

EAGLE MOUNTAIN CITY
MASTER DEVELOPMENT AGREEMENT
FOR THE
CLEARVIEW ESTATES DEVELOPMENT

This Master Development Agreement for the Clearview Estates Development (this “**Agreement**”) is entered into between Eagle Mountain City, a municipal corporation of the State of Utah (the “**City**”) and Stanley R. Smith and Katherine Lynn Smith (“**Developer**”).

This Agreement is made with reference to the following facts.

A. Developer has submitted to the City an application for a new development known as Clearview Estates (the “**Project**”).

B. The Project consists of approximately 287 acres of the land (the “**Property**”) located North of SR73 and west of the existing North Ranch subdivision. A legal description of the Property is attached as Exhibit A.

C. On September 4, 2012, the City adopted Ordinance No. O-12-2012, approving the annexation of the Property to Eagle Mountain City.

D. On October 16, 2012, the City adopted Ordinance No. O-16-2012, amending the General Plan Map for Eagle Mountain City and approving the Master Development Plan and Land Use Plan for Clearview Estates. The approved Master Development Plan and Land Use Plan are attached as Exhibit B.

E. The Project will be zoned for single family residential development and improved in compliance with procedures and standards in the Development Code of the City (the “**Development Code**”) and the terms of this Agreement.

F. The City and Developer wish to define the rights and responsibilities of the parties with respect to the development of the Property, vested rights, and funding of improvements on the Property, which is approved by the City in this Agreement.

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

1 Governing Standards. The Project shall be governed by the procedures, standards and requirements of the Development Code of the City.

2. Zoning, Density and Land Use Standards. The Project will be zoned as residential in accordance with Chapter 17.25 of the Municipal Code. The residential zone must be a predominately residential use. The project is all Tier I Residential Zone with a minimum of 1/2 acre lot size and an equestrian overlay. Larger lots are permitted. The property is comprised of the following elements:

| | |
|------------------------------------|-------------|
| Total Acreage: | 287.1 acres |
| Developable Land: * | 244.7 acres |
| Improved Open Space Required = 4%: | 9.8 acres |
| Unimproved Natural Open Space: | 42.4 acres |
| Total Residential Lots: | 331 |

* Total acreage includes potential church sites, roadways, drainage facilities, and parks and open spaces.

3. Development Requirements. Developer shall construct, dedicate or fund the following to meet the City's Tier I requirements for the Project:

- a. Fund or construct community improvements or amenities within the Project or otherwise give value equaling \$2,000 per acre of Buildable Land;
- b. Dedicate 4% of the Buildable Land as Improved Open Space as parks or trails;
- c. Construct entryway monuments; and
- d. Professional land planning.

4. Community Improvements. In conjunction with Section 6.7 of the Development Code, Developer must contribute \$2,000 per buildable acre of land within the Project to fund construction of community wide improvements, for a total of \$489,400.00. Developer agrees that prior to recording each subdivision plat, Developer shall either place into a community

improvement escrow fund for the Project (the "Improvement Fund") established with the City sufficient funds to meet the required community improvements, or otherwise demonstrate that a sufficient amount of community improvements have been constructed to meet the requirement. For example, if the first subdivision plat has 10 acres of developable/buildable land, Developer will place \$20,000 in the Improvement Fund or demonstrate that \$20,000 of community improvements have been constructed to meet the requirements.

5. Improvements and Dedication of Parks and Open Space.

A. Improved Open Space. The total amount of open space (as defined in the development code) to be set aside as improved open space is 4% of the developable land (244.7 acres) and totals not less than 9.8 acres. This land shall be deeded to the City as final plats are approved and constructed in the locations shown in Exhibit B (the "**Land Use Plan Map**"), but in no case shall the percentage of open space to be deeded for any one plat be less than the accumulated 4% required.

