Micron pursuant to Section 5.2 hereof, subject to the rights of the Utah Department of Transportation ("UDOT") and the Timpanogas Special Service District ("TSSD"), the City shall timely design, engineer, construct or cause to be designed, engineered and constructed all road, sewer, water and other improvements identified on Exhibit 4.1 hereto (the "Infrastructure Improvements") and, subject to the requirements of Section 6.3 hereof, provide the water and sewer services contemplated thereby. Micron upon written notice to the City shall have the right, subject to the rights of UDOT and TSSD, to design, engineer, contract for and install all or any portion of such Infrastructure Improvements. All specifications and drawings, and any modifications thereto, for the Infrastructure Improvements shall be subject to the approval of Micron and the City. The City shall make good faith efforts to support and obtain all additional infrastructure improvements which enhance access to and from, and services rendered to, the Project. The City, UDOT and TSSD shall be responsible for the replacement, repair and maintenance of any of the Infrastructure Improvements after the completion and acceptance thereof by the City.

4.2 Electrical Power. Concurrently with the execution of this Agreement, Micron and the City shall enter into the Electric Services Agreement attached as Exhibit 4.2 hereto.

4.3 Existing and Replacement Water Systems. Subject to Micron's obligations pursuant to Section 5.1 hereof and to the extent of funds received by the City from Micron pursuant to Section 5.2 hereof, the City shall design, engineer and construct on the Replacement Parcel, as hereinafter defined, a culinary and pressurized irrigation water system as generally described on Exhibit 4.1 hereof (the "Replacement Water System"). From time to time as mutually agreed upon by Micron and the City, the City shall abandon and convey to Micron the City Parcel and the entire Existing Water System, the timing of which shall be as mutually agreed upon by the parties as necessary to accommodate the Project. The City shall transfer the City Parcel and the Existing Water System to Micron pursuant to special warranty deed(s) and bill(s) of sale without warranties (except for the warranty of title and ability to transfer), such property to be transferred in an "as-is" condition. Such conveyances shall be subject to temporary easements in favor of the City, the terms and conditions of which shall be mutually

acceptable to the parties hereto, permitting the operation, maintenance and repair of the Existing Water System that has not been abandoned until such time as the Replacement Water System is completed but only to the extent that such easement does not interfere with the timely completion and operation of the Project.

4.4 Contractors. Unless otherwise agreed in writing by Micron, the Infrastructure Improvements shall be performed by qualified contractors selected by the City and approved by Micron. The City shall remain primarily responsible for any work so subcontracted. The City shall prepare all necessary bidding and contract information, forms, invitations and agreements, and conduct, after approval of the foregoing documents by Micron, competitive bidding for the Infrastructure Improvements. Contractors shall be the lowest responsible bidders based upon invitations to bid issued by the City. Copies of all bids shall be promptly delivered to Micron. Micron shall have the right to require the City to rebid any portion of the work in the event that the engineering estimates or scheduled time for completion are exceeded, redesign of such work might reduce the cost of the work, such bids are non-responsive or any other reason not prohibited by law. In making the determination to accept or reject a particular bid, the City shall take into consideration (i) all matters bearing on the responsibility of the bidder, including without limitation, errors in the bid, inattention to detail of the drawings, specifications or bid requirements, reputation in the local community, all pre-qualification criteria used in formulating the bid requests, capacity, availability, and any other matter which might affect the capability of the bidder to perform consistent with the approved drawings, specifications and time schedules; and (ii) whether such bids appear to be inflated or contrary to then current market conditions. The City shall supervise and manage all contractors and shall administer such contracts using the City's best skill and attention in consultation with Micron and shall ensure that all contractors and sub-tier contractors are timely paid. All such contracts shall (a) be in writing, (b) include satisfactory insurance warranties, guaranties and duties from such contractors for the benefit of, and enforceable by, Micron, (c) require that all change orders or additional work be approved in advance by the City and Micron, and (d) be in form and substance acceptable to Micron.

4.5 Sewer Connection Certificates. Within thirty (30) days after the annexation of the Property into the City, the City shall issue to Micron sewer connection certificates that shall entitle Micron to obtain a minimum of two thousand (2000) connections to the sanitary sewer system at any location or locations in Lehi City serviced or to be serviced, now or in the future, by the expanded sewer Infrastructure Improvements. An additional sewer connection certificate shall be issued to Micron for each \$1000 in excess of \$2,000,000 funded by Micron pursuant to Section 5.2 hereof. Such certificates shall be unconditional, transferrable and, subject to the limitations set forth in this Section 4.5, shall not expire. Such certificates shall be placed in escrow with First American Title of Utah whose address is 330 East Fourth South, Salt Lake City, Utah 84111, to be held until such time as an ADL Agreement as discussed in Section 4.7 hereof has been signed by Micron and the Redevelopment Agency. On

October 31, 1995, such certificates shall be delivered by the Escrow Agent to (a) Micron if an ADL Agreement has not been signed by Micron and the Redevelopment Agency, or (b) the City for cancellation if an ADL Agreement has been signed by Micron and the Redevelopment Agency. If subsequent to delivery of such certificates to Micron, an ADL Agreement is signed by Micron and the Redevelopment Agency, Micron shall return to the City any such certificates to the extent Micron has not transferred them to a third party.

4.6 Sewer Service. The City shall provide or cause to be provided to the Property, as more fully described in Exhibit 4.2 hereof adequate sewer service and capacity from new or existing sanitary sewer facilities to allow the discharge from the Property of 1,500,000 gallons of effluent per day by April 1, 1996, and 2,000,000 gallons of effluent per day by December 31, 1996.

4.7 Redevelopment Project Area. The City in conjunction with the Redevelopment Agency shall explore the establishment of a Redevelopment Project area to include all or a portion of the Property. The parties acknowledge that the establishment of a Redevelopment Project area is subject to the requirements of Utah law, including notice and hearings, and the independent determinations of the Redevelopment Agency based on evidence and criteria mandated by law. Nothing set forth herein is intended to limit or otherwise restrict or require the establishment of a Redevelopment Project area in contravention of such laws or any other applicable law. The City agrees that if a Redevelopment Project area is established which includes all or a part of the Property, the City will seek agreements with the Redevelopment Agency acceptable to Micron ensuring that (a) the Infrastructure Improvements and the facilities to be installed pursuant to the Electric Services Agreement are timely completed by the Redevelopment Agency in the event that this Agreement, or any portion thereof, is found to be unenforceable in any material respect, and (b) Micron will be reimbursed for the cost of the Infrastructure Improvements, the facilities to be installed pursuant to the Electric Services Agreement, and certain other costs, plus interest at a rate to be agreed upon, pursuant to appropriate agreements (each an "ADL Agreement") to be negotiated with the Redevelopment Agency. Micron also intends to seek reimbursement under an ADL Agreement of connection fees, if any, paid or to be paid by Micron pursuant to Section 4.9 hereof.

4.8 Other Financing Alternatives. Upon the request of Micron, the City shall also cooperate in exploring the use of special improvement districts, special service districts, and other similar Project-related public procedures and institutions for the financing of the construction, improvement, or acquisition of infrastructure, facilities, lands, and improvements to serve the Project, whether or not located on the Property.

4.9 Development Exactions. The parties agree that Micron has fully satisfied all Development Exactions imposed by the City as a condition of Development for the Project. Micron shall have no obligation to participate in, pay, contribute, or otherwise

provide any further Development Exactions imposed by the City, now or in the future, with respect to the Project as vested and approved under the terms of this Agreement. The performance of the obligations of Micron hereunder shall constitute full payment and satisfaction of any such Development Exactions, including, but not limited to those contemplated by the Municipal Code Sections 15.30 (impact fees) and any power connection fees imposed or to be imposed by the City. The City Council has determined that power connection fees are satisfied and/or are not applicable because of the terms and conditions of the Electric Services Agreement. The City agrees that the only connection fees payable to the City in connection with the Project are those connection fees provided for in Municipal Code Section 13.08 (culinary water connection fees), 13.10 (secondary water connection fees), and 13.12 (sewer connection fees). The amount of the connection fees for sewer shall not exceed \$20 per fixture unit, as such fixture units are defined in Table 6-3 of the Uniform Plumbing Code (1994 edition). The amount of the connection fees for culinary and secondary water shall be set by the City Council in compliance with law after consultation with Micron. Micron reserves its rights with respect to the amount of any such fees.

4.10 Submissions, Fees and Inspections.

4.10.1 Plan Submissions. The City (or its designated contractor) shall (a) promptly review all plans, drawings and other submissions (collectively, the "Submissions") required by any applicable Land Use Regulation and either approve or reject the same no later than seven (7) calendar days after submission, (b) allow plans and drawings to be submitted and permits issued in segments on an expedited basis as may be required for the progress of the design, engineering, construction and occupancy of the Project, including up to fifteen (15) packages per building, (c) issue permits for construction for various segments prior to final review and approval of other Submissions, and (d) grant all Submissions priority over all other projects for review and approval by the City.

4.10.2 Fees. Building permit, plan check and similar fees payable by Micron in connection with the Project shall be paid by Micron reimbursing the City for the actual cost, without mark-up, of qualified inspectors, engineers and/or architects retained by the City to review such plans and drawings. Micron shall have no obligation to reimburse the City for such costs unless Micron has first approved in writing the qualifications and fee structure of the person(s) performing such review. Upon a showing of good cause, Micron shall have the right to request that an additional or different engineer or architect be retained by the City for the purposes of such review and reimbursement.

4.10.3 Inspection. The services of qualified engineers shall be obtained by the City to perform all required inspections and tests for the Project. Such inspectors shall commence any required inspection or test within twenty-four (24) hours after request for the same and shall diligently pursue completion of the

same. Any inspection fees payable to the City shall be paid by Micron reimbursing the City for the actual cost, without mark-up, of such inspectors in the performance of such services for the Project so long as Micron has first approved in writing the qualifications and fee structure of the person(s) performing such services. Upon a showing of good cause, Micron shall have the right to request that an additional or different inspector be retained by the City for the purposes of such inspections and reimbursement.

4.10.4 Governmental Immunity. The parties acknowledge that the City retains all governmental immunity protection applicable to plan review and inspection activities hereunder, except to the extent the City has by this Agreement created a duty to perform said activities on an expedited basis and with priority given to the Project. The parties do not intend for governmental immunity to bar a claim by Micron based on the City's alleged failure to perform within the time frames agreed upon in this Section 4.10.

4.11 Utility Franchises. The City shall promptly grant such utility and telecommunication franchises as are necessary for the Development of the Property; provided that the grant of the utility franchise for electric power shall be governed by the Electric Services Agreement attached hereto.

5. Micron's Obligations.

5.1 Dedication of Replacement Parcel. Micron agrees to dedicate to the City such parcels of property mutually acceptable to the parties hereto both as to size, configuration and location (each a "Replacement Parcel") for the purpose of installing and maintaining the Replacement Water System and the new water Infrastructure Improvements to serve a portion of Micron's needs as well as City residents and businesses. Micron shall also grant to the City a mutually acceptable easement on adjacent property owned by Micron for ingress, egress, installation, maintenance and repair of underground water pipelines and associated underground facilities, to the extent necessary to allow conveyance of water from such water systems. The maintenance and repair of the property covered by such easement shall be Micron's responsibility. The maintenance and repair of each Replacement Parcel and such water systems shall be the responsibility of the City.

5.2 Infrastructure Financing. Subject to the proper performance by the City of its obligations hereunder and the enforceability of Articles 3 and 4 hereof, Micron shall fund the cost of the Infrastructure Improvements and the relocation of the Existing Water System; provided, however, that unless otherwise agreed in writing by the City and Micron, Micron's maximum obligation under this Section 5.2 shall not exceed \$2,500,000 prior to October 31, 1995. In the event that a Redevelopment Project area is not adopted for portions of the Property, or in the event that an ADL Agreement is not signed by the parties thereto, by October 31, 1995, Micron may by written notice to

the City terminate its obligations under this Article 5 with respect to work or services performed after the effective date of such termination, but shall pay any contractually required amounts under the contracts for the Infrastructure Improvements contemplated hereby.

6. Water Rights and Services. It is understood that Micron is in the process of acquiring certain groundwater rights to supply its needs for industrial, culinary and irrigation purposes at the Property and that the City will have only limited water supply requirements to the Property, as specified herein. Therefore, the parties agree as follows:

6.1 Micron's Obligations. Micron agrees to use its best efforts to complete the acquisition of the quantity of water necessary to supply its anticipated water needs in a timely manner. Micron will file and diligently pursue the approval of the necessary change applications on the acquired groundwater rights before the State Engineer so that Micron's required water supply will be available as needed in the operation of Micron's plant.

6.2 The City's Obligations. The City shall (a) provide construction water to the Property no later than July 1, 1995, (b) make an interim water supply available to Micron for use at its plant in the event the State Engineer has not approved the change applications on Micron's groundwater rights by the time Micron requires water for its plant operation, (c) provide a back-up water supply for industrial and culinary use at the Micron plant in the event Micron's water supply is temporarily interrupted for any reason, (d) provide fire protection and the needed water supply for this purpose at the Property, (e) use its best efforts to assist Micron in identifying and acquiring surface and ground water supply in the event Micron is unable to secure such supply through its own efforts, and (f) provide culinary, pressurized irrigation, and, if requested by Micron, primary groundwater for industrial use.

6.3 Ownership.

6.3.1 Retention of Water Rights. Subject to Section 6.3.2 hereof, the parties intend and agree that Micron and its successors in interest shall retain ownership of all water rights and water distribution systems owned, now or in the future, by Micron. Micron agrees that its water rights shall be appurtenant to and shall pass with title to the Property. Except as provided in Section 6.3.2 hereof, the City shall not (a) require Micron to convey any water rights to the City now or in the future, or (b) impose any post-annexation conditions upon Micron that could result in Micron being required to convey water or water rights to the City in the future.

6.3.2 Dedication of Water Rights. To the extent that pursuant to Micron's request the City provides culinary, pressurized irrigation and/or industrial water service to the Property, on other than a back-up or

emergency basis, Micron shall deed to the City water rights in a quantity and flow equal to such usage. Any change in the zoning classification of the Property initiated by the owner thereof or any increase in the need for water service from the City will require the conveyance of water rights to the extent necessary to provide such water to the uses on the Property in a quantity and flow equal to such usage.

6.3.3 Temporary Use of City Water. In the event Micron elects to rely on City water service for industrial use on an interim basis or as a temporary/emergency back-up, Micron shall provide water rights of sufficient quantity and flow under which the City can operate to meet such usage. This requirement can be satisfied, at Micron's option, by deeding water rights to the City, leasing water rights with a temporary change application, or by listing the City's wells as points of diversion under permanent change applications approved by the State Engineer.

7. Default and Remedies. Due to the size and scope of the Project, including the Infrastructure Improvements that must be made in the initial phases of the Project, the parties agree that damages would not be an adequate remedy for either party if the other party fails to carry out its obligations under this Agreement. The parties further agree that specific performance shall be the preferred remedy, rather than damages, in the event of either party's failure to carry out its obligations hereunder. Each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Agreement. The City shall have no right or power hereunder whatsoever to compel Micron to either start or complete the Project or to seek any damages from Micron for the failure to start or complete the Project with the exception of amounts required to be funded by Micron under this Agreement.

8. Transferability. Micron may from time to time transfer the right to develop all or any portion of the Property in accordance with this Agreement, but the new owner will be bound by the provisions of this Agreement applicable to such transferred parcel. Subject to the foregoing, this Agreement is not intended to benefit or provide any right to any other person or entity other than the City and Micron and shall not create any rights, claims, or causes of action in or for the owner of any adjoining property.

9. Miscellaneous.

9.1 Binding Effect; Interpretation. This Agreement shall be binding upon Micron's successors and assigns. The rights of the City under this Agreement shall not be assigned. The fact that one party or the other may have drafted the provisions of this Agreement shall not affect the interpretation of its provisions.

9.2 Further Assurances. Each party hereto shall take all further acts reasonably necessary in order to carry out more effectively the intent and purposes of the Agreement and the actions contemplated hereby.

9.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

9.4 Merger; Amendment. This Agreement (together with all Exhibits and Attachments hereto, which exhibits and attachments are hereby incorporated herein by reference) constitutes the entire agreement between the City and Micron concerning the Development of the Project and supersedes all prior understandings, agreements, or representations, verbal or written, concerning the Development of the Project. Except as expressly provided herein, this Agreement shall not be amended except in a writing signed by an officer of Micron and by the Mayor of the City.

9.5 Severability. If any part or provision of this Agreement shall be adjudged unconstitutional, invalid or unenforceable by a court of competent jurisdiction, then such adjudgment shall not affect any other part or provision of this Agreement except that part or provision so adjudged to be unconstitutional, invalid or unenforceable. If any condition, covenant, or other provision of this Agreement shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

9.6 Force Majeure. Neither party hereto shall be liable for any delay or failure in the keeping or performance of its obligations under this Agreement during the time and to the extent that any such failure is due to causes beyond the control and without the fault or negligence of the party affected, including, acts of God, acts of the United States Government or the State of Utah, fires, floods, strikes embargoes or unusually adverse weather conditions. Upon the occurrence of any such cause, the party affected thereby shall promptly give written notice (setting forth full particulars) to the other party and shall promptly resume the keeping and performance of the affected obligations after such cause has come to an end. During the existence of such an event, each party shall bear its own costs resulting therefrom. Each party shall make every reasonable effort to keep delay in performance as a result of such cause to a minimum.

