

ESCROW AGREEMENT  
ACCOUNT NO. \_\_\_\_\_

I. SUMMARY

A. Parties to the Agreement:

1. Grantee/Borrower: Granger-Hunter Improvement District, Utah (the "Entity")  
Address: 2888 South 3600 West  
West Valley City, Utah 84119  
  
Contact: Debra Armstrong Tel. No. (801) 968-3551  
Austin Ballard Tel. No. (801) 968-3551
2. Grantor/Lender: State of Utah Department of Environmental Quality,  
Drinking Water Board (the "State")  
Address: 195 North 1950 West  
Salt Lake City, Utah 84116  
  
Contact: Michael Grange Tel. No. (801) 536-0069  
Tim Davis Tel. No. (801) 536-4200
3. Construction Escrow Agent: Utah State Treasurer (the "Treasurer")  
350 North State Street, Suite 180  
Salt Lake City, Utah 84114  
  
Contact: Jason Nielsen, Financial Manager  
Silva Lane, Public Treasurer's Investment Fund  
Telephone: (801) 538-1042  
Telefax: (801) 538-1465  
Toll free: (800) 395-7665

B. Grant/Loan Amount(s):

1. Principal amount \$2,500,000 from principal and interest forgiven for Water and Sewer Revenue Bonds (the "Proceeds")
2. Additional amount(s), if any: Issuer Contribution \$0

C. Project Description:

Sewer system improvements, construction of a new water treatment plant, and all related improvements (collectively, the "Project").

This Summary is an integral part of the Escrow Agreement.

## II. AGREEMENT

The undersigned hereby deliver to the Treasurer, the Proceeds and additional amount(s), if any, to be held and disposed of by the Treasurer in accordance with the duties, instructions, and upon the terms and conditions hereinafter set forth in this Escrow Agreement to which the undersigned hereby agree:

1. For purposes of this Escrow Agreement and this Escrow Agreement only:
  - (a) The Treasurer shall not incur any liability in acting upon any written authorization and request delivered hereunder and believed by the Treasurer to be genuine and to be signed by the proper parties.
  - (b) The Treasurer may consult with legal counsel in the event of any dispute or question as to the construction of the Treasurer's duties hereunder and shall not be held to any liability for acting in accordance with advice so received.
  - (c) The Treasurer shall have a first lien on the moneys held by it hereunder for its compensation and for any costs, liability or expense or counsel fees it may incur.
2. In the event of any disagreement between the undersigned or any of them, and/or any other person, resulting in adverse claims and demands being made in connection with or for any moneys involved herein or affected hereby, the Treasurer shall be entitled at its option to refuse to comply with any such claim or demand, so long as such disagreement shall continue, and in so refusing the Treasurer may refrain from making any delivery or other disposition of any moneys involved herein or affected hereby and in so doing the Treasurer shall not be or become liable to the undersigned or any of them or to any person or party for its failure or refusal to comply with such conflicting or adverse demands, and the Treasurer shall be entitled to continue so to refrain and refuse so to act until:
  - (a) The rights of the adverse claimants have been finally adjudicated in a court assuming and having jurisdiction of the parties and the moneys involved herein or affected hereby; and/or
  - (b) All differences shall have been adjusted by agreement and the Treasurer shall have been notified thereof in writing signed by all of the persons interested.
3. The fees for the usual services of the Treasurer under the terms of this Escrow Agreement are set forth in the schedule attached hereto as Exhibit A. It is agreed that additional compensation shall be paid to the Treasurer for any additional or extraordinary service it may be requested to render hereunder, and the Treasurer shall be reimbursed for any out-of-pocket expenses (including, without limitation, fees of counsel) reasonably incurred in connection with additional or extraordinary services.

