

When recorded return to:
Payson City Corporation
439 W Utah Avenue
Payson UT 84651



ENT 73487:2022 PG 1 of 15
ANDREA ALLEN
UTAH COUNTY RECORDER
2022 Jun 23 10:37 am FEE 0.00 BY KC
RECORDED FOR PAYSON CITY CORPORATION

THE SPRINGS AT SPRING LAKE ANNEXATION AGREEMENT

THIS ANNEXATION AGREEMENT (“Agreement”) is entered into this 18th day of May, 2022, by and between Payson City, a municipal corporation (hereinafter, “Payson City” or the “City”) and Phase One Properties, LLC, a Utah limited liability company (hereinafter sometimes referred to as “Applicant,” “Petitioner,” “Property Owner,” or “Phase One Properties”), to set forth the terms and conditions under which Payson City will annex certain land owned by Petitioner that is located in unincorporated Utah County, Utah, whose legal description is provided in Exhibit “C” attached hereto, whose street address is 12240 S 3634 W, and which is referred to herein as The Springs at Spring Lake Annexation. The City and Petitioner are sometimes collectively referred to in this Agreement as the “Parties” or individually as a “Party”.

Included in the annexation are three (3) parcels identified as Utah County Parcels 30:084:0067, 30:084:0065, and 30:084:0068, which together constitute 9.27 acres of real property (the “Property”).

RECITALS

A. Payson City, acting pursuant to its authority under Utah Code Annotated §10-2-401, *et seq.* and 10-9a-101, *et seq.* of the Utah Code, Annotated 1953, and in furtherance of its land use policies, goals, objectives, ordinances, resolutions, and regulations, has made certain determinations with respect to The Springs at Spring Lake Annexation and, in exercise of its legislative discretion, has elected to enter into this Agreement.

B. This Agreement is prepared pursuant to Chapter 19.12 of the Payson City Zoning Ordinance to specifically describe the rights, obligations and duties of the Parties and to address zoning designation, infrastructure and utility systems, existing and future land uses, compliance with City land use and development ordinances and regulations, and other matters related to the improvement and development of property as illustrated in Exhibit “A” and described in Exhibit “C”.

C. The annexation and the content of this Agreement are intended to be consistent

with the Payson City General Plan and the Payson City Annexation Policy Plan.

D. The Payson City Council has authorized the negotiation of and adoption of an annexation agreement that advances the policies, goals, and objectives of the Payson City General Plan, and preserves and maintains the atmosphere desired by the residents of Payson, Utah. Moreover, the Parties have voluntarily agreed to the terms of this Agreement and hereby acknowledge the obligations to complete the annexation and improve the property in a manner consistent with the approval of the city council and the applicable regulations of the Payson City Code.

E. Consistent with the foregoing authorization and the provisions of Utah State law, the City's governing body has authorized execution of this Agreement, Ordinance No. 07-01-2020-D, a copy of which is attached to this Agreement as Exhibit "B".

AGREEMENT

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, CONDITIONS AND CONSIDERATIONS THAT ARE MORE FULLY SET FORTH BELOW, CITY, APPLICANT, PETITIONER, AND PROPERTY OWNER HEREBY AGREE AS FOLLOWS:

- I. Recitals.** The recitals set forth above are incorporated herein by this reference.
- II. Exhibits.** The Exhibits and attachments are intended to be included as if in the body of this Agreement and regulated as such:
- Exhibit "A" – The Annexation Plat
 - Exhibit "B" – Adopting Ordinance
 - Exhibit "C" – Legal Description

III. Definitions.

1. **Annexation** shall mean the process by which unincorporated property, the subject property of this Agreement, is brought into the municipal boundaries of Payson, Utah.
2. **Annexation Area** shall mean the total amount of real property that is being annexed into the municipal boundaries of Payson, Utah pursuant to this Agreement and that is referred to herein as the The Springs at Spring Lake Annexation.
3. **Petition of Annexation** is the formal written application requesting Payson City to incorporate unincorporated real property into the corporate limits of Payson, Utah

County, Utah.