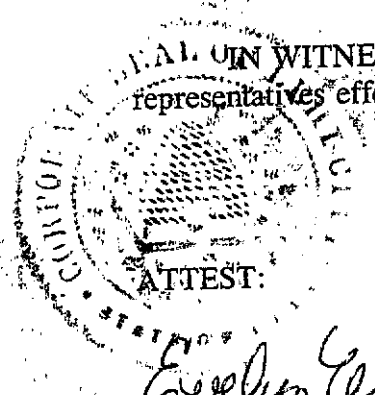
9.7 Agreement to Run with Land. This Agreement may be recorded against the Property and shall be deemed to run with the Property. This Agreement shall be binding upon and inure to the benefit of all successors in interest to the Property.

9.8 Attorneys' Fees. In the event either party shall default in the performance of its obligations hereunder and litigation is commenced, the nonbreaching party, in addition to its other rights and remedies at law or in equity, shall have the right to recover all costs and expenses incurred by such nonbreaching party in connection with such proceeding, including reasonable attorneys' fees.

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized representatives effective as of the date first above written.

"City"

Lehi City, a Utah municipal corporation



ATTEST:

Evelyn W. Yates
Evelyn W. Yates, City Recorder

William L. Gibbs
William L. Gibbs, Mayor

"Micron"

Micron Technology, Inc., a Delaware corporation

By Steven R. Appleton
Steven R. Appleton,
Chairman, CEO and President

DVB

EXHIBIT A

TO

ENT 46186 BK 3723 PG 323

ANNEXATION AND DEVELOPMENT AGREEMENT

Property

The "Property" identified in the foregoing Agreement is located in Utah County, Utah and is more particularly described as follows:

Beginning at a point which is 1034.52 feet S. $00^{\circ}04'39''$ E. along the section line and 54.75 feet S. $87^{\circ}50'00''$ E. along the north right-of-way line of the Alpine Highway (SR-92) from the northwest corner of Section 33, Township 4 South, Range 1 East, Salt Lake Base and Meridian, and running thence N. $00^{\circ}04'39''$ W. 1034.52 feet, more or less, to the north line of Section 33; thence N. $00^{\circ}04'39''$ W. 2662.88 feet, more or less, to a point 54.75 feet easterly from the west quarter corner of Section 28 along the north line of the southwest quarter of Section 28, said point also being on the south line of the Draper City boundary; thence S. $89^{\circ}50'33''$ E. 2603.55 feet, more or less, along said north line of the southwest quarter to the northeast corner of said southwest quarter of Section 28 along said boundary of Draper City; thence N. $00^{\circ}01'26''$ W. 660.00 feet, more or less, along the west line of the northeast quarter of said Section 28, also along said Draper City boundary; thence N. $76^{\circ}00'00''$ E. 1200.00 feet, more or less, along said Draper City boundary; thence S. $14^{\circ}00'00''$ E. 30.00 feet; thence N. $76^{\circ}00'00''$ E. 1532.17 feet, more or less, to a point on the section line between Section 28 and Section 27; thence N. $89^{\circ}57'43''$ E. along the south line of the northwest quarter of the northwest quarter of Section 27 30.00 feet; thence N. $00^{\circ}02'17''$ W. 198.00 feet to a point on the southerly boundary of Draper City; thence N. $77^{\circ}15'00''$ E. 925.02 feet; thence N. $38^{\circ}15'00''$ E. 630.96 feet along said Draper City boundary; thence S. $00^{\circ}00'00''$ E. 905.52 feet, more or less, to a point on the south line of the north half of the northwest quarter of said Section 27; thence N. $90^{\circ}00'00''$ E. along said southerly line of the north half of the northwest quarter 1322.86 feet, more or less, to the east line of the northwest quarter of Section 27; thence S. $00^{\circ}02'45''$ W. along said east line of said northwest quarter of Section 27 1281.51 feet, more or less; thence continuing S. $00^{\circ}02'45''$ W. along the east line of the southwest quarter of said Section 27 1322.84 feet, more or less, to a point on the Highland City boundary, said point also being on the south line of the north half of said southwest quarter of said Section 27; thence along said Highland City boundary line the following 6 courses and distances: (1) S. $90^{\circ}00'00''$ W. 581.22 feet, (2) S. $03^{\circ}50'00''$ W. 768.49 feet, (3) southerly 195.47 feet along the arc of a 397.77-foot radius curve to the left (Chord to said curve bears S. $10^{\circ}14'41''$ E. 193.51 feet), (4) S. $24^{\circ}19'21''$ E. 396.85 feet, (5) southerly 184.84 feet along the arc of a 722.62-foot radius curve to the right (Chord to said curve bears S. $16^{\circ}59'41''$ E. 184.34 feet), (6)

S. 09°40'00" E. 1071.78 feet; thence S. 09°40'00" E. 111.09 feet, more or less, to the south roadway line of said State Road 92; thence S. 90°00'00" W. along said roadway line 2462.56 feet, more or less; thence S. 00°01'23" W. 457.59 feet, more or less, to a point on the south line of the Provo Reservoir Canal; thence N. 55°53'30" W. 196.90 feet, more or less, along said south canal line to a point on the existing Lehi City boundary line; thence along said Lehi City boundary line the following 17 courses and distances: (1) West 7.22 feet, (2) N. 55°53'30" W. 323.40 feet, (3) northwesterly 175.30 feet along the arc of a 290.00-foot radius curve to the left (Chord to said curve bears N. 73°12'30" W. 172.64 feet), (4) S. 89°28'30" W. 120.40 feet, (5) S. 89°25'57" W. 159.05 feet, (6) westerly 52.82 feet along the arc of a 440.00-foot radius curve to the left (Chord to said curve bears S. 85°59'36" W. 52.79 feet), (7) S. 01°35'38" E. 5.75 feet, (8) S. 71°07'41" W. 100.10 feet, (9) S. 64°40'38" W. 54.66 feet, (10) S. 64°40'20" W. 29.41 feet, (11) S. 61°41'27" W. 101.09 feet, (12) S. 66°42'04" W. 127.63 feet, (13) S. 82°06'00" W. 21.00 feet, (14) N. 00°00'00" E. 240.70 feet, (15) S. 90°00'00" W. 62.00 feet, (16) S. 02°31'00" E. 53.00 feet, (17) S. 90°00'00" W. 1260.32 feet, more or less to a point on the west line of the northeast quarter of Section 33; thence N. 00°00'00" E. 161.56 feet, more or less, to a point on the north line of the Alpine Highway (SR-92); thence along said north line of highway the following 6 courses: (1) westerly 835.17 feet along the arc of a 5679.70-foot radius curve to the right (Chord to said curve bears N. 86°02'11" W. 834.42 feet), (2) S. 00°37'00" E. 23.18 feet, (3) N. 81°24'43" W. 76.98 feet, (4) N. 81°02'00" W. 750.50 feet, (5) westerly 685.95 feet along the arc of a 5779.70-foot radius curve to the left (Chord to said curve bears N. 84°26'00" W. 685.55 feet), (6) N. 87°50'00" W. 270.31 feet to the point of beginning.

Basis of Bearing: S. 89°58'09" E. from the northwest corner of Section 33 to the north quarter corner of Section 33.

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ENT

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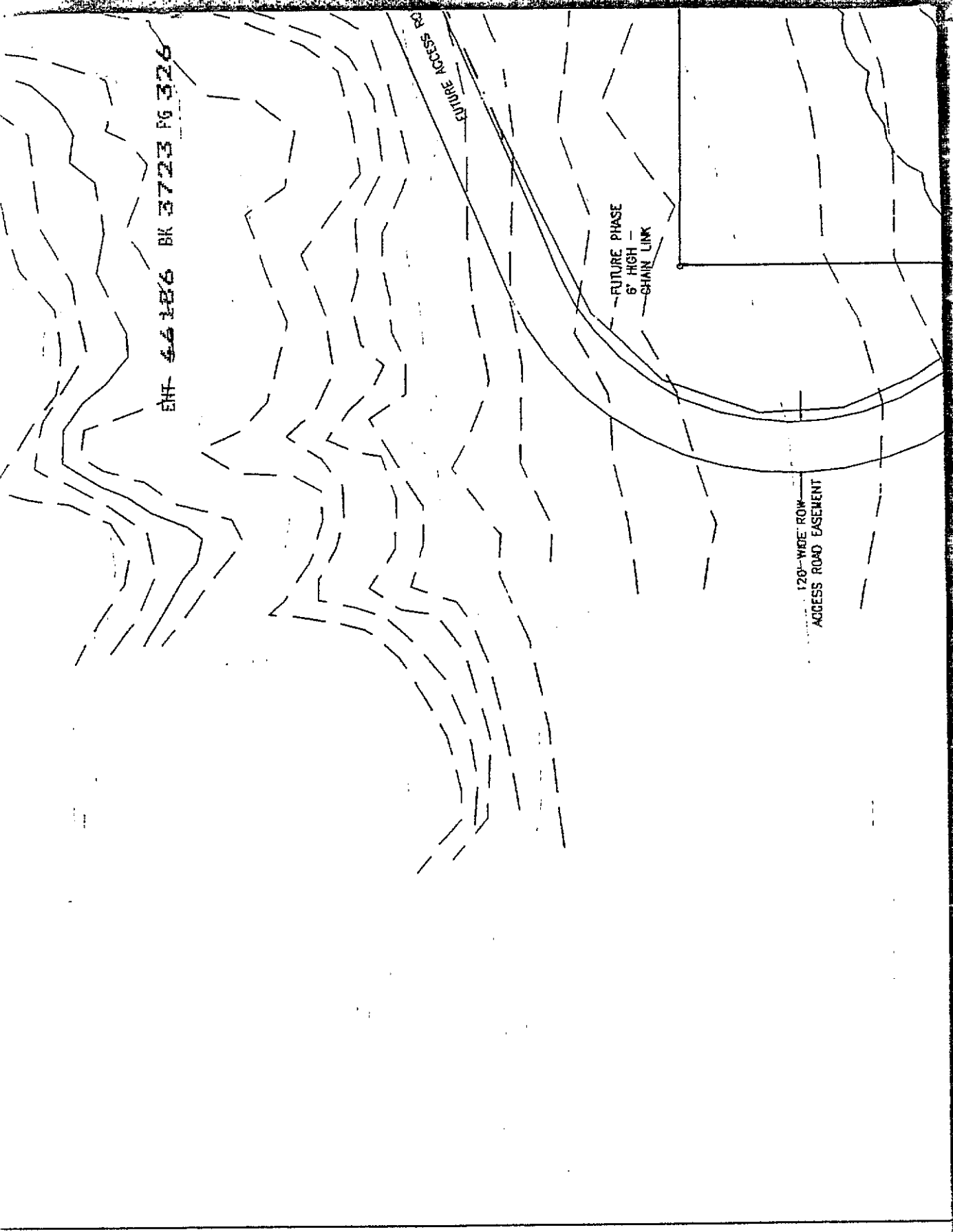
111

