SETTLEMENT AGREEMENT

Ivins City, a Utah municipal corporation (the "City"), and the Padre Lakes Townhomes Association ("Padre Lakes"), hereby enter this instrument effective as of October 17, 2024 (the "Effective Date").

RECITALS

A. For the benefit of residents within the Padre Lakes Subdivision, Padre Lakes pays the City for water connections.

B. Padre Lakes has made a claim against the City for overcharges of water services in the amount of $79,960.37 comprised of monthly overcharges since May 2019 (the "Claim").

C. The City maintains that it is not liable for overcharges that occurred more than one year before the claim was presented to the City.

D. The parties, recognizing the time and expense that litigation would cost them each, have discussed this matter in an attempt resolve it without resort to litigation, have identified terms acceptable to each of them, and now desire to enter this instrument to fully settle all claims that exist between them.

TERMS

Based on the foregoing recitals and the following covenants, obligations, terms and conditions, the receipt and sufficiency of which as adequate consideration the parties hereby acknowledge, the parties agree as follows:

1. Payment to Padre Lakes. Within 20 days of the Effective Date, the City shall deliver $79,960.37(the "Settlement Payment") to Padre Lakes. Padre Lakes hereby covenants to use the Settlement Payment exclusively to pay for efforts to reduce water usage within the Padre Lakes Subdivision.

2. Waiver of Claims by Padre Lakes. Conditioned upon delivery of the Settlement Payment to Padre Lakes, Padre Lakes hereby waives and releases any and all claims and/or causes of action, whether legal or equitable in nature, it may have against the City, or any agent, employee, officer, or elected official of the City, related to the Claim.

3. No Admission of Liability. Nothing in this instrument is to be construed as an admission of liability by the City for the Claim.

4. City Council Approval. This instrument is expressly conditioned upon, and shall not obligate the City in any manner unless and until it is lawfully approved by, the majority vote of the Ivins City Council.

5. Interpretation. Captions and headings are used for reference only and must not be used in construing or interpreting this instrument. All recitals set forth at the beginning of this instrument are, by this reference, fully incorporated into this instrument and the facts recited therein shall be deemed conclusive for any purpose. All exhibits referred to in this instrument are deemed fully incorporated herein, whether or not actually attached. As used herein (i) the singular include the plural (and vice versa) and the masculine or neuter gender include the feminine gender (and vice versa) as the context may require; (ii) locative adverbs such as "herein", "hereto", and "hereunder"

refer to this instrument in its entirety and not to any specific section or paragraph; (iii) the terms "include", "including", and similar terms must be construed as though followed immediately by the phrase "but not limited to;" and (iv) the terms "party" and "parties" refer only to a named party or parties to this instrument unless the context requires otherwise. All parties have jointly participated in the negotiation and drafting of this instrument upon advice of their own, independent counsel or had the opportunity to do so, and this instrument must be construed fairly and equally as to all parties as if drafted jointly by them. If there is any conflict between the terms of this instrument and any other related documents, including any exhibits identified herein, the terms of this instrument shall prevail.

6. Beneficiaries. This instrument shall be binding upon and inure to the benefit of the parties and to their respective heirs, representatives, successors and permitted assignees. This instrument is intended for the exclusive benefit of the parties and permitted assignees and is not intended and shall not be interpreted as conferring any benefit on any third party.

7. Entire Agreement. The parties intend that this instrument is the final expression of their agreement and constitutes their entire understanding regarding this subject matter. This instrument supersedes any previous or contemporaneous negotiations or communications of any kind between the parties and contains all of the terms agreed upon between the parties. No party relied on any other term, warranty, and/or covenant as an inducement to enter this instrument.

8. Amendment. The parties shall not amend or modify this instrument in any way unless in writing signed by the parties.

9. Further Action. Each party shall promptly do any act or execute and deliver any document reasonably necessary to comply with their respective obligations under this instrument in order to carry out the intent of the parties in consummating this transaction.

10. Waiver. Neither the failure of either party to insist upon the timely or full performance of any of the terms and conditions of this instrument, nor the waiver of any breach of any of the terms and conditions of this instrument, shall be construed as thereafter waiving any such terms and conditions, but these shall continue and remain in full force and effect as if no such forbearance or waiver had occurred.

11. Severability. If any court of competent jurisdiction declares any portion of this instrument unenforceable, the parties shall deem such portion as severed from this instrument, and shall deem the remaining parts of this instrument, including without limitation the remaining parts of the paragraph of which the unenforceable portion was a part, in full force and effect as though such unenforceable portion had never been part of this instrument. The parties shall replace any such unenforceable portion with an enforceable provision which will achieve, to the extent possible, the purposes of the unenforceable portion.

12. Forum and Law. Utah law shall govern this instrument without respect to any principles of choice of law or conflicts of law. Jurisdiction and venue of any action commenced relating to this instrument shall be exclusively in courts located in, or with jurisdiction over, Washington County, Utah.

13. Execution. By executing this instrument below, the executing individuals acknowledge that (1) they have read this instrument, (2) they understand its terms, (3) they have had the opportunity to have this instrument reviewed by independent counsel, (4) they have the full and complete authority to execute this instrument on their own behalf or on the behalf of any entity which they represent, and (5) they intend to bind themselves or the entity which they represent, if any, to the terms of this instrument in full. The failure of any executing individual to date their signature will not affect the validity of this instrument.

14. Counterparts. The parties may execute this instrument in multiple counterparts with the same force and effect as if all signatures were set forth in a single document. Facsimile and other copies shall have the same force and effect as the original.

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In witness of their intention to be bound by the above terms, the parties hereby execute this instrument as follows:

IVINS CITY

_____ By: _____
Date Chris Hart, Mayor

Attested: By: _____
Kari Jimenez, City Recorder

PADRE LAKES TOWNHOMES ASSOCIATION

10/21/24 By: [signature]
Date Name: Grant S Weerings
Position: President