4. **Annexation Sponsor(s)** is Phase One Properties, LLC.
5. **Applicant** is Phase One Properties, LLC, a Utah limited liability company, which seeks approval of an activity regulated by the Payson City Code, including, but not limited to, the annexation of real property into the municipal boundaries of the Payson, Utah.
6. **City** means the City of Payson, Utah, a municipal corporation.
7. **Development** shall mean approval of a land use application, issuance of a building permit, or approval of any other development related activity regulated by Payson City. Development does not mean the construction of ancillary agricultural facilities built to support agricultural uses. The party seeking development is herein referred to as "**Developer**."
8. **Petitioner(s)** is Phase One Properties, LLC, a Utah limited liability company, which represents, via signature, the petition for annexation. Property owners not endorsing the annexation by signature are herein referred to as "**Non-Petitioners**."
9. **Property Owner(s)** shall mean a holder, proprietor of land, or group of owners of real property within the Annexation Area.
10. **Specific Plan** shall mean a document that represents the planning framework for the future growth and development of property within the corporate limits of Payson, Utah.

IV. Existing Uses.

The Parties agree the Annexation Area consists of 9.27 acres presently used for residential and agricultural purposes. There is currently one existing single-family dwelling within the Annexation Area. Following annexation, all land uses, including the keeping of animals, must comply with the ordinances, resolutions and policies of Payson City. Animals must be kept in accordance with the Animal Control Ordinance and the Property Owner is responsible to maintain the animals in a manner that does not create a nuisance as defined in Utah Code and the Payson City Code. The Animal Control Ordinance addresses pre-existing animal rights and allowable animal units following annexation.

If there are uses in the Annexation Area that are not consistent with the Payson City Code, the Property Owner must demonstrate that the use legally existed prior to annexation in order to request to continue the use after annexation. Upon receipt of acceptable proof, the City Council may, but is not obligated to, allow the use to continue as a non-conforming use until the property is further developed.

V. Zoning Designation.

The Parties agree that, by ordinance, the Payson City Council has approved and adopted The Springs at Spring Lake Annexation. The Parties agree that the property within the annexation is assigned and subject to the A-5-H, Annexation Holding Zone and shall comply with the respective Payson City ordinances, resolutions, and regulations. It is anticipated that in the future, the Property Owner(s) will request a zoning map amendment to support additional residential development on the subject parcels. Any request for increased density or intensity of uses will need to demonstrate consistency with the Payson City General Plan.

VI. Existing Infrastructure and Future Development.

The Parties agree there are limited utilities and infrastructure to support additional development within the Annexation Area. As the Annexation Area develops, an infrastructure analysis must be prepared and utility modeling completed to identify adequate utility connection and infrastructure locations. Development will require extending and possibly looping utilities and infrastructure to the Annexation Area, improving existing roadways, and developing a new street network. There may also be upgrades to existing utility systems and potentially installation of new systems. The costs associated with designing, installing and extending the existing utilities and infrastructure systems may be borne by various entities, including Petitioners, Property Owners, Developers, and builders, with coordination assistance from Payson City, where appropriate. At the time of development, the City may participate in the cost of upsizing such municipal service(s) for system improvements to include only the increase in pipe size, but not for required improvements, as outlined in this Agreement.

Land Use

Development in the Annexation Area will serve as a transition between the suburban development pattern of the Springside Meadows Subdivision and the rural development pattern in the unincorporated Spring Lake community. Development within the Annexation Area is anticipated to support larger, 15,000 square-foot (minimum), single-family dwelling lots with custom style homes and streetscapes that contribute to a rural-feel to match the surrounding area. The City may require the preparation of a Specific Plan, or land use plan that identifies the future land uses, project layout and design, transportation facilities, parks and trails, and other development related improvements for the Annexation Area and surrounding properties.