ENT 44 186 BK 3723 PG 326

FUTURE ACCESS RD

FUTURE PHASE
6" HIGH
CHAIN LINK

120'-WIDE ROW
ACCESS ROAD EASEMENT

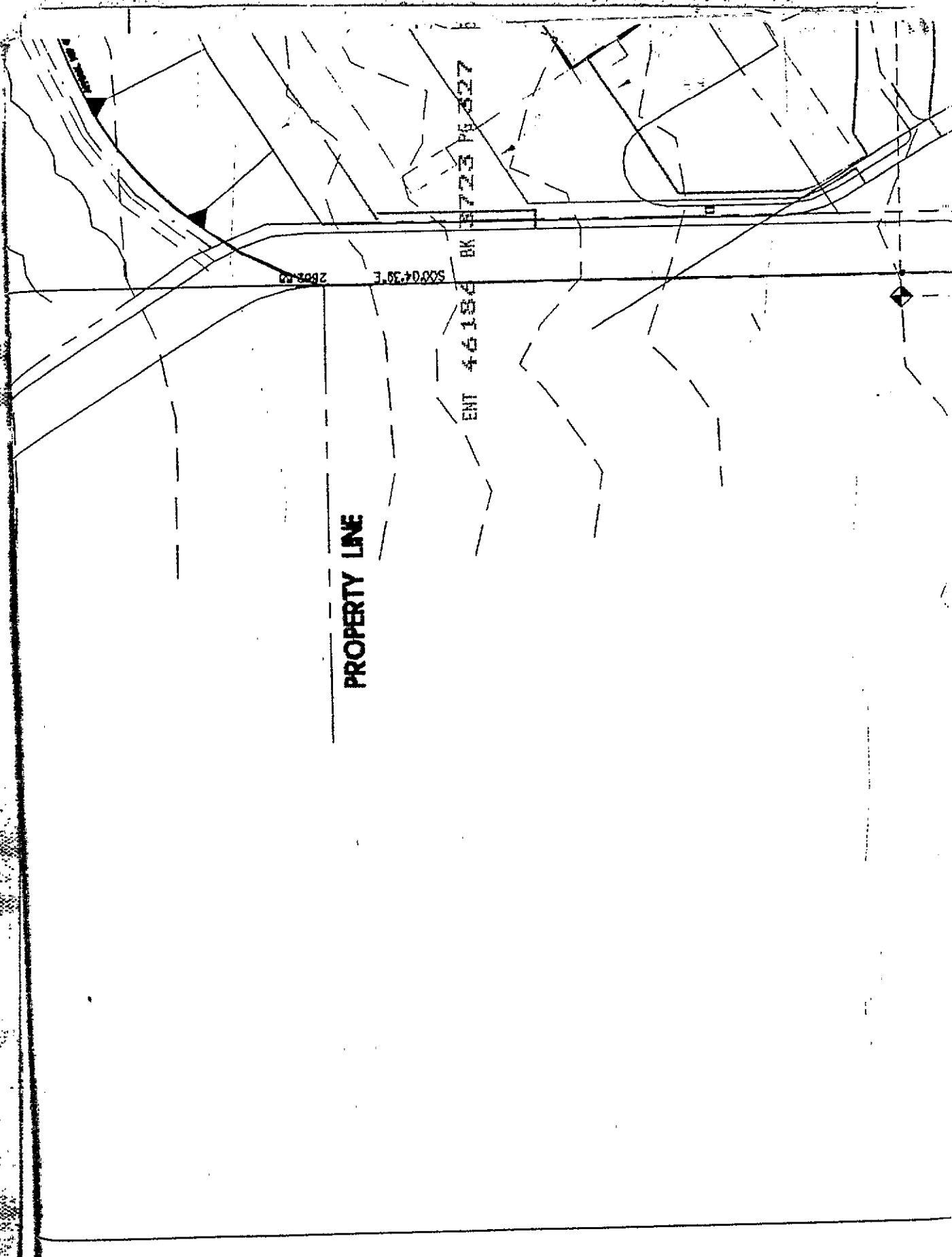


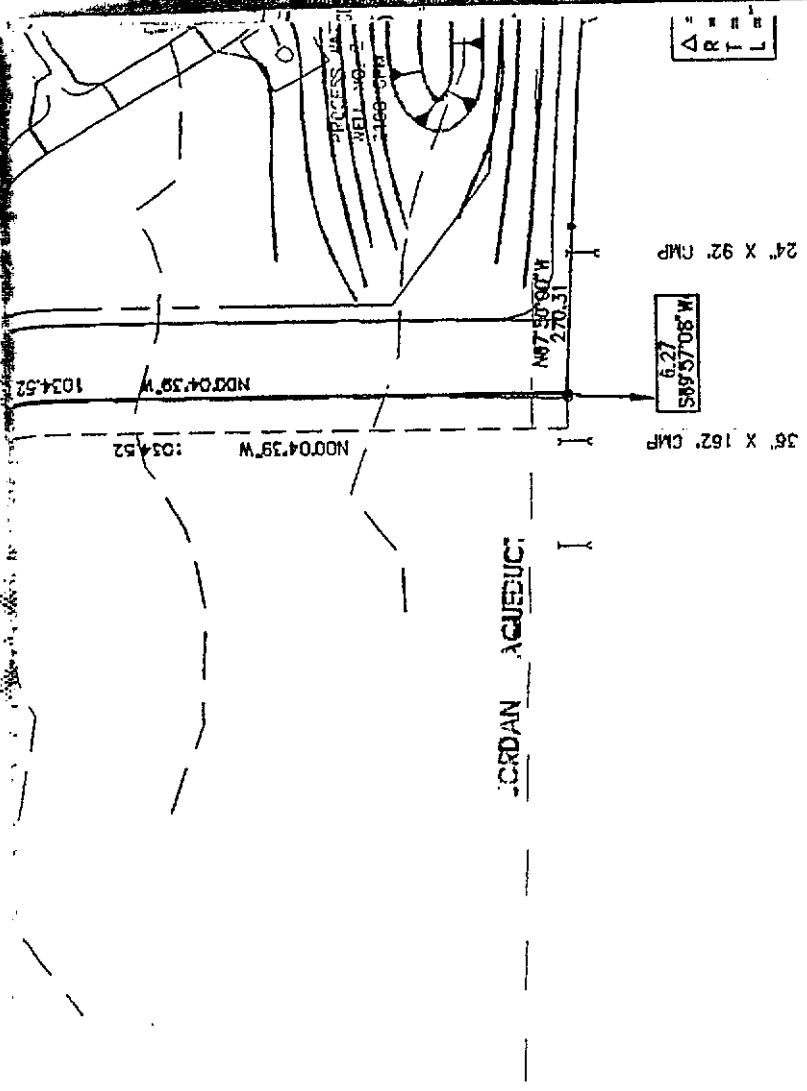
PROPERTY LINE

ENT 46154

BK 8723 PG 327

2688.00
5080.430'E





ARTL

24' X 92' CMP

36' X 162' CMP

6.27
S89°37'08\"/>

N07°50'00\"/>

JORDAN AQUEDUCT

PROCESS NO.
MILL NO.
1168-0000

ENT 46186 BK 3723 PG 328

ENT 46186 BK 3723 PG 327

25

POTABLE WATER TANK
100 GALS
OVERFLOW ELEV. 5148



PROCESS/FIRE WATER TANKS
(2) 2-100 TANKS
TANK OVERFLOW ELEV.=5148

1200.00

BK 3723 PG 330

ENT 4-6 12-6

N760000E

16" DIP PROCESS LINE
18" DIP FIRE LINE

660.00 N000126W

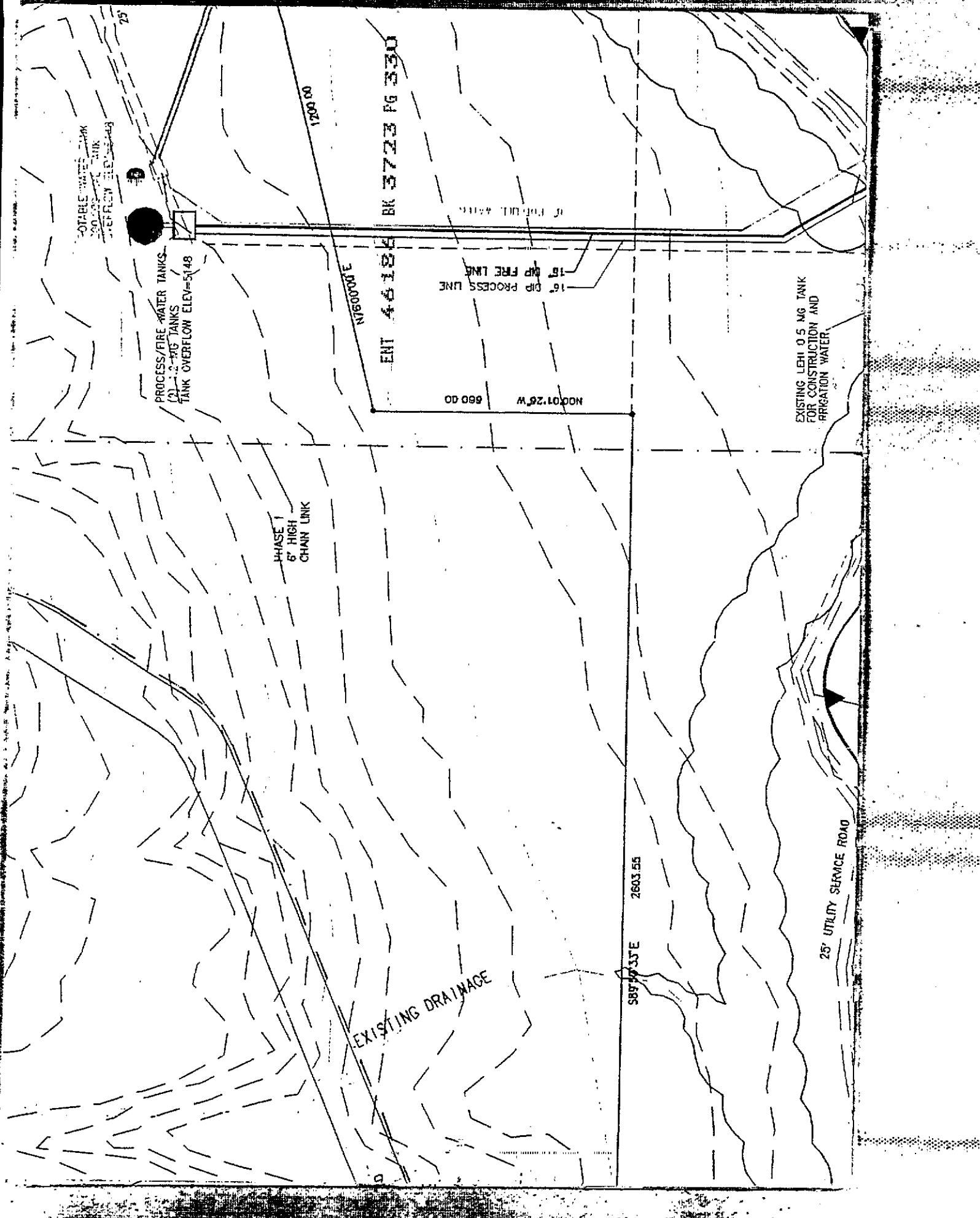
PHASE 1
6" HIGH
CHAIN LINK

EXISTING DRAINAGE

S897033E 2603.55

EXISTING LEH 0.5 MG TANK
FOR CONSTRUCTION AND
IRRIGATION WATER

25' UTILITY SERVICE ROAD



MU-2

THIS TEMPORARY IS (HOLD) TRNG / FIRE LINE

EXISTING RESERVOIR

1/4" DIAMETER
CIRCULAR
POND (12")
13' DEEP

1/4" DIAMETER
CIRCULAR
POND (12")
13' DEEP

ASSEMBLY

ADMINISTRATIVE

LAB

WTR

SLIP

WTR

WTR

ENT 46 X 82 37251 PG 331

BASIS OF BEARING S89°51'05" E

1/2" DIP PROCESS WATER

REL STORING
COOLING TOWER

DIP PROCESS

DIP PROCESS

DIP PROCESS

DIP PROCESS

DIP PROCESS

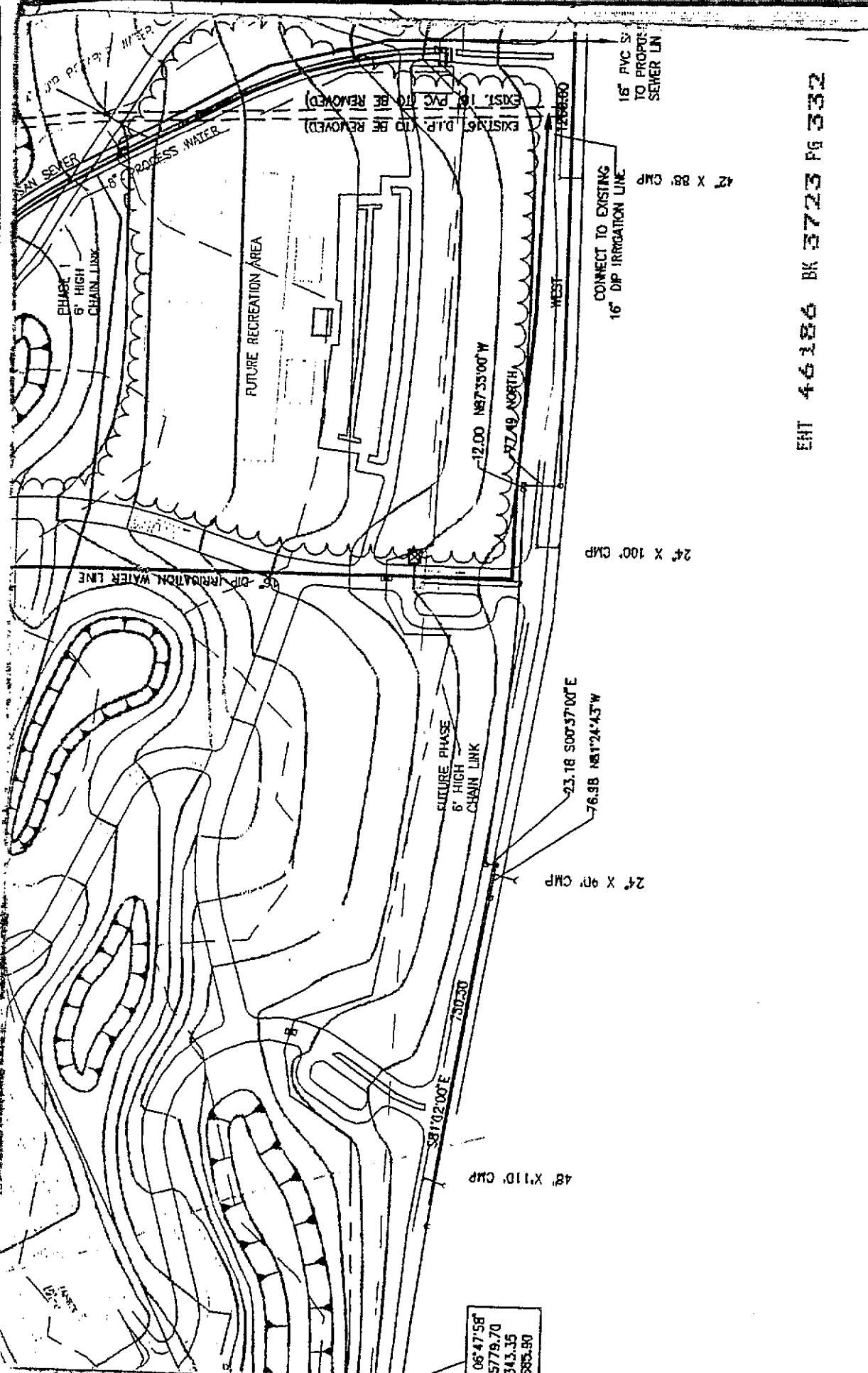
DIP PROCESS

DIP PROCESS

DIP PROCESS

DIP PROCESS

DIP PROCESS



06'47.58'
 5779.70
 343.35
 885.80

48" X 110' CMP

24" X 90' CMP

76.98 N81°24'43"W
 23.18 S00°37'00"E

24" X 100' CMP

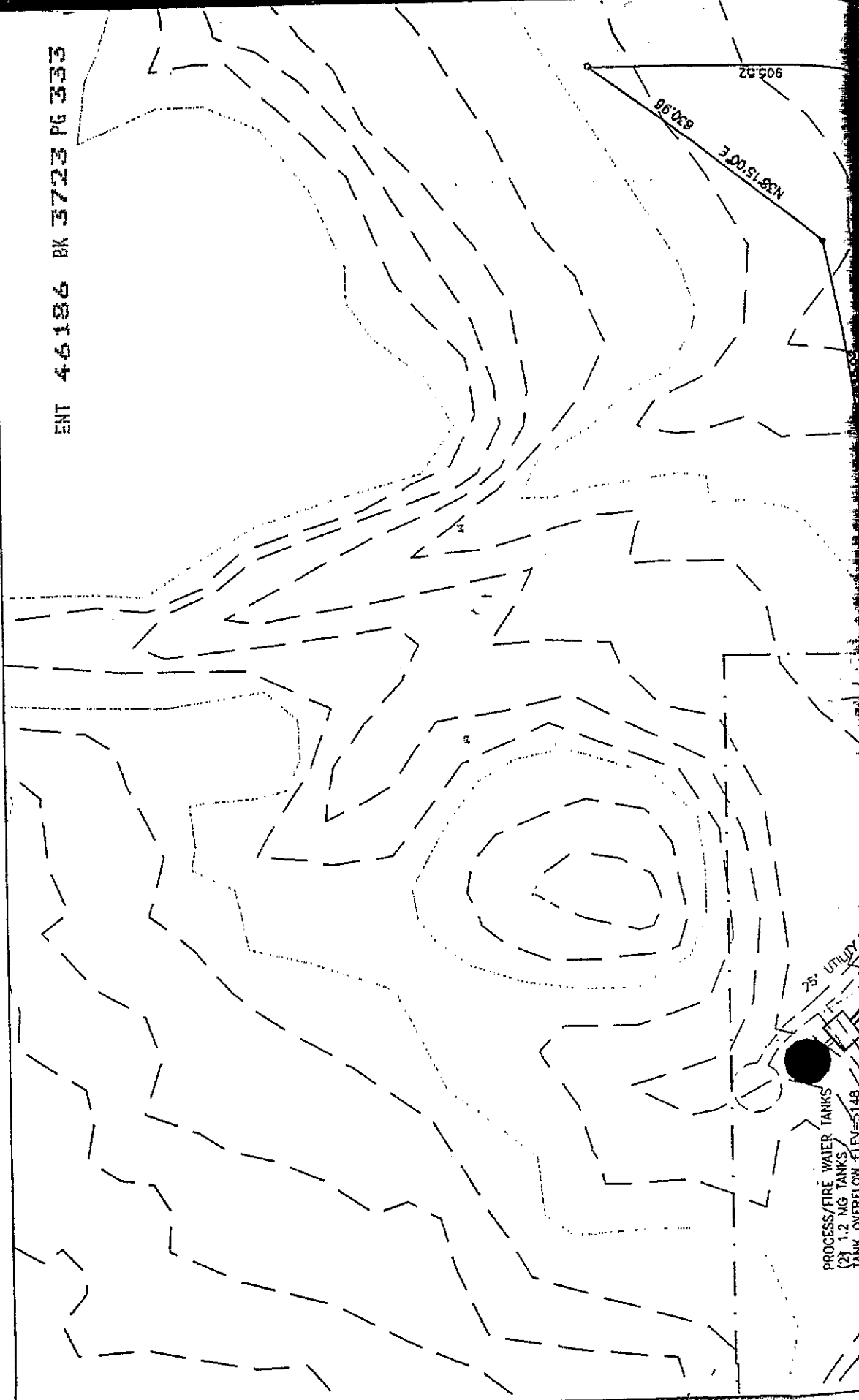
CONNECT TO EXISTING
 16" DIP IRRIGATION LINE
 42" X 88' CMP

16" PVC S...
 TO PROPR...
 SEWER LN.

EXIST. 16" PVC (TO BE REMOVED)
 EXIST. 6" D.I.P. (TO BE REMOVED)

ENT 46186 BK 3723 PG 332

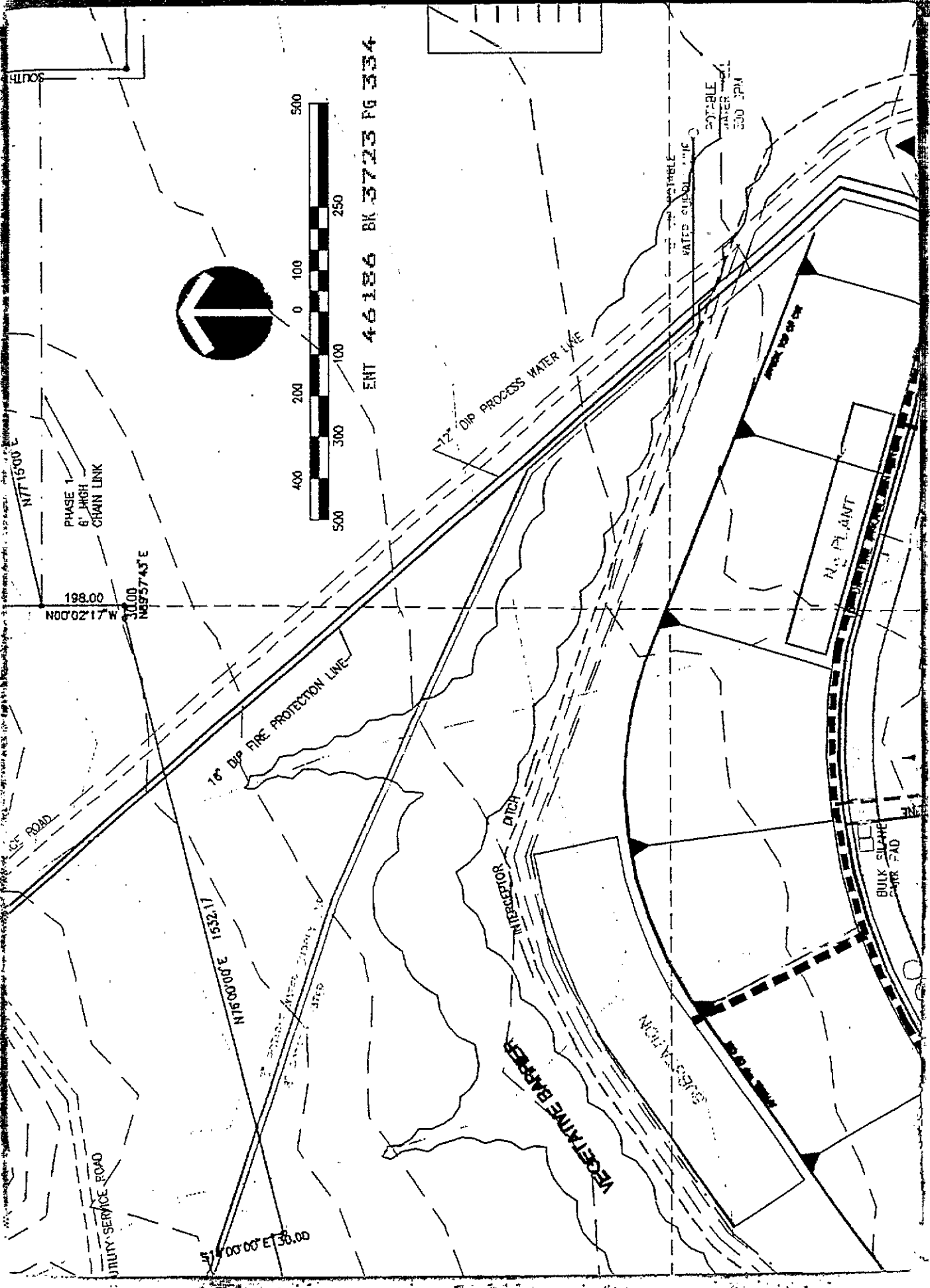
ENT 46186 BK 3723 PG 333



PROCESS/FIRE WATER TANKS
(2) 1.2 MG TANKS/
TANK OVERFLOW ELEV=5148

28' UTILITY





N177°15'00" E

PHASE 1
6" HIGH
CHAIN LINK

198.00

N00°02'17" W

377.00

N89°57'43" E

N15°00'00" E 1532.17

S77°00'00" E 38.00

ENT 4-6-18-6 BK 3723 PG 334



12" DIP PROCESS WATER LINE

10" DIP FIRE PROTECTION LINE

VEGETATIVE BARRIER

NO PLANT

BULK SILAGE
BANK PAD

POTABLE
WATER
TOWER
500 GPM

WATER STORAGE
TANK

UTILITY SERVICE ROAD

SOUTH

MICRO

6134 BK 3723 PG 335

25' UTILITY SERVICE ROAD

SNOW STORAGE AREA (TYP)

