



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into as of the date of October 1, 2013 (“Effective Date”) by and between Vineyard Town (“Vineyard”), the City of Orem (“Orem”), the Metropolitan Water District of Orem (“MWDO”), Central Utah Water Conservancy District (“CUWCD”), and Anderson Geneva, LLC (“AG”), Ice Castle Retirement Fund, LLC (“IC”) and Anderson Geneva Development Inc. (“AGDI”). AG, IC and AGDI are collectively referred to as “the Geneva Parties.” All the foregoing entities are collectively referred to as the “Parties.”

WHEREAS, new development and construction within the geographical limits of Vineyard Town requires adequate water storage capacity for peak daily demand, peak hourly demand and fire flow within the area of the new development and construction; and

WHEREAS, Vineyard has contracted with Orem and MWDO to purchase water for use within the distinct parts of the municipal boundaries of Vineyard located south of 400 North Street (the “Orem Service Area”); and

WHEREAS, Vineyard has contracted with CUWCD to purchase Central Utah Water Conservancy District Water Development Project (CWP) water for use within the municipal boundaries of Vineyard; and

WHEREAS, Orem, MWDO and Vineyard executed an Amended Interlocal Agreement 2011 with an effective date of June 28, 2011 (the “Vineyard Orem 2011 Agreement”). The Vineyard Orem 2011 Agreement requires Vineyard to maintain 1,000 gallons of water storage for each equivalent residential water connection located within the Orem Service Area of Vineyard. The Vineyard Orem 2011 Agreement also provides that Orem does not have sufficient excess capacity to meet future Vineyard water storage needs within the Orem Service Area and that Vineyard must construct its own water storage facilities and/or obtain suitable water storage capacity from other sources to service future water storage needs within the Orem Service Area ; and

WHEREAS, the Geneva Parties are developing a significant piece of property located within Vineyard which is the former Geneva Steel plant site (the “Geneva Steel Site”); and

WHEREAS, Geneva Steel, LLC and CUWCD entered into a Revised Purchase and Sale Agreement, dated January 26, 2005 (the “Geneva Agreement”), wherein CUWCD would reserve up to 8,000 AF/yr of water for development on the Geneva Steel Site and Geneva Parties (legal successor-in-interest to Geneva Steel, LLC) and CUWCD have entered into an agreement entitled “Amendment to Revised Purchase and sale Agreement” with an effective date of November 19, 2008 (the “CUWCD Geneva Agreement”) which provides in part that for a period of up to ten (10) years, the Geneva Parties shall have the right to connect to the CWP system and utilize up to 4,000,000 gallons of water storage held in water storage facilities owned by CUWCD, on demand, as may be required for the sole purpose of satisfying the water storage requirements imposed under state or local law or agreement, to cover peak daily demand, peak

hourly demand and fire flow for development or construction within the Geneva Steel Site and Homesteads Development. The ten year period for use of the CUWCD temporary water storage began on April 1, 2011. Vineyard and Orem acknowledge that CUWCD does not have sufficient excess storage capacity in the CUWCD storage facilities adjacent to the Utah Valley Water Treatment Plant to fulfill its obligations for temporary or permanent storage beyond its current obligations and that Vineyard must construct its own water storage facilities and/or obtain suitable water storage capacity from other locations to service future water storage needs within the Vineyard areas; and

WHEREAS, Vineyard has purchased from Orem water storage of 500,000 gallons to support development and construction within the Orem Service Area of Vineyard and this amount of water storage is insufficient to meet the future development needs within the Orem Service Area; and

WHEREAS, Vineyard has received applications for new development and construction within the Orem Service Area which will exceed Vineyard's current 500,000 gallon water storage capacity.

NOW THEREFORE IT IS UNDERSTOOD AND AGREED BY THE PARTIES AS FOLLOWS:

1. Vineyard shall have the right to the use, within the Orem Service Area 2,000,000 gallons of the aforesaid 4,000,000 gallons of temporary storage until a time that permanent storage of 2,000,000 gallons is provided or for the remainder of the ten year period which will expire on April 1, 2021, which ever shall occur first in accordance with terms of the CUWCD Geneva Agreement.
2. Vineyard's use of said 2,000,000 gallons of temporary water storage may be used within the Orem Service Area to satisfy water storage requirements as provided for in the Vineyard Orem 2011 Agreement. Said 2,000,000 gallons of temporary water storage will be used in addition to the currently owned 500,000 gallons of water storage already purchased by Vineyard for water storage use within Vineyard.
3. It is understood by the Parties that the Geneva Parties and Vineyard will use the remaining 2,000,000 gallons of temporary water storage obtained pursuant to the CUWCD Geneva Agreement to meet developmental needs on properties owned by the Geneva Parties on the Geneva Steel Site which are located north of the Orem Service Area.
4. Vineyard agrees to design and obtain written approval of design from Orem, and Vineyard agrees to construct, a flow control and meter facility (Vineyard System Interconnection) on a connection to measure flow from the Geneva Steel site north of 400 North to the Orem Service Area in Vineyard. The Vineyard System Interconnection shall substantially comply with the specifications shown on Exhibit "A", which is attached hereto and incorporated herein by reference. Any water flowing through the Vineyard System Interconnection will be treated as Orem Water pursuant to the Vineyard Orem 2011 Agreement. No CWP water will flow through the Vineyard System Interconnection. Orem and MWDO hereby consent to the

Vineyard System Interconnection as contemplated by section 3.1.2.4.1.2 of the Vineyard Orem 2011 Agreement. CUWCD agrees to install a fiber optic line in an easement or license agreement with Vineyard and/or Utah Department of Transportation (UDOT) to obtain SCADA readings from the meter and flow control valve and share them with Orem and Vineyard. Vineyard agrees to enter into an interim carriage agreement with CUWCD for Non-CWP water in the CWP System, which will include a interim carriage charge per acre-foot delivered and be available on a space available basis to CWP water. Vineyard agrees to pay CUWCD the interim carriage charge in addition to the charges agreed to within the Vineyard Orem 2011 Agreement and any subsequent revisions. The Vineyard System Interconnection is considered a temporary connection during the time the temporary storage obligation as described in the CUWCD Geneva Agreement is in place. If the temporary interconnection is ever abandoned, Vineyard shall, at its sole expense, remove the Vineyard System Interconnection and replace it with an interconnection substantially complying with the specifications shown on Exhibit "B", which is attached hereto and incorporated herein by reference. For purposes of this MOU, the Vineyard System Interconnection will be considered abandoned upon the first to occur of the following dates: (1) the date that the Vineyard System Interconnection is no longer used as part of Vineyard's approved storage plan, and (2) April 1, 2021 (unless the Parties agree in writing that Vineyard may continue using the Vineyard System Interconnection as part of its long-term storage plan). Prior to abandonment of the Vineyard System Interconnection or the removal of the associated master water meter, Vineyard shall install all piping and meter assembly necessary to connect to the Orem water system at the Orem 400 North connection.

5. With the exception of the PRV provisions described below, Vineyard shall own and operate the Vineyard System Interconnection, including the meter assembly, vault and any appurtenances associated with the meter. Vineyard shall construct, maintain, repair, and replace the Vineyard System Interconnection as needed, and shall pay all costs associated with such work. Vineyard shall own the existing PRV, or any future PRV, that supplies water to the Vineyard System Interconnection meter, shall construct, maintain, repair, and replace the PRV as needed, and shall pay all costs associated with such work. Orem will operate the PRV and set and establish all settings for the PRV. Orem will coordinate the operation of the PRV with Vineyard.

6. Vineyard agrees that on or before July 1, 2015, Vineyard will formulate a permanent water storage solution plan ("Storage Plan") in consultation with the other Parties to this MOU. This Storage Plan will include specific provisions on funding for new water storage facilities, the location of the water storage facilities and the timeline to finalize water storage solutions and construction to provide for adequate water storage to service existing and future development and construction within the current municipal boundaries of Vineyard including all property being developed on the Geneva Steel Site at the levels now contemplated by the existing Vineyard zoning, general plan and the adopted redevelopment plan for the Geneva Steel Site. In the event that Vineyard does not provide the Storage Plan that is acceptable to CUWCD, Orem and MWDO on or before July 1, 2015, Vineyard agrees to pay CUWCD \$10,000 per month until the Storage Plan is provided. The cost of the monthly penalty was calculated by amortizing the estimated cost of a 2,000,000 gallon storage facility and is imposed to ensure that Vineyard has no incentive to delay construction of its own water storage facilities.