Transportation, Roads, Circulation, and Access

The transportation system must provide proper connectivity through the grid system. At a minimum, the Applicant will be responsible for providing connections to adjacent properties and any improvements along 12240 South, and an extension of 500 West in accordance with Payson City Development Guidelines. In addition, the Applicant will continue to coordinate with the Utah Department of Transportation (UDOT) to explore options for the creation of a connection from the proposed development, or somewhere in the near vicinity, to Highway 198, but such coordination and exploration of options shall not be construed to be an agreement or obligation by the Applicant to wholly construct or pay for such a connection. The roads and streets developed in the Annexation Area shall be constructed in such a manner as to satisfy the Payson City Development Guidelines. Any development shall include active transportation facilities that will allow safe movement of pedestrians through the Annexation Area. This may include walkways, bike lanes, and recreation trails. Applicant, Developer, or assignee, shall be responsible to dedicate the required right-of-way and complete improvements as determined at the time of development. There will not be any reimbursement paid to the Developer by the City to construct the proper width of the roadways as part of this annexation.

Wastewater System

Development within the Annexation Area may require the installation of supplementary sewer facilities. It is expected that a regional lift station system will be necessary to service multiple properties and landowners in the area. The Applicant shall participate in a wastewater system designed to benefit multiple landowners, including landowners in the Annexation Area and surrounding property owners. Consistent with the foregoing provisions, the Applicant will cooperate with surrounding property owners and the City in developing and installing a wastewater system whose capacity will accommodate future development in and beyond the Annexation Area. The Applicant shall not be required to pay for the cost of a wastewater system beyond what is required for any future development proposed by the Applicant in the Annexation Area.

If it is determined that an individual lift station system is required instead, the individual lift station system must meet the design criteria of the City and be approved by the City. The individual wastewater system would be owned and maintained by the Applicant or individual property owners, as applicable. This wastewater system will be reviewed by the City at the time of development. The costs associated with the sewer lift station will be the responsibility of the Developer and/or individual property owners, with no participation by Payson City.

Electrical Considerations

As required by City ordinance, and as a condition of annexation, Payson City shall provide all electrical service to the Annexation Area, unless otherwise agreed to in writing by Payson City or otherwise ordered by a court of competent jurisdiction. At the time of Development, Developer will take all steps necessary to effect a transfer of electric service to Payson City at such time as Payson City shall direct consistent with Utah law and/or agreement between Payson City and South Utah Valley Electric Service District (dba SESD). No development will be approved until such transfer of electrical service has been completed. Developer agrees to reimburse Payson City for all amounts paid by Payson City to SESD pursuant either to an agreement between Payson City and SESD or pursuant to Section 10-2-421 Utah Code Annotated. Provision of electrical service for future customers must satisfy the regulations of federal, state and local law or ordinance, and any other service provider obligations. Applicants and City will coordinate to secure easements or needed land dedication to provide connection to the Payson Power electrical system.

Water Transfers

Applicants for development approval may be required to transfer to the City adequate water to serve any development within the Annexation Area consistent with the regulations of Title 10, Water Ordinance. Although applicants are not required to transfer water at the time of annexation, no development, as defined in Section III herein, will be approved until the transfer of water has been completed, if required. City recognizes that Petitioners and Property Owners may be utilizing different sources of water to serve existing uses in the annexation area. Petitioners and Property Owners may continue utilizing these sources of water until the property is further developed. At the time of development, Applicants may be required to dedicate sufficient water to satisfy City's water dedication requirements for each final plat pursuant to the Payson City Water Ordinance. All excess water will remain the property of the Applicant or Property Owner, as applicable.

Municipal Utility Connections

Applicant agrees that all municipal utility services required at the time of development shall be installed by the Developer and all impact, connection and related development fees shall be paid when development occurs. All applicable impact, connection and related development fees shall be those fees in place at the time an application for development is submitted or when the existing structures are required to connect to the municipal utility services.

The Applicant shall connect the existing dwellings of Petitioners and Non-

Petitioners to all municipal utility services and disconnect and/or remove the on-site utility systems and disconnect the structures from the systems of other utility companies. Existing structures shall be connected to Payson City utility services at the time of development or when the Payson City utility service(s) is/are within 300 feet of the existing structure or when the parcel on which the structure is located is developed, as determined by City. The costs associated with the disconnection of existing services and connection to Payson City services shall be borne by the Applicant and/or Developer.