FUTURE BLDG PAD

FIRE HYDRANTS AT 350' O.C.
16" DIP FIRE PROTECTION LINE

VEGETATION

16" DIP FIRE PROTECTION LINE

18" DIP FIRE LOOR LINE
P-315

MAGE LANDSCAPE

VEGETATION / XERISCAPE

MU-1

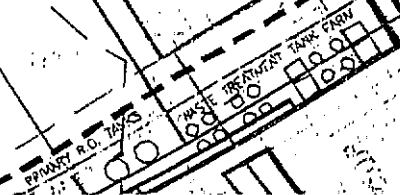
16" DIP FIRE PROTECTION LINE

FT. LEVEL- EL=4900

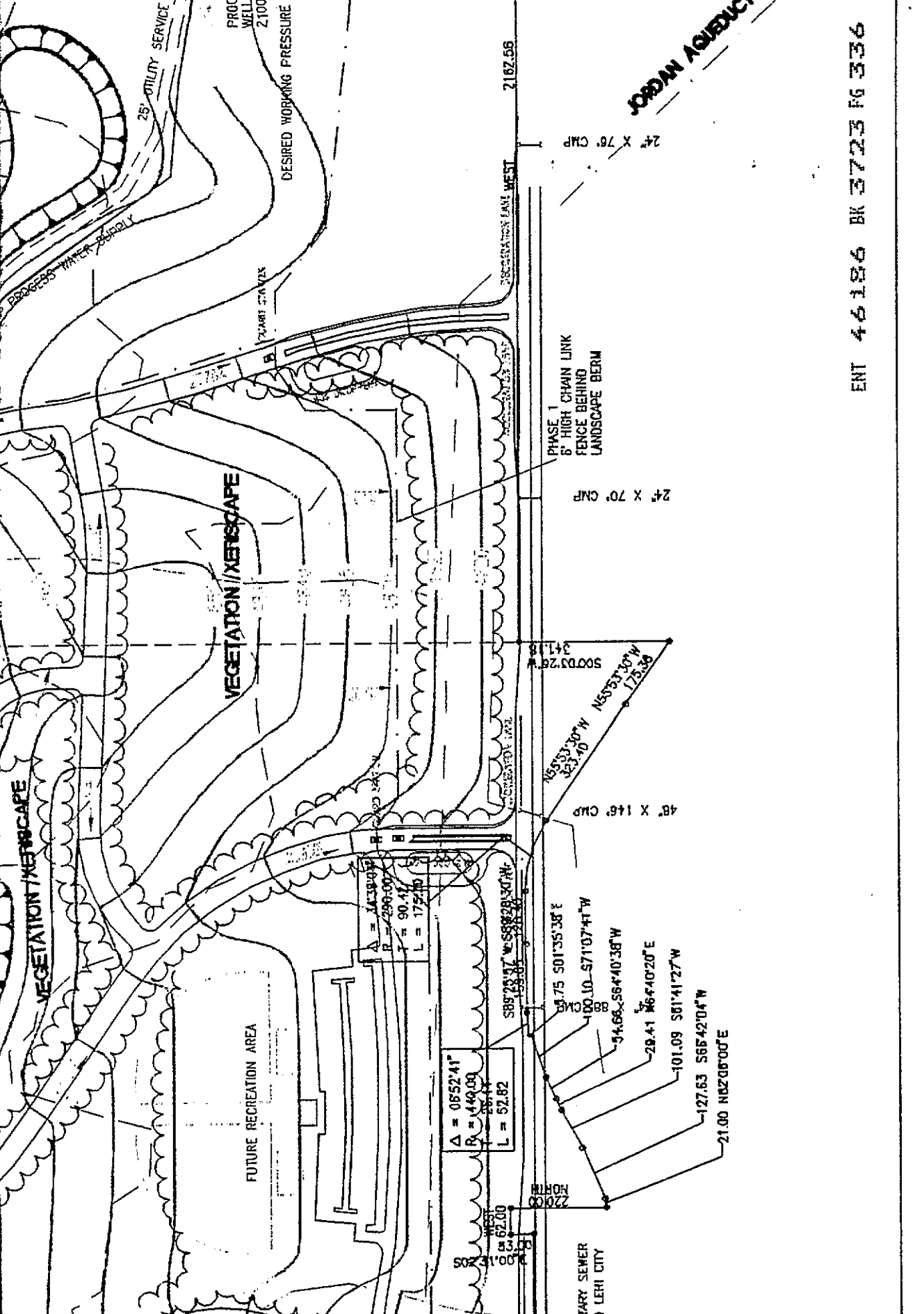
ACQUAINT SPINE

SOLVENT SIGHT

PROCESS WATER LINE
30" RING



33 34



VEGETATION/LANDSCAPE

FUTURE RECREATION AREA

PROJ. WELL 2100
DESIRED WORKING PRESSURE

25' UTILITY SERVICE

VEGETATION/LANDSCAPE

JORDAN AQUEDUCT

24' X 70' CMP

PHASE 1
6' HIGH CHAIN LINK
FENCE BEHIND
LANDSCAPE BERM

24' X 70' CMP

48' X 146' CMP

$\Delta = 143.80$
 $P = 299.00$
 $T = 90.41$
 $L = 172.10$

$\Delta = 0852.41$
 $R = 440.00$
 $L = 52.82$

220.00
 00.00
 00.00
 00.00
 WEST
 00.00
 00.00
 00.00

500'D X 28' W
 341.18
 N53°30' W
 123.40
 N53°30' W
 175.36

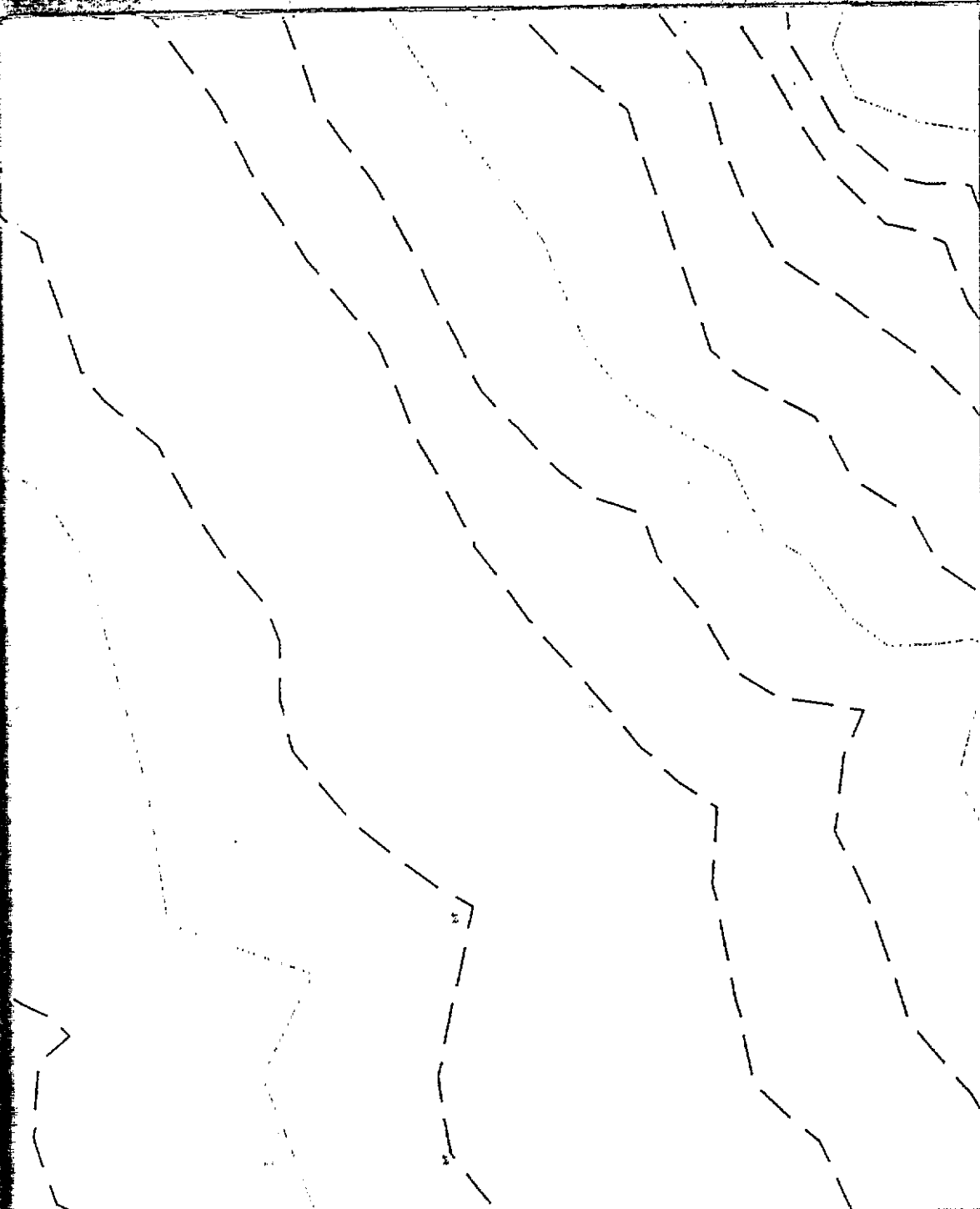
21.00 N02°00'00"E
 -127.63 S66°42'04"W
 -101.09 S01°41'27"W
 29.41 N06°40'20"E
 54.66 S56°40'38"W
 100.10 S71°07'41"W
 64.75 S01°35'38"E

HARRY SEWER
 D LEHI CITY

2187.56

DISSEMINATION EARL WEST

ENT 46186 BK 3723 FG 336



N
ES, INC.

SITE

PRELIMINARY UTILITY MASTER PLAN

ENT 46186 BK 3723 PG 337

EAST 1372.85

LEGEND

- PROCESS WATER LINE
- FIRE LINE
- SOFTBALL WATER LINE
- IRRIGATION WATER LINE
- INTERCEPTOR DITCH
- EXISTING WATER SYSTEM

1372.84 50°02'45"W 1281.51

ATION BOUNDARY

ENT 46186 BK 3723 PG 338

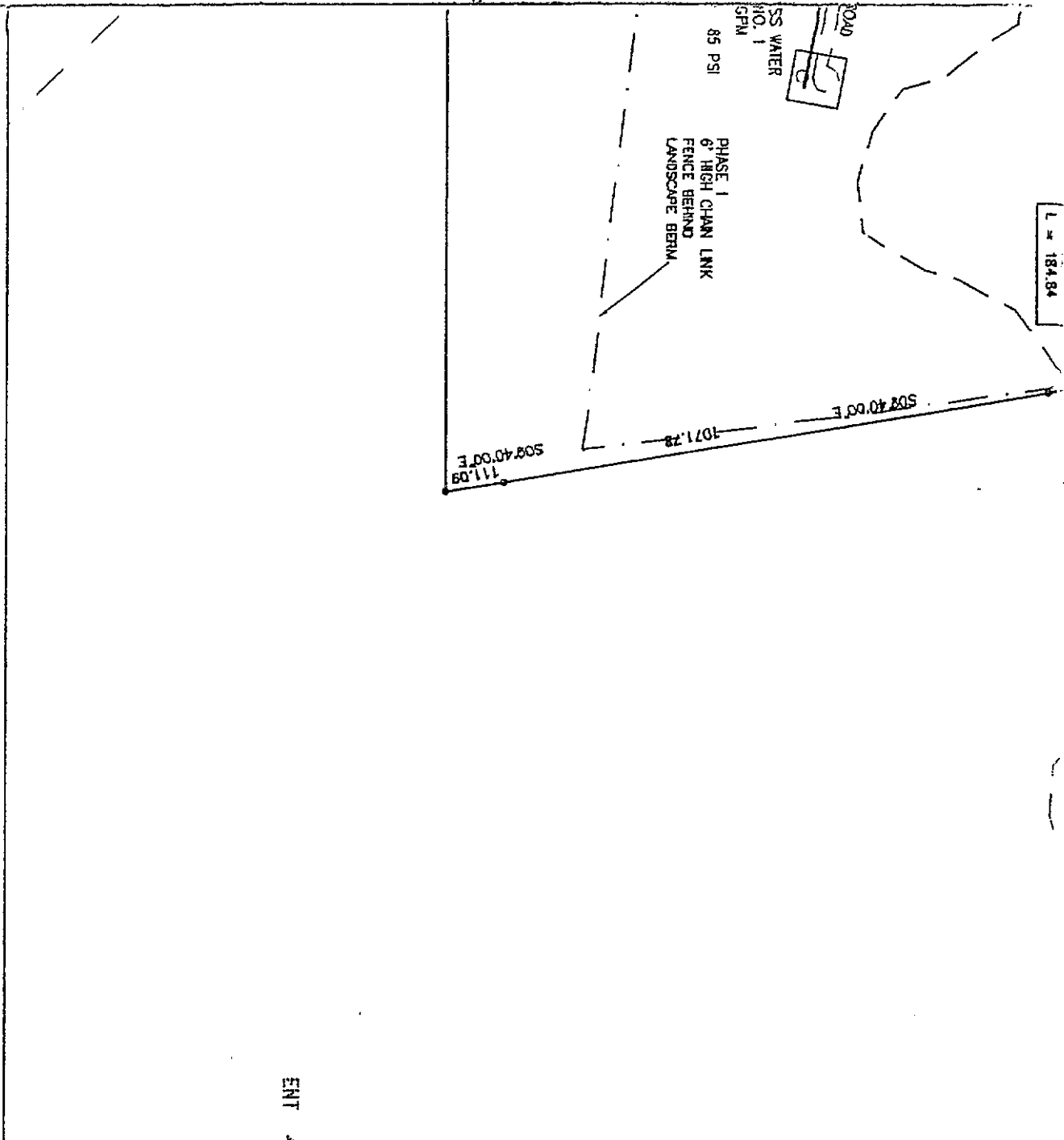
MICRO
TECHNOLOGY

LEVIN OYAN

CIVIL ENGINEER

FWP

ERKHOFF, WATSON, & PREATOR
1121 E. 3900 S. Suite C-100
Salt Lake City, Utah 84124



ENT 46126 BK 3723 PG 340

340

Issued For Construction:	6-1-93
Issued For (ditt):	6-1-93
Issued For Review:	6-1-93
Reviewer:	
GND File:	*****
Scale:	*****
Project Name:	*****
MP-1	

EXHIBIT B

TO

ENT 46186 BK 3723 PG 341

ANNEXATION AND DEVELOPMENT AGREEMENT

Project

The "Project" referred to in the foregoing Agreement is more particularly described as follows:

GENERAL DESCRIPTION

Micron's site development plans call for two (2) primary phases comprised of two separate manufacturing plants built side by side. The first phase will be constructed over a period of approximately four (4) years. The second phase is planned for future expansion dependant on favorable market conditions.

Each phase will be comprised of six major production and production support buildings including fabrication, assembly, test, administration, central utilities plant and warehouse. These major buildings are typically two to three stories above grade with one to two basement levels. The buildings are arranged such that production related facilities are located behind the administration buildings. In addition to the major buildings, certain other accessory buildings and facilities are contemplated to support the activities occurring in each phase.

Site vehicle circulation will be set up with six or more access points on State Road 92. Truck delivery will be directed to the rear service yards. Employee and visitor vehicular traffic will be directed to and from parking areas located in front of the administration areas.

A number of industrial support facilities will be located to the rear of the plant, including, but not limited to, cooling towers, holding ponds and tanks, gas production and dispensing sites, and building substations.

A large site substation fed by overhead transmission lines will be located to the rear of each phase. Various smaller ancillary buildings will be constructed on the site, including, but not limited to, vehicle maintenance, recreation, guard houses and well houses.

1. BUILDINGS

- SETBACK - Minimum setback will be 30' or the height of the building which ever is greater.
- AREA - No restrictions - Several phases of construction are anticipated with the initial phase expected to be approximately 1 million square feet.
- HEIGHT - Buildings limited to 85'. No height restriction for stacks/antennae and other appurtenances.
- FINISH - Non reflective surfaces except glazing.

2. UTILITIES & STRUCTURES

- GENERAL - Typically below ground utilities with the exception of power feeds to primary substations and overhead utility bridges which are fully enclosed and match the aesthetic standards of surrounding building.
- POWER - Power transmission lines feeding to each primary substation. Underground power transmission to local (building) substations.
- GASES - Multiple bulk gas storage facilities for a variety of process gases. Gas production facilities for inert and oxidizer gases. Natural gas service from off site pipeline.
- WATER - Several 1,000,000 gallon holding tanks. Several well sites with pump houses.
- COOLING TOWERS - Several cooling towers will be installed in the vicinity of the Central Utilities Plant(s).
- WASTE WATER - water treatment facilities on site including lined holding ponds and tanks. Treated waste water to city sewer.
- STORM WATER - Surface detention limited to pre-existing peak flows.
- PROCESS WASTE - Temporary holding facilities.
- SOLID WASTE - Compactor/dumpster facilities at each building.
- FUELING FACILITIES - Gasoline and diesel fuel.