7. The Storage Plan will include provisions that ensure that the 2,000,000 gallons of temporary storage utilized in the Orem Service Area will be replaced by permanent storage facilities of at least 2,000,000 gallons before the right to the use of the temporary 2,000,000 gallon storage expires on April 1, 2021.

8. Vineyard agrees that it will reserve for the future residential, office, retail and mixed use development to be built upon the portion of the Geneva Steel Site now owned by the Geneva Parties which is located within the Orem Service Area sufficient water storage capacity, (both temporary and permanent) to support the contemplated development according to the Vineyard zoning, general plan and the adopted redevelopment plans of the Geneva Steel Site.

9. This Memorandum of Understanding is not intended to modify, change or amend any provisions of any contracts or agreements among or between any of the Parties hereto unless specifically set forth herein.

TOWN OF VINEYARD

By: *Randy Lunn*
Its: *Mayor*

ATTEST:

By: *Paul B...*
Its: *Town Clerk/Recorder*



Approved as to proper form and compliance with applicable law:

~~By: _____
Its: _____~~

CITY OF OREM

By: *James P. Davidson*
Its: *CITY MANAGER*

ATTEST:

By: *D. Corne*
Its: *Stephany D. Gordon*



Approved as to proper form and compliance with applicable law:

By: _____
Its: _____

METROPOLITAN WATER DISTRICT OF OREM

By: Josh Jones
Its: Chairman
Josh Jones

ATTEST:

By: Jill Winder
Its: City of Orem - Admin Secretary



Approved as to proper form and compliance with applicable law:

By: _____
Its: _____

CENTRAL UTAH WATER CONSERVANCY DISTRICT:

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

ANDERSON GENEVA, LLC
By: Anderson Holdings, LLC, its Manager

By: _____
Its: _____

Approved as to proper form and compliance with applicable law:

By: _____
Its: _____

METROPOLITAN WATER DISTRICT OF OREM

By: _____
Its: _____

ATTEST:

By: _____
Its: _____

Approved as to proper form and compliance with applicable law:

By: _____
Its: _____

CENTRAL UTAH WATER CONSERVANCY DISTRICT:

By: [Signature]
Its: Deputy General Manager

ATTEST:

[Signature]
8/14/2013

By: [Signature]
Its: Asst. to the General Manager

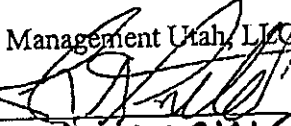
ANDERSON GENEVA, LLC

By: Anderson Holdings, LLC, its Manager

By: _____
Its: WGEZ

ICE CASTLE RETIREMENT FUND LLC

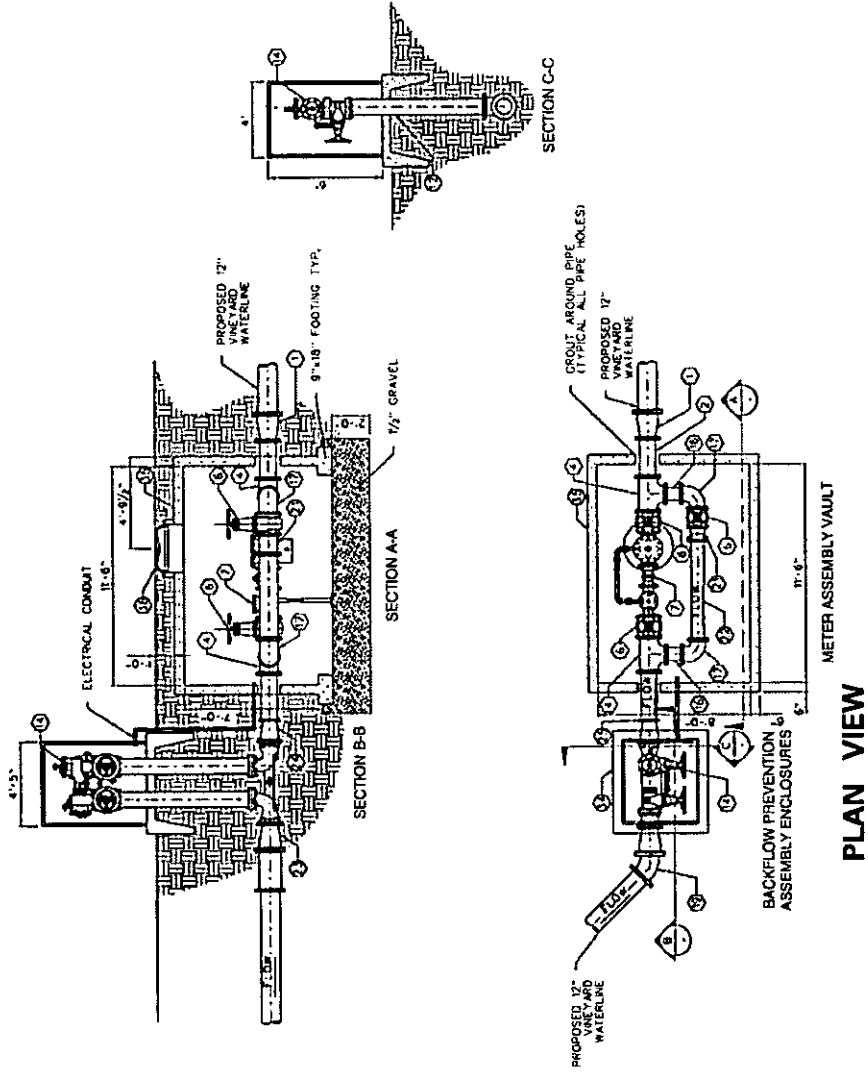
By: Pro Management Utah, LLC Its Manager

