

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (hereinafter "MOU") is entered into this 31st day of December, 2009 by and between David Z. Thompson (hereinafter "Thompson") and Tremonton City, a body corporate and politic of the State of Utah (hereinafter the "City").

WHEREAS, all parties to this MOU have agreed to the terms of a Water Well Purchase Agreement (hereinafter the "Agreement"); and

WHEREAS, minor changes to the Agreement itself have become necessary before its execution;
and

WHEREAS, as of the date of this MOU, the exhibits to the Agreement have not been finalized;
and

WHEREAS, it is mutually agreed that the Agreement will be signed on or before January 31, 2010.

NOW, THEREFORE, in consideration of the promises contained herein, the parties agree as follows:

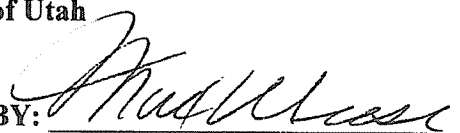
1. **City Payment to Thompson.** The City hereby agrees to pay to Thompson the agreed amount of Sixty-Three Thousand, Three Hundred and Thirty-Three Dollars (\$63,633.00) on December 31, 2009. Said monies will be in the form of a check dated the 31st day of December, 2009, and will be held in escrow by the Law Offices of Ericson & Shaw, LLP at 88 West Center Street, City of Logan, State of Utah, 84321, until the date that the Agreement is executed or until January 31, 2010, whichever shall occur first.

In the event that the parties are unable to successfully negotiate the Agreement in its entirety before January 31, 2010, the aforementioned funds shall be returned to the City.

2. **Term of MOU.** This MOU shall remain in effect until such day as the Agreement between the parties is executed or until January 31, 2010, whichever shall occur first.
3. **Amendments.** Should it become necessary to amend this MOU for any reason, upon the written consent of all parties, amendments shall be permissible.
4. **Intentions of Subject Parties.** Both parties hereby acknowledge that it is their respective intentions to execute a Water Well Purchase Agreement on or before January 31, 2010, and that the parties intend to bind themselves to the terms of the Water Well Purchase Agreement and will do nothing in bad faith to delay or inhibit the Agreement's execution.
5. **Basic Water Well Agreement Terms.** The basic and material terms to the Water Well Purchase Agreement to which the parties have already agreed are as follows:
 - a. **Purchase Price** – One Hundred and Ninety Thousand Dollars (\$190,000.00) to be paid in three equal increments in 2009, 2010, and 2011.

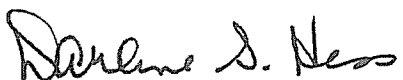
- b. Water Well – The City shall receive full ownership and water rights, excepting those owned by Cedar Ridge Water Company, to the agreed upon water well, currently owned by Thompson.
 - c. Following the purchase of the Water Well by the City, the City shall continue, at a charge to Cedar Ridge Water Company, to provide water from the Water Well to Cedar Ridge Water Company.
6. **Applicable Law.** This MOU shall be interpreted in accordance with the laws of the State of Utah.

Tremonton City,
A body Corporate and Politic of the State
of Utah

BY: 
Max Weese
Mayor, Tremonton City


David Z. Thompson
An Individual

Attest:


Darlene Hess
Tremonton City Recorder