3. TRANSPORTATION

- ROADS - multiple (six or more) access points as determined with the Highway Department
 - Material delivery roads
 - Employee/Public roads
- PARKING
 - Truck Loading - 4', 2', and at grade loading docks with concrete parking aprons at most buildings. A minimum of 12 loading docks will be provided.
 - Employee/Public parking - 9' x 18' stalls (no intermediate landscape islands which will inhibit snow plowing)

4. HARDSCAPE

- CURBS AND WALKS - minimum extruded concrete curb along paved edges (on site). Offsite curb and/or gutter requirements will be limited to entry points only. The highway frontage will not require curb and gutter along its length.
- LIGHTING - levels of site lighting sufficient to allow video camera surveillance of the developed site.
- RETAINING STRUCTURES: Retaining Walls and Berms
- SERVICE YARDS - Rear service yards will be paved with concrete or asphalt.
- FENCING - Chainlink fencing along the developed perimeter of the site. Chainlink fencing will also be installed around the interior perimeter (service yard) of the site.

5. LANDSCAPE - Drought tolerant and native plants as applicable. Other plant materials shall be acceptable for screen and feature areas. Landscaping shall be provided for ten percent (10%) of all developed front and side yard areas. Building footprint and rear yards (not visible from the property line) will not have a landscape requirement.

Intermediate landscape islands will not be required in parking areas. Undeveloped land will remain in natural state.

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6. SIGNAGE - Lighted building mounted company sign(s) with letters not to exceed 6' in height. General building and site identification signage with letter not to exceed 2' in height. Roof applied signage, visible from the air only may be implemented.

EXHIBIT 1

TO

ENT 46186 BK 3723 PG 344

ANNEXATION AND DEVELOPMENT AGREEMENT

Definitions

1. "City Parcel" means that certain parcel of property situated in Utah County, Utah, more particularly described as follows:

PARCEL 1-G - LEHI TANK PARCEL

A parcel of land located in Utah County, Utah in the Northwest quarter of the Southeast quarter of Section 28, Township 4 South, Range 1 East, Salt Lake Base and Meridian, and being more particularly described according to the following courses and distances, to wit;

Beginning at a point located N 0°01'56" E along the Section line 1324.38 feet, and N 89°54'32" W, 2248.53 feet along the 40-acre line and N 0°00'44" W, 12.00 feet from the Southeast corner of Section 28, Township 4 South, Range 1 East, Salt Lake Base and Meridian, and running thence N 89°54'32" W, 50.000 feet; thence N 00°00'44" W, 540.79 feet; thence S 89°54'32" E, 425.52 feet; thence S 0°00'44" E, 262.79 feet; thence N 89°54'32" W, 375.52 feet; S 00°00'44" E, 278.00 feet to the point of beginning. Containing 2.886 acres, more or less.

PARCEL 1-H - LEHI PRESSURE IRRIGATION RESERVOIR

A parcel of land located in Utah County, Utah in the Northwest quarter of the Southeast quarter of Section 28, Township 4 South, Range 1 East, Salt Lake Base and Meridian, and being more particularly described according to the following courses and distances, to wit;

Beginning at a point located N 0°01'56" E along the Section line 1324.38 feet, and N 89°54'32" W, 1873.01 feet along the 40-acre line from the Southeast corner of Section 28, Township 4 South, Range 1 East, Salt Lake Base and Meridian, and running thence N 89°54'32" W, along the 40-acre line 375.52 feet; thence N 0°00'44" W, 290.00 feet; thence S 89°54'32" E, 375.52 feet; thence S 0°00'44" E, 290.000 feet to the point of beginning. Containing 2.500 acres, more or less.

PARCEL 1-0 - ROAD TO TANK AND RESERVOIR

A parcel of land located in Utah County, Utah in the South half of Section 28 and the Northwest quarter of Section 33, Township 4 South, Range 1 East, Salt Lake Base and Meridian, and being more particularly described according to the following courses and distances, to wit;

ENT 46186 BK 3723 PG 345

Beginning at a point located N 89°58'12" W, along the section line 828.79 feet and South 1229.25 feet from the North quarter corner of Section 33, Township 4 South, Range 1 East, Salt Lake Base and Meridian, and running thence N 0°03'24" W, 1229.25 feet to a point on a 40-acre line; thence N 0°02'28" W, 1340.42 feet; thence S 89°54'21" E, 830.34 feet to a point on the quarter section line of said Section 28; thence S 89°54'32" E, 408.82 feet; thence S 0°00'44" E, 12.00 feet to a 40-acre line; thence N 89°54'32" W, along a 40-acre line 408.82 feet to the northeast corner of the southeast quarter of the southwest quarter of said Section 28; thence N 89°54'21" W, along a 40-acre line 788.26 feet; thence along the arc of a 30.00-foot radius curve to the left 47.20 feet (Chord bears S 45°01'35" W, 42.48 feet); thence S 0°02'28" E, 1298.33 feet to a point on a 40-acre line; thence S 0°03'24" E, 1231.10 feet; thence along the arc of a 5679.70-foot radius curve to the right 12.14 feet (Chord bears N 81°14'53" W, 12.14 feet) to the point of beginning. Containing 1.051 acres, more or less.

2. "Development" means any development, construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land.

3. "Development Exactions" mean any assortment of techniques, fees, dedications, and exactions, however characterized or denoted, intended to compel Micron to exchange land, money, materials or services, or to compensate or reimburse the City for the added service, capital or operating costs of the City, by reason of development, expansion or modification of any structure, business or use on the Project. Without limiting the generality of the foregoing, the term "Development Exactions" shall specifically include all impact fees authorized by the Utah Impact Fee Act, Utah Code Ann. § 11-36-101 et seq. or the Municipal Code, but shall not include the connection fees specifically identified in Section 4.8 of the Agreement.

4. "Development Approval" means any building permit, approval, consent or authorization issued by the City, or which is a condition precedent to any permit approval, consent or authorization required by the City, for the Development of the Project.

5. "Existing Land Use Regulations" means those certain Land Use Regulations in effect on the Effective Date.

6. "Existing Water System" means the 500,000 gallon culinary water reservoir, a pressurized irrigation system, connecting lines and related equipment located on the City Parcel.

7. "Land Use Regulations" means laws, statutes, ordinances, codes, resolutions, rules, regulations, approvals, permits of every kind and character, programs, and official policies and action of the City, governing the permitted uses of land, density and intensity of use, and the design, improvement, and construction standards and specifications applicable to the Development of the Project. Land Use Regulations include, but are not limited to, Development Approvals, the Lehi City General Plan, the Lehi City Development Standard and Public Improvement Specifications, specific plans, zoning ordinances, development moratoria and growth management and phased development programs, and ordinances establishing Development Exactions. The term "Land Use Regulations" does not include, however, Regulations relating to the conduct of business, professions, and occupations generally; taxes and assessments other than Development Exactions; regulations for the control and abatement of nuisances; encroachment and other permits and the conveyances of rights and interests that provide for the use of or entry upon public property; and any exercise of the power of eminent domain. The term "Land Use Regulations" also includes the Utah Impact Fee Act, Utah Code Ann. § 11-36-101 et seq.

ENT 46186 BK 3723 PG 346

8. "Municipal Code" means the Lehi City Municipal Code 1984, as amended.

9. "Redevelopment Agency" means the Redevelopment Agency of Lehi City.

10. "Redevelopment Project" means the redevelopment project which may be formed by the Redevelopment Agency of Lehi City, which redevelopment project may include the Property or a portion thereof.

EXHIBIT 2.2

TO

ANNEXATION AND DEVELOPMENT AGREEMENT

Amendments to General Plan and Development Code

The proposed amendments to the Lehi City General Plan and the Lehi City Development Code are attached hereto as Ordinance No. 6-06-95.11

ENT 46186 BK 3723 PG 347

LEHI CITY

ORDINANCE NO. 6-06-95.11

AN ORDINANCE ADOPTING AMENDMENTS TO THE
LEHI CITY GENERAL PLAN AND LEHI CITY MUNICIPAL CODE
PROVIDING FOR THE CREATION OF A T-M TECHNOLOGY
AND LIGHT MANUFACTURING ZONE AND AMENDING THE
LEHI CITY SUPPLEMENTARY REGULATIONS

ENT 46186 BK 3723 PG 348

WHEREAS, various amendments have been proposed to the Lehi City General Plan and Lehi City Municipal Code providing for the creation of a T-M Technology and Light Manufacturing Zone and related matters; and

WHEREAS, the proposed amendments have previously received a favorable recommendation from the Lehi City Planning Commission following a public hearing on May 18, 1995; and

WHEREAS, the City Council has received the Planning Commission's recommendation and input through public hearings before the City Council and determined that the proposed amendments are in the best interests of the health, safety and general welfare of the City;

NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF LEHI CITY, UTAH, AS FOLLOWS:

I. The Lehi City General Plan is hereby amended to incorporate the following changes:

A. Amendments to "Goals and Policies" of Lehi City Master Plan

1. Article II, Section B Land Use Policies.

Amend Section 2 of Article II.B of the Lehi City Master Plan to read as follows:

2. Discourage residential development within areas zoned for technological and light manufacturing uses or within designated flood plains and natural hazard areas.

2. Article III, Section A Policies: Commercial/Industrial Development.

Add the following as new Sections 8 through 11 of Article III.A of the Lehi City Master Plan:

8. Provide for and encourage the development of well planned and designed technological and light manufacturing parks to accommodate certain

technological and light manufacturing facilities, offices and other similar activities within the city in appropriate locations and to discourage uses which tend to thwart the use of land for such purposes from locating within such area.

9. Encourage the expansion of technological and light manufacturing uses within the Lehi City;

10. Encourage new technological and light manufacturing uses to locate within the Lehi City to the end that the economic well-being of Lehi City and its inhabitants shall be enhanced thereby.

11. Facilitate the provision of manufacturing, processing, fabrication, warehousing and distribution of goods and materials where such activities can be carried on conveniently and without deleterious effects on dwellings and other incompatible uses.

B. Amendments to "Guidelines for Implementation" of Lehi City Master Plan

1. Article II, Section A Annexation.

a. Amend Section 10 of Article II.A of the Lehi City Master Plan to read as follows:

All property annexed to Lehi City shall provide water rights in an amount sufficient to satisfy the needs of the existing and future uses and occupants of the annexed territory to be supplied by the Lehi City Water systems as provided by these guidelines. The owner of any property annexed into the City shall convey to the City in accordance with these guidelines water rights that entitle such owner to an annual quantity and rate of flow sufficient to meet the water use requirements of proposed future development of such annexed

property. These water rights conveyance requirements shall be considered as a condition precedent to the approval of annexation. The amount of water rights to be conveyed shall be determined according to the following schedule:

ENT 46186 BK 3723 PG 350

<u>Zone Requested</u>	<u>Irrigation Co. Water</u>
A-1	1.42
RA-1	1.42
R-1-12	1.42
R-1-8	1.42
R-2	2.92
R-3	3.67
GC-1	1.00*
GC-2	1.00*
I&M-1	1.00*
T-M	1.00*
Mobile Home Parks	2.00
All Others	1.42

*Evaluation of the uses of said property may increase/decrease this amount.

Sufficient water rights or shares of water from sources other than Lehi Irrigation Company may be substituted so long as they are equivalent to a like amount of Lehi Irrigation Company shares. A conversion chart showing the equivalent value of these other sources is available at the Lehi City Public Works office. Subsequent to an annexation, if a change in zoning classification is requested to a zone requiring more water shares as indicated above, or a request for development approval requiring more water service from Lehi City, additional water may be required at that time consistent with these guidelines.

Prior to acceptance of water rights, the City shall evaluate the rights proposed for conveyance and may refuse to accept any right which it determines to be insufficient in annual quantity or rate of flow or not reasonably likely

to be approved for change to municipal purposes within the City by the State Engineer. In determining the quantity of water available under the water rights, the City will evaluate the priority of the water rights and the historic average quantities of water available to the water rights as determined by the State Engineer.

ENT 46186 BK 3723 PG 351

Where an annexation contains property which is being annexed without the consent of the owner, or where it is anticipated that water service will not be required from Lehi City, or where a non-residential development consisting of at least 100 acres will provide a substantial portion of its own water needs, Lehi City may, in the exercise of the discretion of the City Council, not require the conveyance of water rights at the time of annexation so long as the resolution or ordinance annexing the territory:

1. Specifically identifies such parcels; and
2. Provides that any subsequent change in zoning classification of such parcels initiated by the property owner or any increase in the need for water service to such parcels from Lehi City will require the conveyance of water rights to the extent necessary to provide adequate water to such development.

Anything in these guidelines to the contrary notwithstanding, for non-residential developments consisting of at least 100 acres and where the annexed property provides a substantial portion of its own water needs, the City may in its sole discretion, enter into

a development agreement which, among other things, and by its own terms shall specifically provide for an alternative schedule for compliance with these water rights conveyance requirements.

For all parcels which have been annexed without concurrent conveyance of water rights at the time of annexation and which are not bound by an applicable development agreement, the City may file a Notice of Interest with the County Recorder and maintain a map showing the location of such parcels.

C. Article II, Section B: Land Use

Add the following as a new paragraph at the end of Section B of Article II of the Lehi City Master Plan:

The Master Annexation Policy Declaration established and adopted by Lehi City projects expansion of the City's boundaries in areas east of Interstate 15 and north of Alpine Highway (State Road 92). This area is ideally suited for the establishment of technological and light manufacturing uses. As this area is annexed to the City the land should be considered for zoning permitting technological and light manufacturing uses and residential developments should be discouraged from locating in areas so zoned.

D. Article III Economic Development.

Amend the last sentence of Article III of the Lehi City Master Plan to read as follows:

"Lehi should develop a policy of encouraging technological, light manufacturing, industrial and commercial growth through use of economic incentives."

E. Article V, Section B Public Facilities.

Delete the last sentence of Article V.B of the Lehi City Master Plan (including Sections 1, 2 and 3 thereof) and insert the following sentence in lieu thereof:

In order to limit the possibility of property damage, a drainage plan shall be prepared by the property owner or applicant and approved by the City Engineer in compliance with the Lehi City Development Standards and Public Improvement Specifications.

II. The Lehi City Municipal Code is hereby amended as follows to include the adoption of Chapter 18.50 creating the T-M Technology and Light Manufacturing Zone:

Chapter 18.50

T-M TECHNOLOGY AND LIGHT MANUFACTURING ZONE

Sections:

- 18.50.010 General Objectives and Characteristics
- 18.50.020 Allowable Uses
- 18.50.030 Area Requirements
- 18.50.040 Width Requirements
- 18.50.050 Setback Requirements
- 18.50.060 Height Requirements
- 18.50.070 Size of Buildings
- 18.50.080 Vibrations
- 18.50.090 Utilities
- 18.50.100 Noise
- 18.50.110 Supplementary Regulations

18.50.010 General Objectives and Characteristics

A. This chapter is adopted for the purpose of promoting the health, safety, and general welfare of the city and its residents and in furtherance of the following more specific objectives:

1. to provide for and encourage the development of well planned and designed technological and light manufacturing parks to accommodate certain technological and light manufacturing facilities, offices and other similar activities within the city in appropriate locations and to discourage uses which tend to thwart the use of land for such purposes from locating within this zone;

2. to encourage the expansion of technological and light manufacturing uses within the zone;
3. to encourage new technological and light manufacturing uses to locate within the zone to the end that the economic well-being of the city and its inhabitants shall be enhanced thereby;
4. to facilitate the provision of manufacturing, processing, fabrication, warehousing and distribution of goods and materials where such activities can be carried on conveniently and without deleterious effects on dwellings and other incompatible uses;
5. to promote the economic well-being of the area;
and
6. to broaden the tax base, to promote stability of technological and light manufacturing uses, and to protect the city's tax revenue.

B. The T-M Technology and Light Manufacturing Zone has been established as a district in which the primary use of the land is for technological and light manufacturing establishments. This zone is characterized by land peculiarly suited for technological and light manufacturing uses because of the proximity to transportation facilities and because of the availability of utilities necessary for successful technology and manufacturing use. While much of the land within this zone is currently devoted to agriculture and other open land uses, it is intended that technological and light manufacturing uses shall be directed into this zone as the needs arise.

C. Representative of the uses within this zone are research, development, manufacturing, fabrication, processing, storage, warehousing and wholesale distribution. As a means of attracting technology and light manufacturing establishments into this zone, dwellings, residential developments and other incompatible uses which tend to thwart or prevent the use of the land for its primary purposes have been excluded from this zone.

D. In order to accomplish the objectives and purposes of this Title, and to encourage the most appropriate use of land within this zone, the regulations set forth in Sections 18.50.020 through 18.50.110 shall apply in the T-M Technology and Light Manufacturing Zone.

E. Permitted Uses. The following buildings, structures, and uses of land, and no others, shall be permitted in the T-M Technology and Manufacturing Zone:

1. Research, development, manufacture, assembly, maintenance, use and wholesale distribution of electrical appliances, electronic instruments and devices, computers, computer components, including the manufacture of computer chips, boards, displays, and other computer components.
2. Research, development, manufacture, assembly, maintenance, use and distribution of engineering, laboratory, scientific and research instruments and associated equipment.
3. Manufacturing, processing, packaging, fabrication, warehousing and distribution of goods and materials compatible with other permitted uses within the T-M Technology and Light Manufacturing Zone.
4. Inert gas production facilities.
5. Wastewater treatment and reclamation facilities and reservoirs accessory to a permitted use in the T-M Technology and Light Manufacturing Zone.
6. Maintenance, service and repair of mobile and stationary equipment used in connection with or accessory to an allowed use.
7. Accessory and bulk storage and use of liquids, gases and materials necessary for or resulting from an allowed use.
8. Temporary construction materials, equipment and facilities necessary for development of any allowed structure.
9. Water wells, water tanks, water transmission lines, dams, pumping plants, substations, power plants, electrical power transmission lines, oil and gas transmission lines, telecommunication lines and other utility lines, facilities and supporting structures.
10. Fuel storage and distribution for utilization primarily on-site.
11. Electronic products and components, including radio, television, and other communications equipment, computers and data systems facilities and equipment.