By: 
Its: Manager

ANDERSON GENEVA DEVELOPMENT, INC.

By: 
Its: Free

EXHIBIT "A"



LIST OF MATERIALS

ITEM NO.	DESCRIPTION	QUANTITY	UNIT
1	1/2" GRAVEL	1	CU YD
2	9" x 18" FOOTING TYP.	1	EA
3	1/2" DIA. RIGID PVC PIPE	1	LN
4	1/2" DIA. RIGID PVC ELBOW	1	EA
5	1/2" DIA. RIGID PVC TEE	1	EA
6	1/2" DIA. RIGID PVC END CAP	1	EA
7	1/2" DIA. RIGID PVC JOINT	1	EA
8	1/2" DIA. RIGID PVC FLANGE	1	EA
9	1/2" DIA. RIGID PVC GASKET	1	EA
10	1/2" DIA. RIGID PVC NUT	1	EA
11	1/2" DIA. RIGID PVC WASHER	1	EA
12	1/2" DIA. RIGID PVC BUSHING	1	EA
13	1/2" DIA. RIGID PVC ADAPTER	1	EA
14	1/2" DIA. RIGID PVC REDUCER	1	EA
15	1/2" DIA. RIGID PVC EXPANSION JOINT	1	EA
16	1/2" DIA. RIGID PVC STRAINER	1	EA
17	1/2" DIA. RIGID PVC CHECK VALVE	1	EA
18	1/2" DIA. RIGID PVC BACKFLOW PREVENTION ASSEMBLY ENCLOSURE	1	EA
19	1/2" DIA. RIGID PVC METER ASSEMBLY VAULT	1	EA
20	1/2" DIA. RIGID PVC ELECTRICAL CONDUIT	1	LN
21	1/2" DIA. RIGID PVC ELECTRICAL FITTING	1	EA
22	1/2" DIA. RIGID PVC ELECTRICAL GASKET	1	EA
23	1/2" DIA. RIGID PVC ELECTRICAL NUT	1	EA
24	1/2" DIA. RIGID PVC ELECTRICAL WASHER	1	EA
25	1/2" DIA. RIGID PVC ELECTRICAL BUSHING	1	EA
26	1/2" DIA. RIGID PVC ELECTRICAL ADAPTER	1	EA
27	1/2" DIA. RIGID PVC ELECTRICAL REDUCER	1	EA
28	1/2" DIA. RIGID PVC ELECTRICAL EXPANSION JOINT	1	EA
29	1/2" DIA. RIGID PVC ELECTRICAL STRAINER	1	EA
30	1/2" DIA. RIGID PVC ELECTRICAL CHECK VALVE	1	EA
31	1/2" DIA. RIGID PVC ELECTRICAL BACKFLOW PREVENTION ASSEMBLY ENCLOSURE	1	EA
32	1/2" DIA. RIGID PVC ELECTRICAL METER ASSEMBLY VAULT	1	EA
33	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL CONDUIT	1	LN
34	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL FITTING	1	EA
35	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL GASKET	1	EA
36	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL NUT	1	EA
37	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL WASHER	1	EA
38	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL BUSHING	1	EA
39	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL ADAPTER	1	EA
40	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL REDUCER	1	EA
41	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL EXPANSION JOINT	1	EA
42	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL STRAINER	1	EA
43	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL CHECK VALVE	1	EA
44	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL BACKFLOW PREVENTION ASSEMBLY ENCLOSURE	1	EA
45	1/2" DIA. RIGID PVC ELECTRICAL ELECTRICAL METER ASSEMBLY VAULT	1	EA

NOTE:
ALL DUCTILE IRON PIPE AND FITTINGS TO BE POLYWRAPPED.