B. Timing of Park Improvements. Parks shall be constructed according to a schedule set in the development agreement for each phase of the Project. Parks that are included in whole or in part in any Subarea (as depicted on the Land Use Plan) shall be completed, with access from an improved public road, no later than Developer records final plats for 50 percent of the approved lots in any Subarea. For example, Subarea A contains 40 lots, so any park that is included in whole or in part in Subarea A would need to be constructed prior to Developer recording final plats containing more than 20 lots in Subarea A. In addition, all parks in the Development must be completed prior to Developer recording final plats containing more than 165 lots. In the alternative to the timeframes set forth above, Developer may post a completion bond acceptable to the City for the amount to complete the park. Developer shall be required to provide the City a detailed park plan for each park in order for the City to calculate the amount of the bond.

C. Additional Open Space for Linear Park along SR73. In addition to the 9.8 acres of improved open space, Developer shall preserve as open space the 150-foot wide strip of land (consisting of approximately 9.86 acres) on the North side of SR73 (the "SR73 Strip") for possible future expansion of SR73. The 9.86 acres of future right-of-way may be included in platted lots, but such plats must contain a restriction that no permanent structures (except fences) will be allowed in the SR73 Strip. All lots must meet the ½ acre minimum in addition to the SR73 Strip.

submitted and approved for these parking areas and for the trails (type, materials, and consideration be given to dual use of trails for pedestrian and equestrian use). This plan shall be approved prior to approval of the first phase of development.

E. Natural Unimproved Open Space. The total amount of land to be designated as unimproved natural open space shall be not less than 42.2 acres. Developer may either retain ownership of said lands provided that lands are platted and designated as unimproved open space, or dedicate such lands to the City or HOA. If Developer dedicates land to the City, Developer may request credit against the Community Improvements in paragraph 4 for all trails or other improvements made by Developer to the unimproved open space that are not otherwise part of Developers improved open space requirement. City shall evaluate whether the proposed improvements meet the City's criteria for Community Improvements and provide credit if City determines, in City's sole discretion, that such improvements qualify for Community Improvement credit.

6. Traffic Plan. Developer has submitted a traffic plan to the City. Developer shall be required to implement traffic plan mitigation requirements must be implemented prior to City issuing any building permits for the Project.

7. Intersections and Development Along State Route (SR) 73.

A. Intersection of SR73 and Airport Road. The Eagle Mountain General Plan has a right-of-way highway planned for the intersection of SR73 and Airport Road located near the South Central corner of the Property, which is a 122' wide Minor Arterial North of SR73. The continuation of Airport Road into the property will eventually need to be re-aligned to intersect SR73 at a 90 degree angle. Developer agrees to cooperate with the City in the realignment of the intersection as shown in Exhibit 2 for those portions of said road on Developer's Property. It is noted that no actual portion of the intersection is located on the Property, only portions of the roadway as it proceeds northerly from SR73.

B. Construction of Additional Connections to SR73. Developer agrees to construct roadway intersection connections and associated acceleration and deceleration lanes at both of the locations on (as shown in Exhibit 2) SR73 in conformance with UDOT requirements. These connections will be constructed after final plat approval but before building permits are issued for those plats that utilize access at said points or at such times as the portions of the Property adjacent to this section is developed.

8. Transitioning and Setback Requirements. Developer agrees to comply with all transitioning requirements set forth in Section 12.15 of the Development Code. In addition, the eastern border of the project is adjacent to the existing North Ranch subdivision. In order to be compatible with the North Ranch subdivision, Developer agrees to plat a minimum of one row of lots not less than 1 acre in size adjacent to the linear park on the Western border of the North Ranch subdivision. Additionally, the location of the improved open space in the SE portion of the Project (see Exhibit 2) will satisfy this compatibility requirement.

9. Utility Services and Infrastructure Improvements.

The City's utility department has reviewed the proposed Clearview Estates Master Development Plan prepared by Stephen E. Sowby, P.E. As indicated in the Master Development Plan, at a minimum, the following off-site infrastructure improvements, in addition to the improvements within each separate plat, will be necessary for the Project unless such improvements are constructed by the City prior to development of the Project:

- a. Acceleration and deceleration lanes on SR73 at proposed new roadway connections.
- b. Water tank, pump station, and water lines to serve upper pressure zone in NW corner of Project. Water must either connect to water tank #6 (subject to capacity) or another water tank must be built.
- c. On-site storm drainage ponds for flood control.
- d. Extension by Developer of electrical power lines and gas lines to serve the Project.