12. Radio, television and other telecommunication stations, studios and facilities.
13. Agriculture and farm machinery storage sheds, except processing of animal by-products and livestock feed yards.
14. Caretaker dwelling, when incidental to and located on the same tract of land as an allowed use.
15. Research, experimental and testing laboratories.
16. Optical, photographic, engineering and similar precision instruments.
17. Medical and professional offices.
18. Printing, lithography, publishing and associated reproduction.
19. Retail sales and service as an accessory use to an allowed use.
20. Fences, walls, retaining structures and hedges.
21. Accessory signs.
22. Public utility buildings, structures and facilities.
23. On-site day care facilities assessorly to a permitted use in the T-M Technology and Light Manufacturing Zone.
24. On-site educational facilities assessorly to a permitted use in the T-M Technology and Light Manufacturing Zone.
25. Accessory uses, buildings and parking lots incidental and accessory to other allowed uses.
26. Any other office, laboratory and manufacturing uses similar to those uses enumerated above which do not create any danger to the public health, safety and general welfare in surrounding areas and which do not create any fumes, vibrations, smoke, noise, odor or dust that is offensive or deleterious to surrounding property.

F. Other Consistent Uses. Land within the T-M Technology and Light Manufacturing Zone may be devoted to other non-residential uses not specifically identified in the foregoing Section A that are similar in character to the

foregoing list of permitted uses and are consistent with the intent of this Zone subject to the review of the Site Plan Committee and approval of the Planning Commission and City Council.

18-50.030 Area Requirements. In the T-M Technology and Light Manufacturing Zone there shall be no area requirements, except that which may be required by the Uniform Building Code or the Uniform Fire Code currently adopted by the city and an area sufficient to accommodate off-street parking, loading and unloading, and vehicular access shall be provided and maintained.

18-50.040 Width Requirements. There are no width requirements for the T-M Technology and Light Manufacturing Zone except that which may be required by the Uniform Building Code or Uniform Fire Code currently adopted by the city.

18-50.050 Setback Requirements. In the T-M Technology and Light Manufacturing Zone, all buildings shall be set back at least thirty (30) feet from the right-of-way line.

18-50.060 Height Requirements. There are no height requirements for the T-M Technology and Light Manufacturing Zone except that which may be required by the Uniform Building Code or Uniform Fire Code currently adopted by the city.

18-50.070 Size of Buildings. There are no requirements for the size of buildings in the T-M Technology and Light Manufacturing Zone except that which may be required by the Uniform Building Code or Uniform Fire Code currently adopted by the city.

18-50.080 Vibrations. In the T-M Technology and Light Manufacturing Zone, except for temporary construction activities for which a City permit has been obtained, no vibrations shall be perceptible without the aid of instruments along the boundary line of any property on which is located a building or facility from which such vibrations emanate. Any temporary construction activities creating such vibrations shall be coordinated to minimize any disruption of uses located on other adjoining properties.

18-50.090 Utilities. All utilities in the T-M Technology and Light Manufacturing Zone may be placed either above-ground or underground in accordance with the Lehi City Development Standards and Public Improvement Specifications.

18-50.100 Noise. In the T-M Technology and Light Manufacturing Zone, in no event shall the peak intensity of sound exceed a sound level in excess of the following limits, measured at any point on the property line of the property on which activity is occurring, using the methods provided in Chapter 8.28.040 of the Lehi Municipal Code, except to the extent caused by emergency activities or vehicles:

- A. Continuous and intermittent noises described in Subsection A of Section 8.28.010 of the Lehi City Municipal Code shall not exceed 85 dbA during the day or the night;
- B. Continuous noises described in Subsections B and C of Section 8.28.010 of the Lehi City Municipal Code shall not exceed 75 dbA during the day or the night; and
- C. Intermittent noises described in Subsections B and C of Section 8.28.010 of the Lehi City Municipal Code shall not exceed 80 dbA during the day or the night.

Terms used in this Section 18-50-100 shall have the same meaning as in Section 8.28.030 of the Lehi City Municipal Code.

18-50.110 Supplementary Regulations. For supplementary regulations pertaining to the T-M Technology and Light Manufacturing Zone see Chapters 18.60 through 18.76.

III. The Lehi City Municipal Code is hereby amended to adopt the following changes to the Lehi City Supplementary Regulations:

- A. Amend the first sentence of Section 18.64.130 of the Lehi City Municipal Code to read as follows:

18.64.130 Size of parking spaces. Each off-street parking space shall have dimensions of not less than nine feet in width and twenty feet in length, except in a coordinated non-residential development consisting of at least fifty acres, each off-street parking space shall have dimensions of not less than nine feet in width and eighteen feet in length.
(Prior code 25-3-25 (L))

- B. Amend Section 18.64.230 of the Lehi City Municipal Code to read as follows:

18.64.230 Required off-street loading space. A. One off-street loading space shall be provided and maintained on the same lot with every building or separate occupancy thereof having a gross floor area of ten thousand square feet or more which requires the receipt or distribution of goods, material, merchandise or supplies by vehicle. For developments with a total gross floor area of less than 100,000 square feet, one additional loading space shall be provided for each additional twenty-thousand square feet of gross floor area of such building or for each vehicle which must be loaded or unloaded at the same time, whichever requirement is greater. For developments with a total gross floor area of 100,000 thousand square feet or more, one additional loading

space shall be provided for each additional 100,000 square feet of gross floor area of such building.

B. Each required off-street loading space shall be not less than ten feet in width, twenty-five feet in length, and fourteen feet in height. (Prior code 25-3-25 (U))

C. Add a new Section 18.72.160 to the Lehi City Municipal Code to read as follows:

18.72.160 T-M Technology and Light Manufacturing.
Except as otherwise provided in an approved site plan, no less than ten percent of the developed site, less the ground area covered by the building, shall be permanently landscaped. All landscaping shall be contained in planting beds. Each planting bed shall have no dimension less than three feet. "Developed site" means the area on the property on which development activity is occurring excluding buildings, wells, utilities and areas preserved in their natural state or in agricultural use. (Ord. 8-13-85-12-A 1 (part), 1985; Ord. 8-13-85-12 1 (part), 1985)

IV. The Lehi City Council specifically finds that it is necessary for the immediate preservation of the health, safety and general welfare of the City that this ordinance take effect immediately, and this ordinance shall therefore take effect immediately after passage by the City Council and subsequent publication and posting.

PASSED AND ADOPTED by the Lehi City Council this 6 day of June, 1995.

William L. Gibbs
William L. Gibbs, Mayor

VOTING BY THE CITY COUNCIL: Motion Councilmember Haws, Second Councilmember Sunderland, Yes: Carlton, Sunderland, Haws, Johnson.

ATTEST:

Evelyn W. Yates
Evelyn W. Yates, City Recorder
Lehi City, Utah

34306.1

EXHIBIT 4.1

TO

ENT 46186 BK 3723 PG 360

ANNEXATION AND DEVELOPMENT AGREEMENT

Infrastructure Improvements and Water and Sewer Services

Subject to Article 4 and Section 6.3 of the Agreement, the following Infrastructure Improvements, water and sewer services shall be provided by the City. All such improvements shall be sized to provide adequate access and utility services to the Property:

1. Water.

1.1 Water Service. The City shall supply culinary, pressurized irrigation, fire protection and industrial water to the Property as follows:

1.1.1 Culinary Water. No later than May 1, 1996, the City shall supply to the western boundary of the Property, at the location identified on Attachment 1.1 hereto, (the "Water Delivery Point") culinary water service meeting the following minimum characteristics:

- 1.1.1.1 Quantity. 200 gpm
- 1.1.1.2 Pressure. 45 psi.
- 1.1.1.3 Quality. Drinking water quality

1.1.2 Pressurized Irrigation and Fire Protection Water. No later than July 1, 1996, the City shall supply to the Water Delivery Point pressurized irrigation and fire protection water meeting the following minimum characteristics:

- 1.1.2.1 Quantity. 3,500 gpm.
- 1.1.2.2 Pressure. 100 psi minimum.

1.1.3 Construction Water. No later than July 1, 1995, subject to the installation of the interim facilities contemplated by Section 1.3 hereof, the City shall supply to the Water Delivery Point water for use in construction activities at the Property meeting the following minimum characteristics:

- 1.1.3.1 Quantity. 500,000 gallons per day.
- 1.1.3.2 Pressure. Head at an elevation of approximately 4920 feet.

1.1.4 Industrial Water. No later than July 1, 1996, the City shall supply to the Water Delivery Point industrial water meeting the following minimum characteristics:

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1.1.4.1 Quantity. 1,500 gpm.

1.1.4.2 Pressure. Head at an elevation of approximately 4940 feet if source is the City's 1200 East well.

Head at an elevation of approximately 5200 feet if source is the City's new storage facility.

1.1.4.3 Quality. Drinking water quality.

1.2 Water Lines, Mains and Facilities. In order to supply to the Project the water service to the extent contemplated by the Agreement, the City shall design, engineer, and install the following water lines and mains, together with all related facilities including tanks, reservoirs, pumps, pressure reducing stations, valves, meters, together with all other equipment and materials required to deliver water to the water delivery point, such water delivery point to be mutually agreed upon by the City and Micron.

1.2.1 Culinary Water.

2 MG Replacement Water Tank at approximately 4940' (1 MG Lehi City, 1 MG for potential MICRON Backup)

2 MG New Water Tank at approximately 5200' (1 MG Lehi City, 1 MG for potential MICRON Backup)

Transmission Piping 20", 16", 12"

Booster Pump Station (Replacement Tank to New Tank)

Culinary Well with Equipping

Telemetry Equipment

Valving and Metering

Miscellaneous Piping

1.2.2 Pressure Irrigation and Fire Protection

20 AF Replacement Water Reservoir at approximately 4940' (15 AF Lehi City, 5 AF for potential MICRON Backup)

15 AF New Water Reservoir at approximately 5200' (10 AF Lehi City, 5 AF for potential MICRON Backup)

Transmission Piping 20", 16"

Booster Pump Station (Replacement Reservoir to New Reservoir)

Booster Pump Station (Murdock Canal to Replacement Reservoir)

Telemetry Equipment

Valving and Metering

Miscellaneous Piping

1.3 Interim Facilities for Construction Impacts

[To Be Determined by mutual agreement of Micron and the City]

Such facilities shall be installed as generally depicted on Attachment 1.1 hereto.

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2. Sanitary Sewer Collection Lines. In order to provide Micron with the ability to connect to the sanitary sewer service provided by the Timpanogas Special Service District (TSSD), the City shall design, engineer, and install the following sewer collection lines together with all appurtenant structures including pipe, borings, manholes, meters, together with all other equipment and materials required to provide service at the Project sewer discharge point, such sewer discharge point to be mutually agreed upon by the City and Micron.

2.1 Collection Lines

700 South Center to US 89 via 100 or 200 West (27" min)
Creskide Meadows to 2000 North Center via Dry Creek
(27" min)
2000 North Center to 2600 North Center via Center Street
or 2600 North 600 East via Dry Creek or 2600 North (27" min)
2600 North to MICRON site via Center or 600 East (sized at 18"
to accommodate assumed MICRON flows)

Manholes
Metering and Sampling Manholes
Service Connections
Pavement and Surfacing Repair
Railroad/Highway Borings
Existing Line Removals

Such facilities shall be installed as generally depicted on Attachment 2.1 hereto.

3. Transportation Systems. The City shall complete or cause to be completed the following improvements to the transportation systems serving the Project.

- 3.1 State Road 92 from UPRR to 6800 West County. As soon as reasonably practicable, the City, in cooperation with the Utah State Department of Transportation will design, engineer and improve State Road 92 ("SR 92") from its existing configuration to a four lane facility to accommodate the projected traffic flow to the Project. These improvements to SR 92 shall include:

Right of Way to accommodate four (4) or five (5) lanes plus
shoulders and slope areas (4 lanes west of MICRON, five (5) lanes
for MICRON's access points)

Pavement Design to accommodate proposed traffic
Signalization at Primary Entrance if warranted

Integrate improvements with existing Aqueducts/
Canals
Roadway Drainage Features
Roadway Signing/Traffic Control Features
Striping

ENT 46186 BK 3723 PG 363

- 3.2 State Road 92 from I-15 Interchange to UPRR. As soon as reasonably practicable, the City, in cooperation with the Utah State Department of transportation will design, engineer, and improve SR 92 from its existing configuration to a four (4) lane facility to accommodate the projected traffic flow to the Project. These improvements to SR 92 and the I-15 Interchange shall include:

Right of Way to accommodate four (4) lanes plus shoulders
and slope areas
Pavement Design to accommodate proposed traffic
Striping
Modify Ramp Terminals on East Quadrants to accommo-
date free flow traffic
Ramp Widening if warranted

- 3.3 State Road 92 from 6800 West County to East Side of Dry Creek. As soon as reasonably practicable, and as funding permits, the City, in cooperation with the Utah State Department of Transportation will design, engineer, and improve SR 92 from its existing configuration to a four (4) lane facility to accommodate the projected traffic flow from the Project. These improvements to SR 92 shall include:

Right of Way to accommodate four (4) lanes plus shoulders
and slope areas
Pavement Design to accommodate proposed traffic
Integrate improvements with existing Aqueducts/
Canals
Roadway Drainage Features
Roadway Signing/Traffic Control Features
Striping

- 3.4. 1200 East Connection. As soon as reasonably practicable, the City will design, engineer, and improve the connection from SR 92 to 1200 East 3100 North in Lehi City. The extension of this connection will include the following:

70' Wide Minor Arterial with two (2) Traffic Lanes with
Turning Lane & Shoulders
Box Culvert Crossing on Murdock Canal
Pavement Design to accommodate proposed traffic
Integrate improvements with existing Aqueducts/
Canals

Roadway Drainage Features
Roadway Signing
Striping

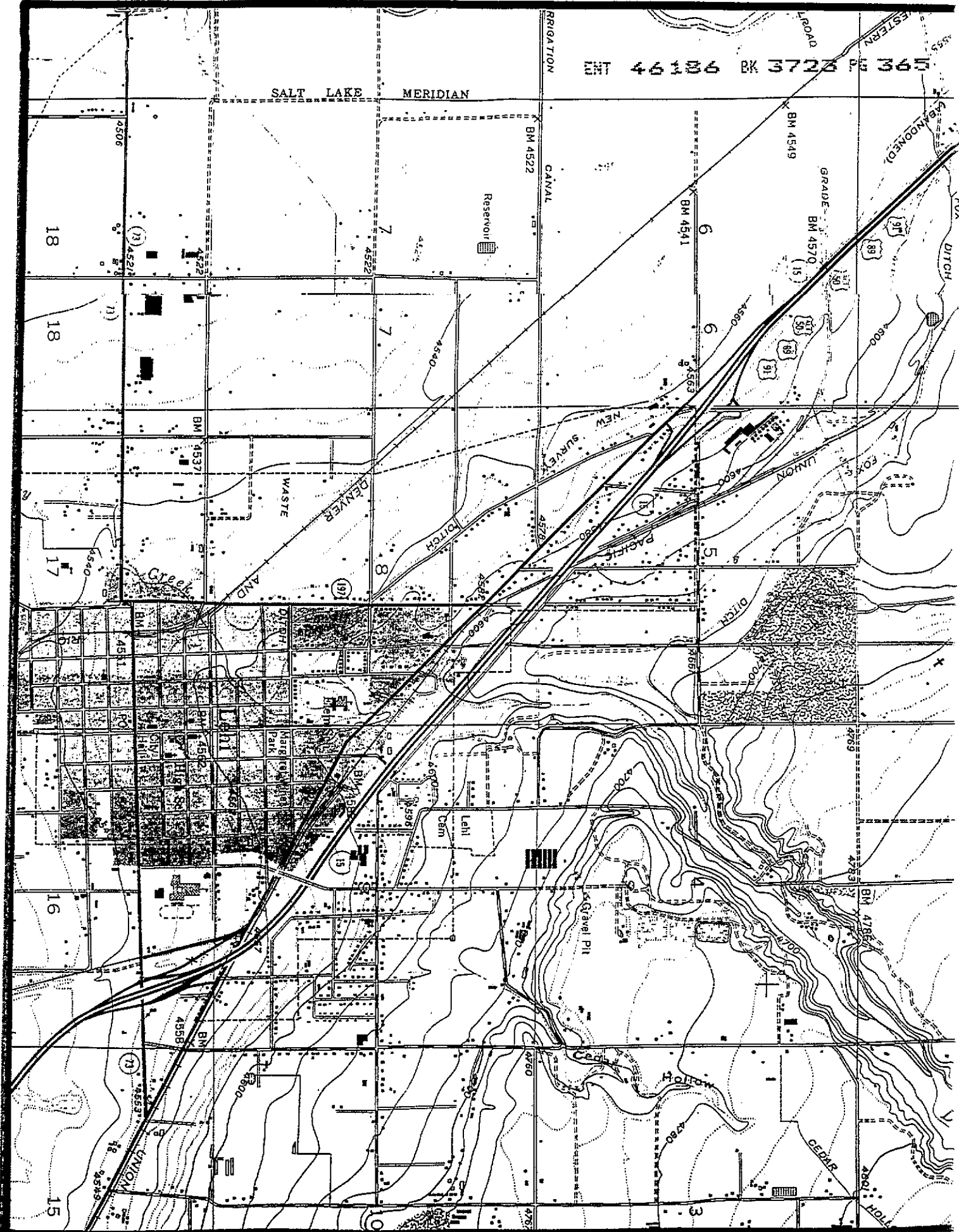
Such facilities shall be installed as generally depicted on Attachment 3.1 hereto.