VII. Compliance with Land Use and Development Ordinances and Regulations.

Nothing in this Agreement shall be deemed to relieve Petitioners, Property Owners, Developers, or Applicants from the obligation to comply with all applicable federal, state, and local law and requirements of City necessary for approval of future development proposals, nor does it in any way indicate approval of any land use application, permits, or business license. Development approval shall include the payment of applicable fees and comply with all other applicable ordinances, resolutions, regulations, policies and procedures of Payson City, including but not limited to, the Payson City Zoning Ordinance, Subdivision Ordinance, Sensitive Lands, and Development Guidelines.

VIII. Entire Agreement.

This Agreement and the documents incorporated into it by reference shall constitute the entire agreement among the Parties. Any prior discussions, understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

IX. Reserved Legislative Powers.

Nothing in this Agreement shall limit the future exercise of the police power by City in enacting zoning, subdivision, development, transportation, environmental, open space, and related land use plans, policies, ordinances and regulations after the date of this Agreement.

X. Agreement to Run with the Land.

This Agreement shall be recorded against the land included in the annexation to Payson, Utah and shall run with the land and shall be binding on all successors and/or

assigns of the land or development of any portion or phase of the property.

XI. Assignment.

Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned to any other party, individual or entity without assigning the rights as well as the responsibilities under this Agreement and without the prior written consent of City, which shall not be unreasonably withheld.

XII. No Joint Venture, Partnership or Third-Party Rights.

This Agreement does not create any joint venture, partnership, undertaking or business arrangement between the Parties hereto, nor any rights or benefits to third parties.

XIII. Amendment.

This Agreement cannot be amended, altered, or modified in any manner except by a written amendment signed by each of the Parties.

XIV. Severability.

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

XV. Default.

Should the proponent of an annexation default on any provisions of the agreement, the City may pursue appropriate legal action to enforce the provisions of the agreement, including revocation of the annexation and disconnection from the City.

XVI. Dispute Resolution.

Any dispute regarding the construction or interpretation of any provision of this Agreement, or regarding any determination of an issue of fact, shall be referred for

resolution to a committee consisting of two individuals selected by each Party.

If the dispute is not resolved by such committee, within thirty (30) days after the dispute is referred to such committee, then the Parties shall refer the dispute for resolution to a single mediator, agreed upon by the Parties.

If the Parties are unable to agree upon a single mediator, the matter shall be referred to a three-member mediation panel. Each Party shall select a mediator, and the two mediators so selected shall select a third mediator. Mediators shall be independent of the Parties and shall be recognized and approved by State and/or federal courts as qualified and experienced mediators/arbitrators, or otherwise satisfactory to the parties. Each Party shall pay its own costs and fees. The Parties shall jointly pay for the costs and fees of the selected mediator(s).

If the mediator or mediation panel cannot resolve the dispute within ninety (90) days from the date of a final determination by the committee, the dispute may be brought before a court or other tribunal on the basis of a de novo review. A matter may only proceed to court after exhausting the above procedures.

XVII. Effective Date.

This Agreement is effective upon filing and recordation of the annexation ordinance, annexation plat, and this Agreement in compliance with state annexation filing requirements, pursuant to the Utah Code Annotated Section 10-2-425.

(Signature Pages to Follow)

ACKNOWLEDGEMENT BY ANNEXATION SPONSOR AND PETITIONERS

Robert J. McNeel

Robert J. McNeel, Member/Manager, Phase One
Properties, LLC Annexation Sponsor, Property Owner,
and Petitioner

STATE OF UTAH)

: ss

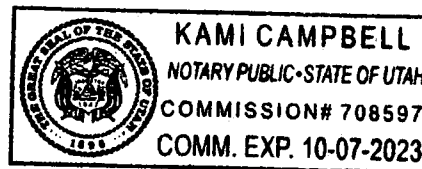
COUNTY OF UTAH)

On the 9th day of May, 2022, before me Kami Campbell, a
Notary Public in and for the State of Utah, personally appeared, Robert J. McNeel, proved on the
basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and
acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this date
first above written.