4. The Entity and the State hereby agree that the deposit of the Proceeds shall constitute compliance with applicable deposit and investment provisions of the Instrument.
5. The duties of the Treasurer under the terms of this Escrow Agreement are as follows:
  - (a) The Treasurer shall receive into a separate fund (the "Escrow Account") Proceeds and any additional amounts to be used in connection with the Project.
  - (b) The Treasurer shall reimburse Entity in amounts authorized in writing by the Entity and the State.
  - (c) Each authorization must be signed by one official from both the Entity and the State and shall be in substantially the form attached as Exhibit B. On behalf of the Entity, the written authorization and request shall be signed by any one of the officials of the Entity identified in Section I.A.1. above. On behalf of the State, the written authorization and request shall be signed by any one of the officials of the State identified in Section I.A.2. above. The Treasurer assumes no responsibility for the expenditure of moneys paid out of the Escrow Account pursuant to a written authorization and request properly signed and delivered to the Treasurer as provided herein.
  - (d) If a written authorization and Exhibit B-3 request for reimbursement indicates that an amount (the "Retained Amount") payable to a provider is to be held for retainage pending completion of the Project or the lapse of time, the Treasurer shall segregate such amount and shall invest the Retained Amount in an interest-bearing account (the "Separate Account"), the interest on which shall accrue for the benefit of the provider. The Retained Amount and all accrued interest thereon shall be disbursed by the Treasurer in the same manner as provided in paragraph 5(b) hereof. All fees charged or incurred by the Treasurer relating to the establishment, investment and disbursement of the Separate Account shall be borne solely by the provider and may be withheld by the Treasurer from the Separate Account prior to the disbursement thereof; provided, however, that if such fees are borne by the Separate Account, and if the interest earned on the Separate Account is less than the amount of such fees, then the fees withheld from such Separate Account shall not exceed the interest earned and the balance of such fees shall be paid by the Entity.
  - (e) The funds deposited by the parties hereto in the Escrow Fund and in any Separate Account shall be invested by the Treasurer in the Utah Public Treasurers' Investment Fund established by Section 51-7-5 of the Utah Code. All interest earned on moneys held in the Escrow Account shall be retained therein and disbursed as provided herein.
  - (f) The Treasurer shall report at least monthly concerning the receipts, disbursements, and status of the Escrow Account. The reports shall be

mailed to the Entity and to the State at their respective addresses as shown in Section I.A. above. Notification of changes of address, if any, shall be in writing and mailed to the parties at their respective addresses as shown in Section I.A. above.


- (g) This Escrow Agreement will be terminated after payment of the fees and out-of-pocket expenses of the Treasurer, and upon liquidation of the Escrow Account as provided herein. This Escrow Account will be closed, upon the earlier to occur of:
    - (i) receipt by the Treasurer of a written authorization and request, signed as provided in paragraph 5(c) hereof, stating that the acquisition, construction, improvement and extension of the Project is complete, that all obligations and costs in connection with the Project which are payable out of the Escrow Account have been paid and discharged, and that the Treasurer is authorized and directed to transfer all moneys in the Escrow Fund to the Entity or such other disposition as may be agreed by the State and the Entity; or
    - (ii) receipt by the Treasurer of a written certificate of the State, signed by the appropriate representatives thereof as identified in paragraph 5(c) hereof, stating that at least twenty-four (24) months have expired from the date of this Agreement and that all remaining moneys in the Escrow Account are to be transferred to the State as a prepayment on the Bond purchased by the State or such other disposition as may be specified by the State.
6. This Agreement may be modified or amended only by a written Amendment attached to this Agreement and signed by the parties to this Agreement.

DATED this December 12, 2023.

Entity: GRANGER-HUNTER  
IMPROVEMENT DISTRICT, UTAH

By:   
Chair

ATTEST AND COUNTERSIGN:

By:   
Clerk

State: Drinking Water Board

UTAH DRINKING WATER BOARD

By: \_\_\_\_\_  
Title: Assistant Executive Secretary

ACCEPTED:

UTAH STATE TREASURER

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A

FEES DUE TO STATE TREASURER  
AS ESCROW AGENT

Maximum annual fee is 10 basis points (one-tenth of one percent (.001)) applied to the average daily balance in each account. The fee is assessed monthly based on the actual number of days in the months divided by 360 days.

Minimum annual fee is zero.

The Treasurer intends to deduct the administrative fee from gross earnings of each account before crediting earnings to the account(s). The amount of such fees is not reflected on monthly statements to the Entity, and is payable only from gross earnings on the account(s).