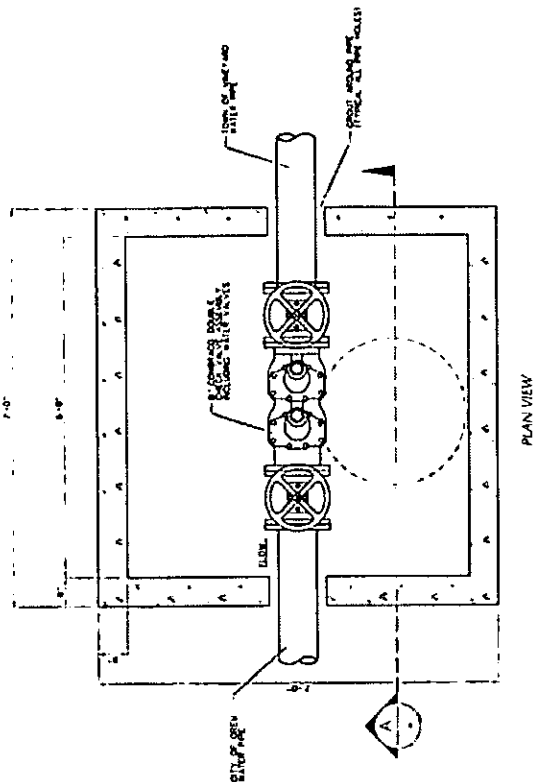
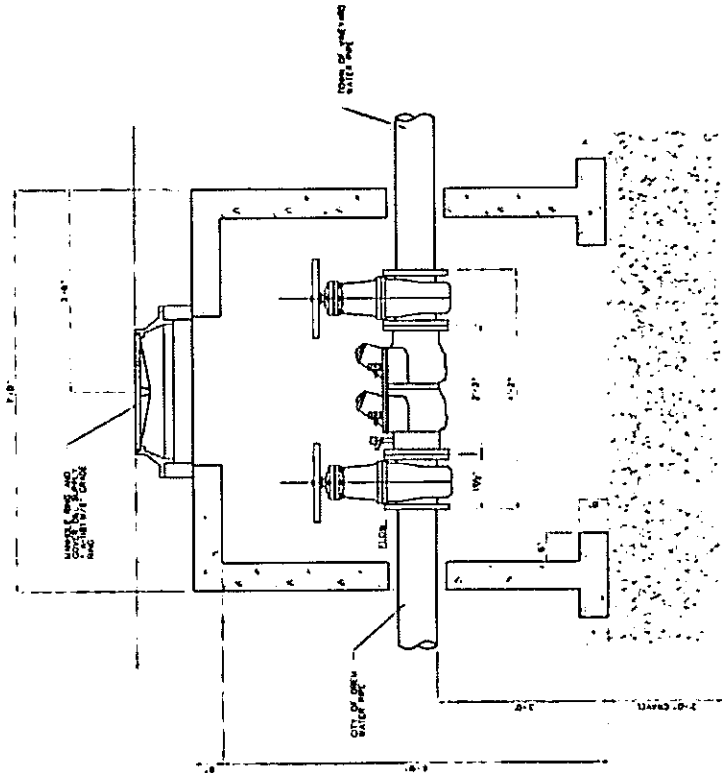
	<p>J-U-B ENGINEERS, Inc. 240 W. Center Street Suite 200 Orem, Utah 84057 Phone: 801.226.0294 Fax: 801.226.0294 www.jub.com</p>	<p>WATER SYSTEMS INTERCONNECTION DETAIL</p> <p>TOWN OF VINEYARD VINEYARD, UTAH</p>	<p>1 0501</p> <p>DATE: 11/11/14 DRAWN BY: JUB CHECKED BY: JUB PROJECT NO: 14-001 SHEET NO: 11</p>
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EXHIBIT "B"



SECTION A-A

PLAN VIEW