Kami Campbell

NOTARY PUBLIC



ACKNOWLEDGMENT BY PAYSON CITY

William R Wright

William R. Wright
Payson City Mayor

Attest:

Kim E Holindrake

Kim E. Holindrake
City Recorder



STATE OF UTAH)
 : ss
COUNTY OF UTAH)

On this 23rd day of May, 2022, before me a Notary Public in and for the state of Utah, personally appeared WILLIAM R. WRIGHT, Payson City Mayor, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this date first above written.

Kim E Holindrake
Notary Public

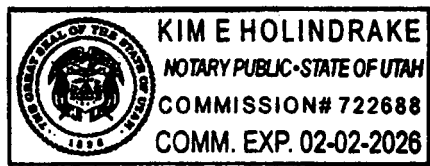
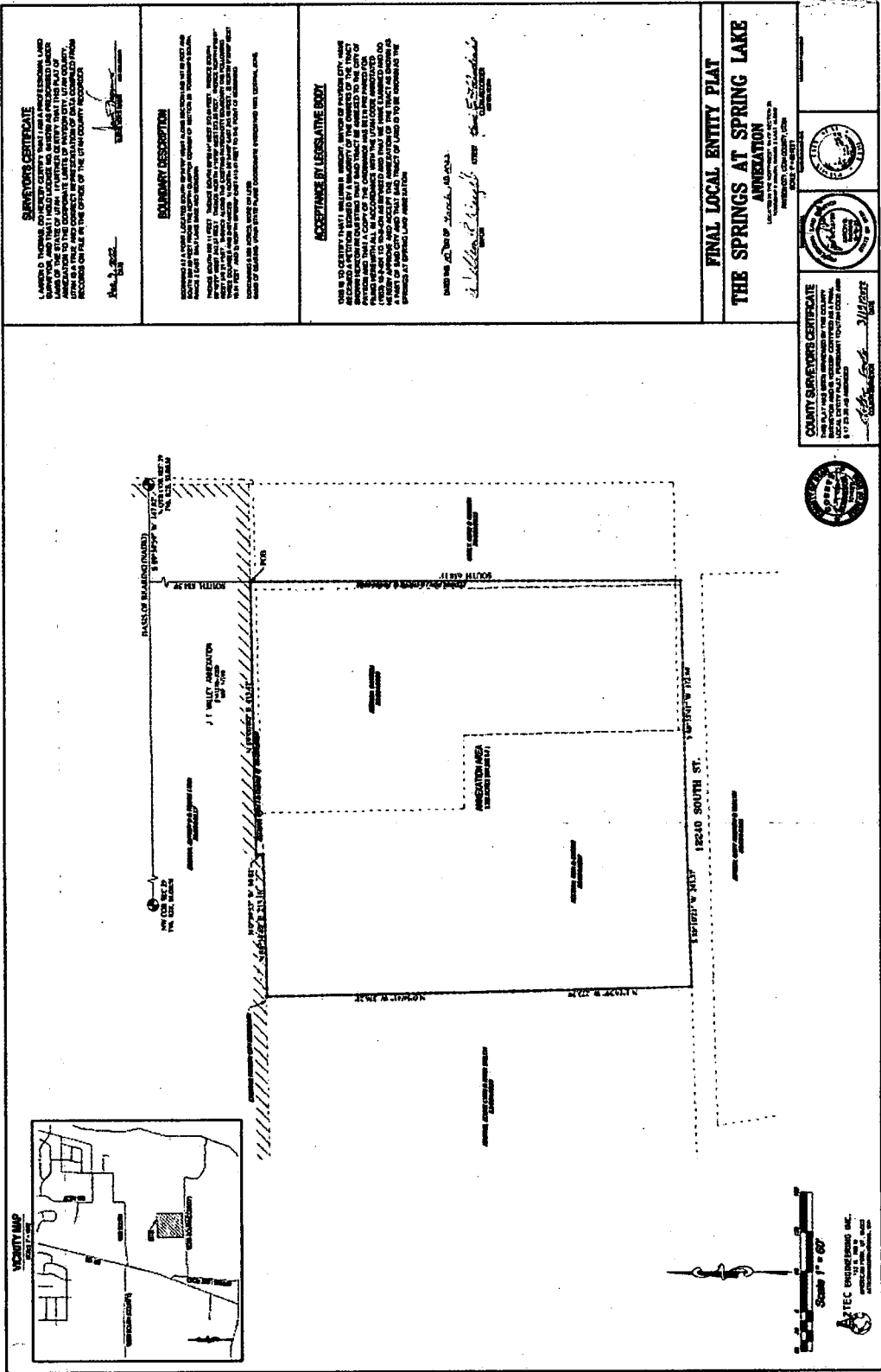


