

## LOAN AGREEMENT

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This Loan Agreement (this "Agreement"), is made as of this January 01, 2023 (the "Effective Date") by and between Wanship Water Co, LLC, located at 5000 Old Meadow Ln, Park City, UT 84098 ("Borrower"), and Grady Kohler, located at 5000 Old Meadow Ln, Park City, UT 84098 ("Lender").

The parties agree as follows:

**1. Loan Amount.** Lender agrees to loan Borrower the principal sum of \$49,112.65 (the "Loan"), together with interest on the outstanding principal amount of the Loan (the "Principal Balance"), and in accordance with the terms set forth below.

**2. Repayment of Loan.** The Loan together with accrued and unpaid interest and all other charges, costs and expenses, is due and payable on or before December 01, 2027. All payments under this Agreement are applied first to accrued interest and then to the Principal Balance. The Loan shall be payable in installments equal to \$926.81. The first payment is due on January 01, 2023 and due thereafter in sixty (60) equal consecutive monthly installments. Each successive payment is due on the 1st day of the month .

**3. Security.** Borrower agrees that until the Loan together with interest is paid in full, the Loan will be secured by Water Rights and all Water Company Owned assets. Including but not limited to: Cement Water Holding Tank, Well(s), Well Pumps, Pump House, Water Lines, Accounts Payable, Easements and All Water Rights owed but the water right 35-6399 (E849), Three Ditch Shares in Wanship Irrigation Company No. 2, Certificate number 298, and any other water rights owned now or in the future by the borrower. , and Borrower hereby grants to Lender a security interest in and to such property.

**4. Interest.** The Principal Balance shall bear interest at the rate of 5% per annum, accruing daily. Notwithstanding, the total interest charged shall not exceed the maximum amount allowed by law and Borrower shall not be obligated to pay any interest in excess of such amount.

**5. Late Fee.** If Borrower fails to make a payment due under this Agreement within fifteen (15) days after the due date, Borrower agrees to pay to Lender a late payment fee of 10% of the amount then due.

**6. Prepayment.** Borrower has the right to prepay all or any part of the Loan , together with accrued and unpaid interest thereon, at any time without prepayment penalty or premium of any kind. Borrower must provide forty five (45) days prior written notice to Lender of the prepayment and the amount of the prepayment.

**7. Acceleration.** In the event Borrower is more than thirty (30) days late with a payment, Lender in its sole discretion may demand that the Principal Balance and any accrued and unpaid interest be immediately due and payable in full.

**8. Remedies.** Lender may enforce its rights or remedies in equity or at law, or both, whether for specific performance of any provision in this Agreement or to enforce the payment of the Loan or any other legal or equitable right or remedy. The rights and remedies of Lender now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall be in addition to every other such right or remedy.

**9. Costs and Expenses.** Borrower shall pay to Lender all costs of collection, including reasonable attorney's fees, Lender incurs in enforcing this Agreement.

**10. Waiver.** Borrower and all sureties, guarantors and endorsers hereof, waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Agreement.

**11. Successors and Assigns.** This Agreement will inure to the benefit of and be binding on the respective successors and permitted assigns of Lender and Borrower.

**12. Amendment.** This Agreement may be amended or modified only by a written agreement signed by Borrower and Lender.

**13. Notices.** Any notice or communication under this Loan must be in writing and sent via one of the following options:

- Electronic Email Transmission

**14. No Waiver.** Lender shall not be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by Lender of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

**15. Severability.** In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Agreement.

**16. Assignment.** Borrower shall not assign this Agreement, in whole or in part, without the written consent of Lender. Lender may assign all or any portion of this Agreement with written notice to Borrower.

**17. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, not including its conflicts of law provisions.

**18. Disputes.** Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association .




**19. Entire Agreement.** This Agreement contains the entire understanding between the parties and supersedes and cancels all prior agreements of the parties, whether oral or written, with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first stated above.

**SIGNATURES**

  
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**Borrower Signature**

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Wanship Water Co, LLC  
**Borrower Full Name**

  
\_\_\_\_\_  
**Lender Signature**

\_\_\_\_\_  
Grady Kohler  
**Lender Full Name**