Entity shall not be liable to the Treasurer for any other costs or expenses for usual services. Usual services include:

1. Acceptance of funds delivered for deposit.
2. Deposit of funds and issuance of Treasurer's Receipt.
3. Investment of all funds delivered to Treasurer.
4. Credit net interest earnings to designated account(s) on a monthly basis.
5. Reimburse Entity for project costs pursuant to receipt of a written authorization and request properly signed and delivered to the Treasurer.
6. Prepare and deliver to Entity and State a monthly accounting showing all deposits, withdrawals, interest credits, and rate, ending balance and average balance for each account.

Entity will be liable to the Treasurer for out-of-pocket expenses resulting from any additional or extraordinary service Treasurer is requested to render and reasonably incurs in connection with additional or extraordinary services.

EXHIBIT B-1

WRITTEN AUTHORIZATION AND REQUEST FOR REIMBURSEMENT  
FROM ESCROW FUND

TO: The Utah State Treasurer, as Escrow Agent (the "Treasurer")

DATE: December 12, 2023

WRITTEN REQUEST NO.: \_\_\_\_\_

I, the undersigned authorized officer of Granger-Hunter Improvement District, Utah (the "Entity"), do hereby certify and request to the Treasurer as follows:

1. Pursuant to the provisions of the Escrow Agreement by and between the Entity, the State and the Treasurer dated December 12, 2023 (the "Escrow Agreement"), the undersigned hereby authorizes and requests a reimbursement from the Escrow Account to pay the amounts shown on the attached Payment Schedule.
2. Each payment proposed to be made as set forth on the Payment Schedule has been incurred and is a proper charge against the Escrow Account.
3. To the extent that the payment of any item set forth on the Payment Schedule is for other than work, materials, equipment or supplies, in connection with this authorization and request, the undersigned certifies that each payment proposed to be made on the Payment Schedule is a proper charge against the Escrow Account, is a reasonable amount and has not been heretofore included in a prior Written Authorization and Request for Reimbursement from the Escrow Account.
4. This Written Authorization and Request, including the Payment Schedule attached hereto, shall be conclusive evidence of the facts and statements set forth herein.
5. A copy of this Written Authorization and Request is being kept on file in the official records of the Entity.

The terms used herein which are defined in the Escrow Agreement shall have the respective meanings therein assigned to them.

GRANGER-HUNTER IMPROVEMENT  
DISTRICT, UTAH

By: *Debra K. Armstrong*  
Title: Chair, Board of Trustees



EXHIBIT B-2

I, the undersigned authorized officer of the State, do hereby certify and request to the Treasurer as follows:

1. I have reviewed the foregoing statements of the authorized officer of the Entity attached hereto, and on behalf of the State approve the request for reimbursement from the Escrow Account made therein; provided that the State has not independently verified the statements of such authorized officer of the Entity attached hereto and makes no representations or certifications with respect thereto.
2. A copy of this Written Authorization and Request is being kept on file in the official records of the State.

The terms used herein shall have the same meanings assigned to them in the attached statements of the authorized officer of the Entity.

Dated the date appearing at the top of the attached statements of the authorized officer of the Entity.

State: STATE OF UTAH DEPARTMENT OF  
ENVIRONMENTAL QUALITY,  
DRINKING WATER BOARD

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT B-3

REIMBURSEMENT SCHEDULE

Check No.	Person or Firm	Amount	Purpose

Reimbursement for the above listed payments totaling \$ \_\_\_\_\_ is to be made to the Granger-Hunter Improvement District, Utah ("Entity") by transfer of funds from the Escrow Account (PTIF # \_\_\_\_\_) to (CHECK ONE):

\_\_\_\_\_ Entity's general account in the Public Treasurers' Investment Fund (PTIF # \_\_\_\_\_); or to

\_\_\_\_\_ Entity's checking account at \_\_\_\_\_ ("Bank").  
Account number \_\_\_\_\_

RETAINAGE REQUEST

In addition to the above-listed reimbursement, transfer the following retainage amounts:

From Escrow Acct. #	To Retainage Acct. #	For Contractor (name)	\$ Amount
_____	_____	_____	_____
-	-	-	-
_____	_____	_____	_____
-	-	-	-

Contact Person at time of Wire Transfer \_\_\_\_\_  
(name) (phone #)