Exhibit "A"
The Annexation Plat



SURVEYOR'S CERTIFICATE
I, Matthew J. Murr, Surveyor for the State of Missouri, do hereby certify that I am a professional land surveyor and have prepared the attached plat in accordance with the laws of the State of Missouri. I have personally supervised the survey and the boundaries shown on this plat are true to the ground. The plat is based on the records on file in the office of the CLM County Recorder. This plat is based on the records on file in the office of the CLM County Recorder.

BOUNDARY DESCRIPTION
Beginning at a point located on the corner of a section 27, T15N, R22E, 12240' SOUTH OF THE CENTER LINE OF SECTION 27, T15N, R22E, 12480' SOUTH OF THE CENTER LINE OF SECTION 27, T15N, R22E, thence North 89° 58' 00\"/>

ACCEPTANCE BY LEGISLATIVE BODY
THIS IS TO CERTIFY THAT I, Matthew J. Murr, Surveyor for the State of Missouri, have prepared the attached plat in accordance with the laws of the State of Missouri. I have personally supervised the survey and the boundaries shown on this plat are true to the ground. The plat is based on the records on file in the office of the CLM County Recorder. This plat is based on the records on file in the office of the CLM County Recorder.

FINAL LOCAL ENTITY PLAT
THE SPRINGS AT SPRING LAKE ANNEXATION
I, Matthew J. Murr, Surveyor for the State of Missouri, do hereby certify that I am a professional land surveyor and have prepared the attached plat in accordance with the laws of the State of Missouri. I have personally supervised the survey and the boundaries shown on this plat are true to the ground. The plat is based on the records on file in the office of the CLM County Recorder. This plat is based on the records on file in the office of the CLM County Recorder.

COUNTY SURVEYOR'S CERTIFICATE
I, Matthew J. Murr, Surveyor for the State of Missouri, do hereby certify that I am a professional land surveyor and have prepared the attached plat in accordance with the laws of the State of Missouri. I have personally supervised the survey and the boundaries shown on this plat are true to the ground. The plat is based on the records on file in the office of the CLM County Recorder. This plat is based on the records on file in the office of the CLM County Recorder.



Scale: 1" = 60'
ARTEC ENGINEERING, INC.
SURVEYORS & ENGINEERS
PO BOX 100
MARIETTA, MO 64467

Exhibit "B"
Adopting Ordinance

ORDINANCE NO. 03-02-2022-B

AN ORDINANCE EXTENDING THE MUNICIPAL BOUNDARIES OF PAYSON, UTAH TO INCLUDE PARCELS INCLUDED IN THE SPRINGS AT SPRING LAKE ANNEXATION, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Payson City received an Application for annexation of the Springs at Spring Lake Annexation for further review on August 18, 2021. The proposed annexation encompasses Utah County Parcels 30:084:0067, 30:084:0068 and 30:084:0065 and includes 9.27 acres, as indicated in the Springs at Spring Lake Annexation Legal Description; and

WHEREAS, the Payson City Council accepted a petition for the Springs at Spring Lake Annexation for further review on August 18, 2021, pursuant to Section 10-2-403, et. seq. Utah Code Annotated 1953, as amended, and the petition satisfied the requirements of the above-stated section; and

WHEREAS, the petition was certified and a notice was published and mailed pursuant to the requirements of Section 10-2-403, Utah Code Annotated 1953, as amended; and

WHEREAS, several protests were filed with Payson City and Utah County pursuant to Section 10-2-407(3)b(ii), Utah Code Annotated 1953, as amended; and

WHEREAS, the Utah County Boundary Commission heard the Springs at Spring Lake Annexation protests on November 8, 2021 and decided in a written Findings, Conclusions, and Decisions dated December 8, 2021 that the protests were denied and the Springs at Spring Lake Annexation could go to the City Council for a decision; and