4. Easements; Rights-of-Way; Permits. The City shall be solely responsible to obtain all required easements, rights-of-way, consents, approvals and permits from all persons, governmental or otherwise, necessary for the Infrastructure Improvements to be timely installed at such locations. Micron shall cooperate with the City in dedicating additional land owned by Micron adjacent to SR 92 to the extent required for the widening of SR 92 pursuant to specifications and drawings acceptable to Micron.

ENT 46186 BK 3723 PG 364

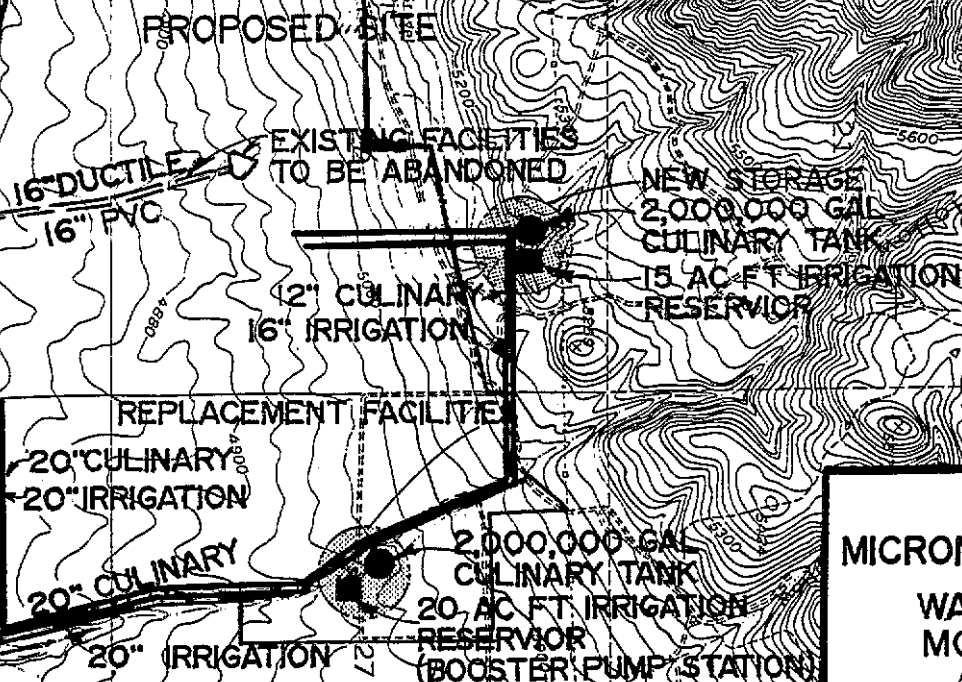
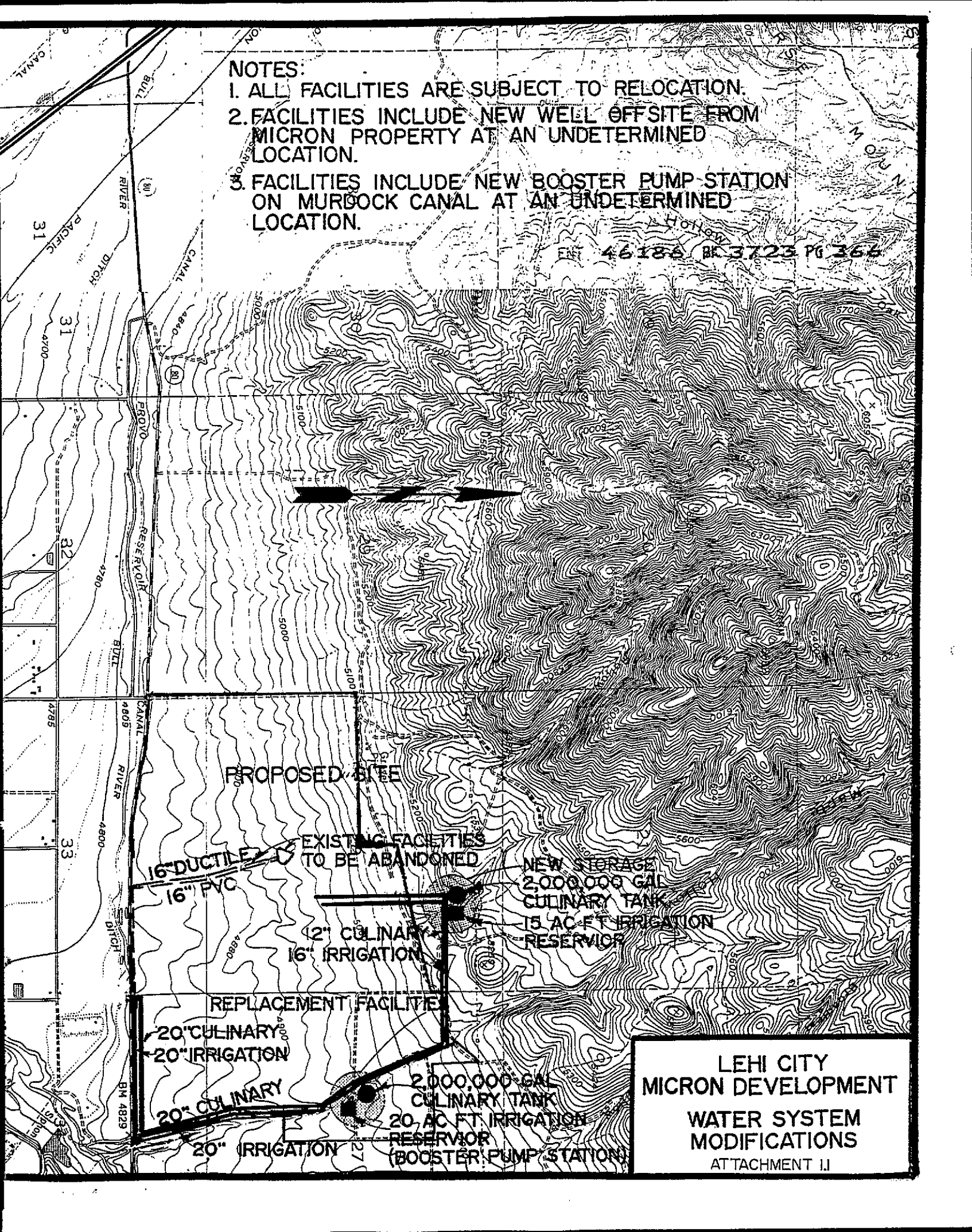
ENT 46136 BK 3723 PE 365

SALT LAKE MERIDIAN

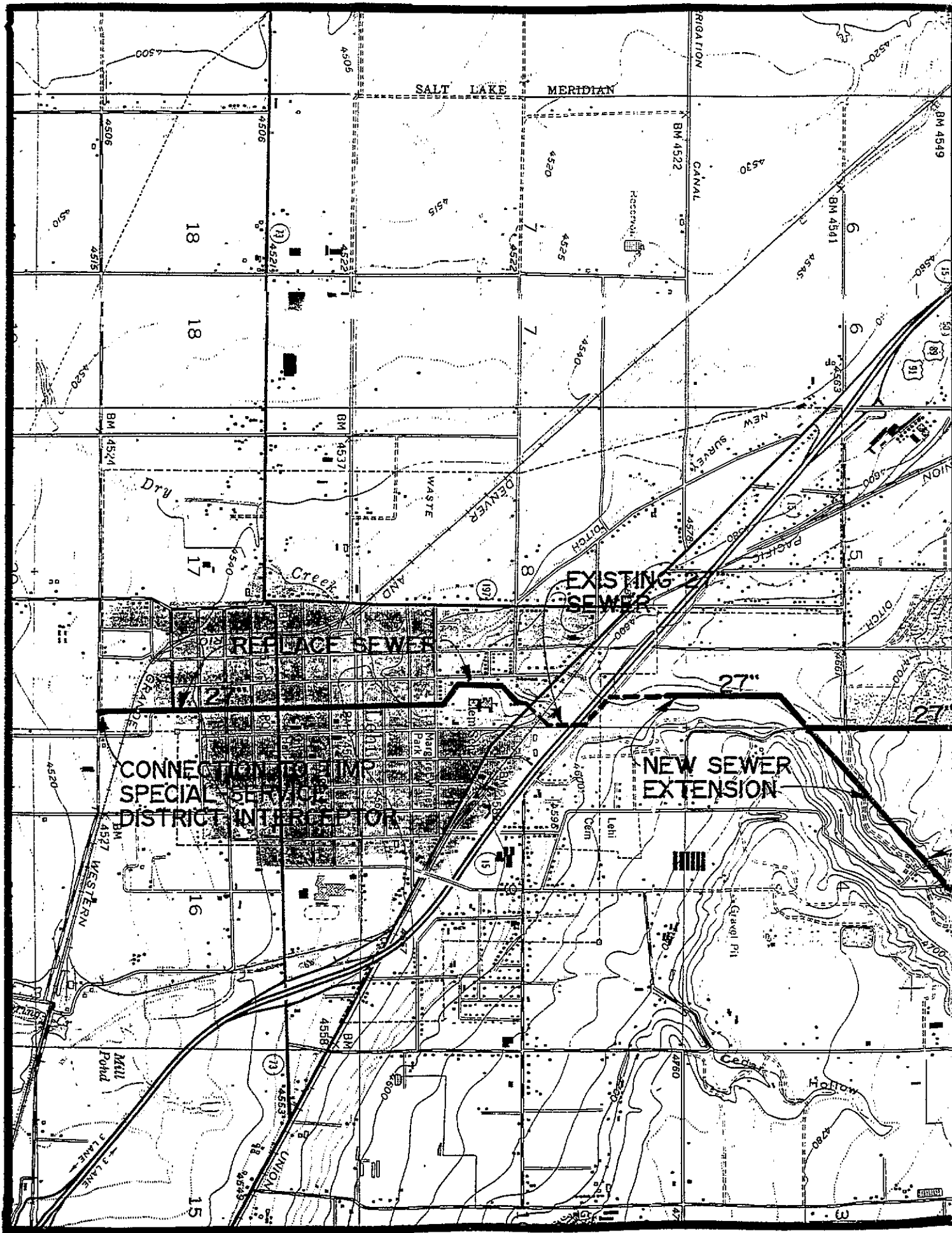


- NOTES:**
1. ALL FACILITIES ARE SUBJECT TO RELOCATION.
 2. FACILITIES INCLUDE NEW WELL OFFSITE FROM MICRON PROPERTY AT AN UNDETERMINED LOCATION.
 3. FACILITIES INCLUDE NEW BOOSTER PUMP STATION ON MURDOCK CANAL AT AN UNDETERMINED LOCATION.

ENT 46186 BK 3723 PG 364



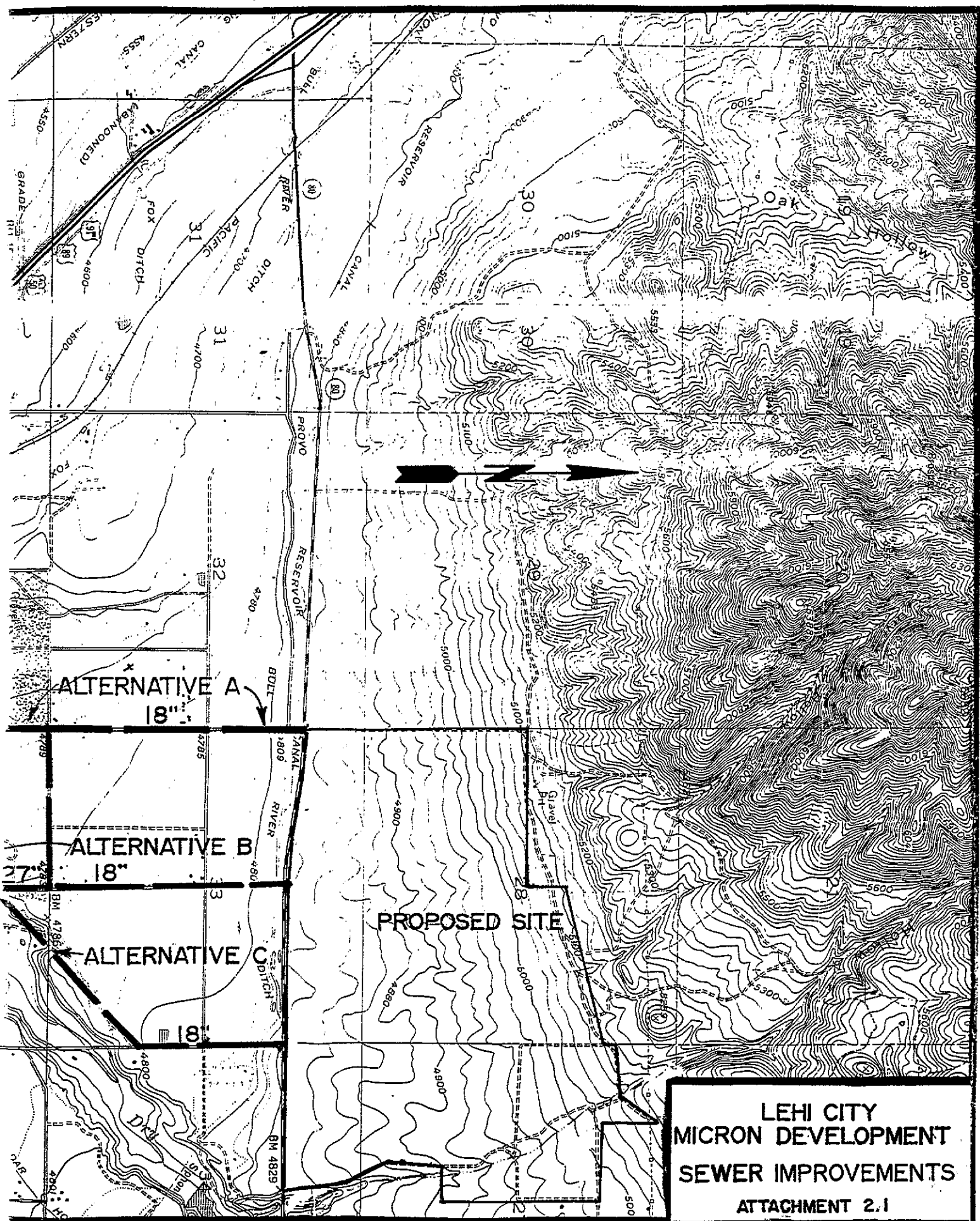
**LEHI CITY
MICRON DEVELOPMENT
WATER SYSTEM
MODIFICATIONS
ATTACHMENT II**



CONNECTION TO CITY
SPECIAL SERVICE
DISTRICT INTERCEPT

EXISTING
SEWER

NEW SEWER
EXTENSION



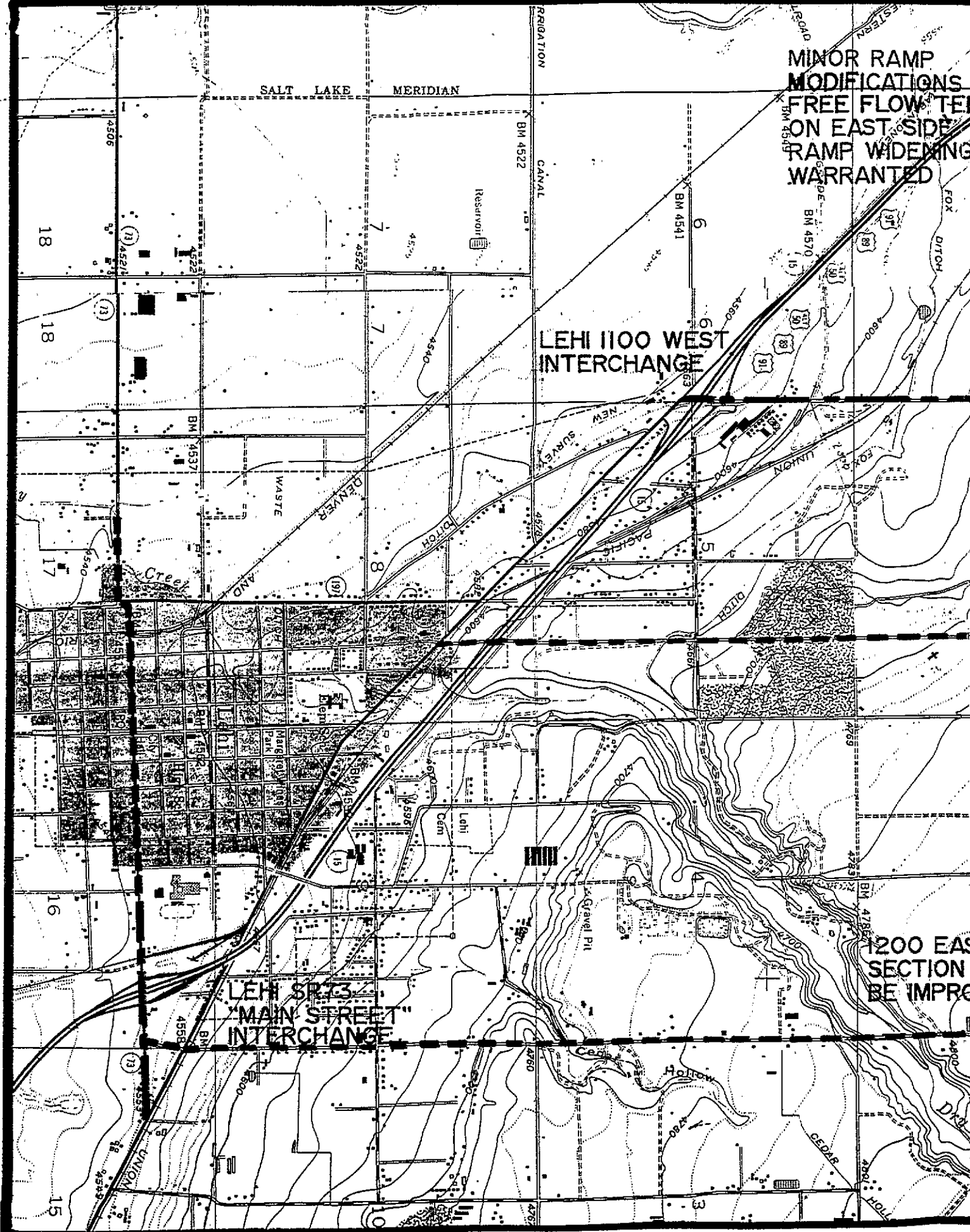
**LEHI CITY
MICRON DEVELOPMENT
SEWER IMPROVEMENTS
ATTACHMENT 2.1**

MINOR RAMP
MODIFICATIONS
FREE FLOW TRAFFIC
ON EAST SIDE
RAMP WIDENING
WARRANTED

LEHI 1100 WEST
INTERCHANGE

LEHI SR 73
"MAIN STREET"
INTERCHANGE

1200 EAST
SECTION
BE IMPROVED



SR92-115
INTERCHANGE

LEGEND

MAJOR ARTERIAL (EXISTING 2 LANES)

MINOR ARTERIAL (EXISTING 2 LANES)

MINOR ARTERIAL (EXISTING 2 LANES)

SR 92 TO BE IMPROVED FROM
2 LANE TO 4 LANE ROADWAY
FROM SR92-115 INTERCHANGE TO UPRR
4 OR 5 LANE FROM UPRR TO 6800 WEST
AND 4 LANE FROM 6800 WEST TO
EAST SIDE OF DRY CREEK

SIGNALIZATION
AT ENTRANCE
IF WARRANTED

PROPOSED SITE

BOX-CULVERT
CANAL CROSSING

LEHI CITY
MICRON DEVELOPMENT
ROAD IMPROVEMENTS
ATTACHMENT 3.1

EXHIBIT 4.2

TO

ENT 46186 BK 3723 PG 371

ANNEXATION AND DEVELOPMENT AGREEMENT

Electric Services Agreement

ELECTRIC SERVICES AGREEMENT

THIS ELECTRIC SERVICES AGREEMENT (the "*Agreement*") dated as of the 13th day of June, 1995, is between LEHI CITY, UTAH COUNTY, UTAH, a municipal corporation and a political subdivision of the State of Utah ("*Lehi*"), and MICRON TECHNOLOGY, INC., a Delaware corporation (together with its subsidiaries, "*Micron*"). Lehi and Micron are sometimes referred to herein individually as a "*Party*" and collectively as the "*Parties*."

RECITALS:

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A. The Parties have entered into an Annexation Agreement of even date herewith (the "*Annexation Agreement*"), which sets forth the terms and conditions upon which certain real property will be annexed into the boundaries of Lehi. Such real property is hereinafter referred to as the "*Plant Site*." Micron will construct, own and operate certain manufacturing and related facilities (collectively, the "*Project*" as defined in the Annexation Agreement) on the Plant Site.

B. Micron will require a supply of electric power and energy and the construction of certain transmission, interconnection and substation facilities in order to develop and operate the Project.

AGREEMENT:

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

1. *Term.* The initial term of this Agreement shall commence upon the date hereof and shall continue for a period of twenty (20) years. Upon the expiration of the initial term hereof, Micron shall have the right to extend the term hereof for an additional period of up to five (5) years, by giving Lehi written notice of extension not later than one (1) year prior to the expiration of the initial term.

2. *Construction, Ownership and Dedication of Certain Facilities.*

(a) Micron requires that certain electric transmission, interconnection and substation facilities be constructed for the provision of electric power and energy to the Plant Site. Micron will construct, own, operate and pay all of the costs (including construction and operation costs) of the following facilities that will be located on the Plant Site and other real property owned by Micron:

(1) One or more 138 kV/12.470 kV substations (the "*Substations*") located at the Plant Site for the exclusive use of the Project; and

(2) Such facilities (the "*Interconnection Facilities*") as shall be necessary to interconnect the Substations with the 138 kV 90th South-Hale transmission line of PacifiCorp, an Oregon corporation ("*PacifiCorp*") and the transmission line to be constructed by Lehi pursuant to paragraph 2(b) below;

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provided, however, that Micron may contract with Lehi or a third party for the construction or operation of the Substations or the Interconnection Facilities. Micron agrees to provide to Lehi copies of the plans and specifications for the Substations and the Interconnection Facilities. Title to the Substations, the Interconnection Facilities and all fixtures, equipment and materials located in or upon the Substations or which form a part of the Interconnection Facilities shall, at all times, be vested solely in Micron, and Lehi shall not have any security or other interest therein.

(b) Lehi shall construct (or cause to be constructed), own and operate a transmission line from the Camp Williams substation to the Substations which will include 345 kV to 138 kV transformation and switching facilities at the Camp Williams substation and a 138 kV transmission line running to the Substations. Lehi represents to Micron that Lehi has all legal rights necessary (i) to acquire the rights-of-way, easements and other property rights necessary for the construction of the transmission line and (ii) to provide for the interconnection of such transmission line at Camp Williams. Construction of the transmission line and switching and transformation facilities shall be completed by and the line energized by July 1, 1997.

(c) Micron shall pay for all of the costs of constructing, installing and equipping the transmission line and switching and transformation facilities described in (b) above, including the costs of acquiring the rights-of-way, easements and other property rights necessary for such construction. In consideration of such payment by Micron, Lehi agrees that it will: (i) exercise its best efforts to ensure that the construction of such facilities proceeds with due diligence to the completion thereof on or before July 1, 1997; (ii) enter into construction contracts (A) only with reputable contractors approved in writing by Micron, (B) that are satisfactory in form and substance to Micron, as evidenced by Micron's written approval thereof, and (C) that designate Micron as a third party beneficiary, with the right to enforce such contracts directly against the contractor; and (iii) enter into a transmission and operating agreement with PacifiCorp or Micron, as appropriate, that will provide that (A) the transmission line will be used solely to serve the Project, (B) Lehi shall not voluntarily interconnect, tap or otherwise provide for the use by any other party of the transmission line, and (C) Lehi will provide at its cost wheeling services across the transmission line in connection with any Power Purchase Agreement between Micron and PacifiCorp. If, by October 1, 1996, Micron determines that Lehi is not proceeding with reasonable diligence to the completion of the transmission line before July 1, 1997, then Lehi agrees that Micron or its designee may complete such construction on Lehi's behalf.

3. *Power Purchase Agreements.*

(a) Concurrently with the execution of this Agreement, Lehi shall adopt an ordinance in substantially the form attached as *Exhibit A* hereto (the "*Ordinance*") granting

a nonexclusive franchise to PacifiCorp to provide electric service to the Project (the "Franchise"), subject to certain conditions precedent as set forth in the Ordinance. Lehi covenants to and agrees with Micron that Lehi (i) will negotiate in good faith with PacifiCorp to reach agreement on the items set forth in Section 5 of the Ordinance and the other terms and conditions of any franchise agreement prior to the date on which PacifiCorp would commence service to the Project pursuant to a Power Purchase Agreement, and (ii) will not impose any unreasonable additional conditions precedent upon PacifiCorp's exercise of such Franchise.

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(b) At least 60 days prior to the date of commercial operation of the Project, Micron shall enter into an agreement for a supply of electric power and energy for the Project with either PacifiCorp or Lehi (together with any additional power supply agreements for the Project during the term of this Agreement, the "Power Purchase Agreement"). Micron and Lehi agree that Micron shall have the right and responsibility to acquire all of the electric power and energy requirements of the Project pursuant to a Power Purchase Agreement and Lehi shall have no right or responsibility to serve the Project except as provided in a Power Purchase Agreement between the Parties. With respect to the initial Power Purchase Agreement, Micron agrees that such agreement will have a term of at least two years, and Lehi shall have a right of first refusal to match the terms, conditions and cost (including franchise fees) of any bona fide proposed Power Purchase Agreement between Micron and PacifiCorp. To enable Lehi to exercise such right of first refusal, Micron shall provide Lehi with a complete copy of any proposed Power Purchase Agreement with PacifiCorp and Lehi shall have at least thirty days to exercise such right of first refusal. Micron shall in its sole discretion determine whether any Power Purchase Agreement proposed by Lehi pursuant to such right of first refusal matches any Power Purchase Agreement proposed by PacifiCorp, provided that Micron agrees that it will not unreasonably discriminate against Lehi and will not impose any additional terms, conditions or requirements upon Lehi that are not contained in any Power Purchase Agreement proposed by PacifiCorp.

(c) Lehi agrees that any Power Purchase Agreement to which Lehi is a party will provide Micron with the right and option to terminate such Power Purchase Agreement upon the failure of Lehi to perform its obligations under such agreement and such nonperformance (i) could reasonably be expected to increase Micron's costs of electric power and energy or reduce the reliability or quality of electric service to Micron, and (ii) continues uncorrected for a six month period during which Micron delivers three written notices of nonperformance to Lehi. Micron agrees that any Power Purchase Agreement with Lehi will provide for "bundled" service only and will be priced based on capacity, energy, transmission service and line losses. Lehi further agrees that it will take all actions within its power to provide Micron with the right and ability to contact directly the area control operator to discuss any operational concerns and to direct appropriate remedial action.

4. *Interim Power.*

(a) Lehi shall provide construction power to Micron for use by Micron and its contractors in connection with construction of the Project pursuant to a separate contract to be negotiated by the Parties.

ENT 46186 BK 3723 PG 375

(b) In the event that the Project is ready for startup and initial operation prior to the availability of electric power and energy under the initial Power Purchase Agreement, Lehi shall sell temporary electric power and energy at Lehi's existing rates for commercial customers until the commencement of service under such Power Purchase Agreement.

5. *Representations, Warranties and Covenants of the Parties.*

(a) Each Party represents and warrants to the other that: (i) it has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (ii) this Agreement constitutes the valid and legally binding obligation of each Party and is enforceable in accordance with its terms; and (iii) neither the execution or delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (A) violate any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge or other restriction of any government, governmental agency or court to which either Party is subject or any provisions of its charter or bylaws (in the case of Micron), or (B) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any contract, lease, sublease, license, sublicense, franchise, permit, indenture or other agreement or arrangement to which either Party is a party or by which it is bound or to which any of its assets is subject.

(b) The Parties covenant and agree with one another that they will continue to negotiate in good faith with one another with respect to the subject matter of this Agreement, each Power Purchase Agreement and any other agreement or contract contemplated by this Agreement.

6. *Default and Remedies.* If Lehi or Micron fails to perform any of its respective duties or obligations hereunder, and such failure continues for a period of thirty (30) days following written notice thereof from the other Party, the nondefaulting Party shall have the option to commence judicial proceedings to obtain an injunction or an order of specific performance against the defaulting Party to compel performance of this Agreement.

7. *Amendments.* This Agreement may not be amended or modified, nor may the rights of any Party be waived, except by a written document that is executed by both Parties. No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision hereof, nor shall any waiver constitute a continuing waiver.

8. *Entire Agreement.* This Agreement and the Annexation Agreement constitute the entire agreement between the Parties in relation to the subject matter hereof.

9. *Further Assurances.* Each Party shall hereafter execute and deliver such further instruments and do such further acts and things as may be useful or required to carry out the purpose and intent of this Agreement and which are not inconsistent with the provisions hereof.

10. *Governing Law.* This Agreement shall be construed in accordance with and governed by the laws of the State of Utah.

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11. *Notices.* All notices, requests, demands, consents and other communications required or permitted under this Agreement shall be effective only if given in writing and shall be considered to have been duly given and delivered when (i) delivered by hand, (ii) sent by facsimile (with completed transmission confirmed), (iii) sent by Express Mail, Federal Express or other reputable express delivery or courier service (receipt required), or (iv) sent by certified or registered United States Mail, with return receipt requested and postage prepaid. Notice shall be sent in each case to the appropriate addresses or facsimile numbers set forth below (or to such other addresses and facsimile numbers as a Party may from time to time designate by written notice to the other Party). Notice shall be given:

(1) to Lehi at:

153 North 100 East
P.O. Box 255
Lehi, Utah 84043-1895
Attn: Mayor
Fax: (801) 768-7101

(2) to Micron at:

8000 South Federal Way
P.O. Box 6
Boise, Idaho 83707-0006
Attn: General Counsel
Fax: (208) 368-4540

12. *Rights and Obligations of Third Parties.* Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties and their respective successors and permitted assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third parties to any Party, nor shall any provision hereof give any third party any right of subrogation or action against any Party.

13. *Severability.* If one or more provisions of this Agreement is determined by a court of competent jurisdiction to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

14. *Assignment.* Neither Party shall assign this Agreement without the prior consent of the other Party, provided that Micron may assign this Agreement, without consent but upon sixty (60) days' prior notice to Lehi, to any entity that succeeds to all or substantially all of Micron's assets or business and assumes all of Micron's obligations hereunder, either in writing or by operation of law. In connection with any assignment, Lehi in its sole discretion may require Micron's assignee to execute such instruments of assurance as Lehi shall deem necessary or desirable to protect its interests hereunder.

15. *Successors and Assigns.* This Agreement is and shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

16. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but all of which together shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their duly authorized representatives upon the date first herein written.



LEHI CITY, UTAH COUNTY, UTAH

By William L. Gibbs
Mayor

ATTEST:

By Evelyn W. Yates
City Recorder

MICRON TECHNOLOGY, INC.

By Steve R. Ayala
Its President

DVB

EXHIBIT A

ORDINANCE NO. ~~06-06-95~~.12

AN ORDINANCE GRANTING A NONEXCLUSIVE ELECTRIC SERVICE
FRANCHISE TO PACIFICORP

WHEREAS, Micron Technology, Inc. ("*Micron*") proposes to construct and operate certain manufacturing and related facilities (the "*Project*") on certain real property (the "*Plant Site*") to be annexed into Lehi City, Utah County, Utah (the "*City*") pursuant to proceedings commenced on June 6, 1995; and

WHEREAS, Micron has requested that the City grant a nonexclusive franchise to PacificCorp and its successors (the "*Grantee*") to provide electric service to Micron, its subsidiaries, successors and assigns (the "*Customer*") for the use of the Project, and the City Council of the City has determined that it is necessary, desirable and in the best interests of the City and its residents to grant such franchise;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF LEHI CITY, UTAH COUNTY, UTAH:

Section 1. That there is hereby granted to the Grantee a nonexclusive right, privilege and franchise until June 6, 2015 to provide electric service within the corporate boundaries of the City (as such boundaries now exist and are to be extended to include the Plant Site pursuant to annexation proceedings initiated on the date hereof), but solely for the purpose of supplying electric power and energy to the Customer for the operation of the Project at the Plant Site.

Section 2. The City reserves the right to provide construction and interim power and energy to the Customer and to contract thereafter with the Customer for the provision of any and all electric service required by Customer from time to time for the operation of the Project. Customer from time to time may contract for electric power and energy for the operation of the Project from either the City or Grantee and no one contract by Customer shall preclude Customer from obtaining electric power and energy from either the City or the Grantee pursuant to a subsequent contract.

Section 3. The City shall in no way be liable or responsible for any loss, cost, damage, expense or other liability that may occur as a result of the provision of electric service by Grantee pursuant to the franchise granted by this Ordinance and the acceptance of the franchise granted by this Ordinance shall constitute an agreement on the part of Grantee to indemnify the City and hold it harmless against any and all liability, loss, cost, damage, or expense which may arise or accrue by reason of the provision of electric service by the Grantee pursuant to the franchise granted hereunder.

Section 4. There is hereby imposed a franchise fee of six percent (6%) on the gross revenues from all sales of electric power, energy and service by Grantee pursuant to the franchise granted hereunder.

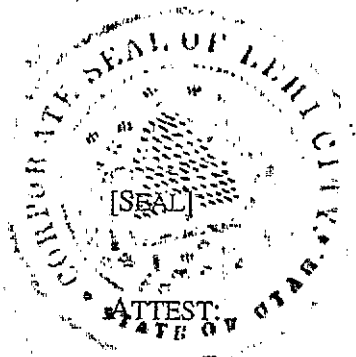
Section 5. Prior to the exercise of the right to provide electric service to the Customer pursuant to this franchise, Grantee shall execute an agreement with City which shall provide for (i) the agreement of the Grantee to negotiate in good faith with the City in order to resolve all outstanding issues relative to the provision of electric service by Grantee within the boundaries of the City (to parties other than the Customer), (ii) the payment by Grantee of the franchise fee set forth in Section 4 of this Ordinance, and (iii) the agreement of the City and Grantee that neither of them shall be entitled to the payment of any amount in respect of facilities, improvements or other investments utilized to serve the Customer upon any election by Customer to change its supplier of electric power and energy.

Section 6. This Ordinance shall be recorded in the office of the City Recorder immediately upon its adoption. This Ordinance shall take effect immediately upon its adoption and the publication and posting hereof as provided by law.

ADOPTED AND APPROVED this 15 day of June, 1995.

LEHI CITY, UTAH COUNTY, UTAH

By William E. Hills
Mayor



By Evelyn W. Yates
City Recorder

Date of Posting: June _____, 1995
Date of Publication: June _____, 1995