WHEREAS, a public hearing was held on March 2, 2022, pursuant to Utah Code Annotated, 1953, as amended; and

WHEREAS, the City Council has reviewed the proposed application and found it consistent with the General Plan to provide a planning framework for the future growth and development of the 9.27 acres in the Annexation Area; and

WHEREAS, the petition includes property in the unincorporated area of Utah County that is contiguous to Payson, and all the requirements of the Utah Code in relation to annexation have been satisfied; and

WHEREAS, the Payson City Council determines the annexation is a logical extension of the municipal boundaries and will further the goals of the Payson City General Plan; and

WHEREAS, the City Council finds that the A-5-H Agricultural Holding zoning is consistent with the Payson City General Plan and Payson City planning principles; and

WHEREAS, the City Council finds that requiring the annexation petitioners to enter into an Annexation Agreement setting forth further terms and conditions of the Annexation will benefit and further the goals of Payson City.

NOW THEREFORE, be it ordained by the City Council of Payson, Utah, as follows:

ANNEXATION APPROVAL. The property of the Springs at Spring Lake Annexation is hereby annexed into the corporate limits of Payson City, Utah, according to the conditions that the annexation applicants enter into an Annexation Agreement specifying further the terms and conditions of the Springs at Spring Lake Annexation, between the City and Applicants, to be recorded concurrently with the Annexation Plat.

ANNEXATION AGREEMENT. The Council hereby authorizes the staff to specify further the terms and conditions of the Springs at Spring Lake Annexation into an Annexation Agreement between the City and Applicants for approval by the City Council so it can thereafter be recorded concurrently with the Annexation Plat.

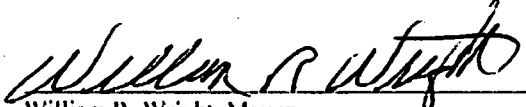
OFFICIAL PAYSON CITY ZONING MAP AMENDMENT. The Official Payson City Zoning Map is hereby amended to include said Property contained in the Springs at Spring Lake Annexation, with the underlying A-5-H Agricultural Holding Zone.

COMPLIANCE WITH STATE LAW, GENERAL PLAN, AND ANNEXATION POLICY PLAN. The City Council finds this Annexation meets the standards for annexation set forth in Title 10, Chapter 2 of the Utah Code Annotated 1953 as amended, the Payson City General Plan, and the Payson City Annexation Policy Plan, and Chapter 19.12-1 et seq. Annexation, of the Payson City Code and that the underlying A-5-H Agricultural Holding Zone is consistent with the Payson City General Plan.

CONDITIONS OF APPROVAL. The Official Zoning Map shall be amended to include the Springs at Spring Lake Annexation property in the A-5-H Agricultural Holding Zone. The Annexation Agreement shall be fully executed and recorded with the Annexation Plat.

This Ordinance shall take effect upon publication, recordation of the Annexation Plat, and Annexation Agreement, and compliance with Utah annexation filing requirements, pursuant to the Utah Code Annotated Section 10-2-425.

Passed and ordained this 2nd day of March, 2022.


William R. Wright, Mayor

ATTEST:


Kim E. Holindrake, City Recorder



Exhibit "C"
Legal Description

The area proposed for annexation is located at approximately 3650 West 12240 South as identified on the enclosed map and is more particularly described as follows:

Beginning at a point located South 89°34'59" West along section line 147.82 feet and South 884.59 feet from the North quarter corner of Section 29, Township 9 South, Range 2 East, Salt Lake Base and Meridian; thence South 658.11 feet; thence South 88°55'41" West 372.84 feet; thence South 88°10'21" West 243.37 feet; thence North 1°16'39" West 273.39 feet; thence North 0°56'41" West 376.21 feet; thence along the existing Payson city boundary the following three courses and distances: 1) North 88°34'40" East 215.16 feet, 2) North 0°39'53" West 10.81 feet, and 3) North 89°00'00" East 413.41 feet to the point of beginning. Containing 9.366 acres, more or less. Basis of bearing: Utah state plane coordinate system NAD 1983, central zone.