The parties agree and acknowledge that the Developer will provide funds to construct all necessary on-site and off-site infrastructure improvements for the Project (the "**Improvements**"). All proposed improvements which are to be transferred to the City under the terms of this paragraph must be reviewed and approved by the City and shall be constructed in accordance with the review comments and concept approved by the City. No subdivision plat will be recorded until improvements required for that particular plat are constructed by Developer, or Developer has placed into escrow adequate funds (whether through cash escrow, letters of credit, or other means reasonably satisfactory to the City Attorney) to construct the Improvements, which the City determines, in the City's sole and absolute discretion, are necessary for the phase of the subdivision to be developed. Developer will be required to construct only that portion of the Improvements for the Project necessary under the Development Code to service that portion of the Project to be developed as represented by the subdivision plat or site plan under consideration. Funds will be withdrawn from the escrow to construct

Improvements after design and review and approval by the City of each facility for which funds are provided. In the event Developer constructs utilities or other infrastructure in excess of the capacity necessary to provide services to the Property, Developer may request that the City enter into a reimbursement agreement for cost of excess capacity. The City may revise and amend the Capital Facilities Plan and Impact Fee Ordinance and payment requirements to collect the amounts required to reimburse Developer for the cost of excess capacity.

10. Septic Tanks and Drainfields. The City acknowledges that Developer intends to utilize on-site private individual underground waste water disposal septic systems for all residential lots created on the Property. Developer shall be responsible to comply with all requirements of the City, Utah County Health Department and the State of Utah regarding the review and approve of said septic systems. Developer shall clearly indicate on all subdivision plats that lots will be serviced by septic systems, and that such systems are the sole and absolute responsibility of the property owner. County Health Department approval is required for the septic systems for each lot prior to preliminary plat approval, and is a submittal requirement of the preliminary plat application. The City does not guarantee the maximum densities if lots do not receive approval for septic systems.

11. Stormwater and Drainage. Prior to Developer recording any final plats in the Project, the City shall approval a final master drainage plan for the Project. The City acknowledges that on-site small storm drain ponds may be used for flood control and they may be privately owned and maintained by a Home Owners Association. The City will be the designated agency to review and approve such small storm drainage ponds. The City may take ownership and maintenance responsibility for ponds deemed necessary for City-wide flood control or for use as a park. Ownership shall be determined at the time of approval of each individual plat.

12. Dedication of Facilities. Except as provided in a reimbursement agreement which may be entered between the City and the Developer, the Developer agrees to dedicate and donate free and clear of all encumbrances to the City all required spaces for the location of City owned utilities, utility facilities and improvements for the construction and use of utilities, roads, and other public ways.

13. Water Rights. Developer shall comply with the City's Development Code, as amended, related to providing water or water rights to the City for the Project.

14. Home Owners' Association. Prior to approval of any development within the Project, the Developer shall create an HOA for the Project with legal authority to collect

assessments and to maintain the common HOA owned facilities or improvements.

15. Withholding Approval Upon Default. The parties agree that the City shall not approve or record any subdivision in the Project if the Developer is in default on any obligation to the City which requires the construction of roads and completion of public improvements or other utility infrastructure to serve the Project. In addition, the City may withhold approval of building permits to construct any building or structure within the Project if the Developer is not current with all obligations to the City at the time of application for the development approval and/or has not completed all required improvements within the time to complete required improvements approved by the City Council.

16. Reserved Powers. The parties agree that the City reserves certain legislative powers to amend its Development Code to apply standards for development and construction generally applicable throughout the City. It is the intent of the parties to vest the Developer with the specific land uses and development density defined specifically on the Land Use Map (Exhibit B) and to vest Developer with the Tier I requirements set forth in Paragraph 3 of this Agreement. Developer shall be required to comply with all other generally applicable standards, conditions and requirements enacted by the City to protect the safety, health and welfare of the current and future inhabitants of the City.

17. Impact Fees. Developer agrees to pay all impact fees when due at subdivision approval, subdivision recordation or upon application for building permits from the City as set forth more specifically in the City Impact Fee Ordinance as it may be amended from time to time.

18. Annual Review of Compliance. The parties agree that the City may conduct an annual review of compliance by the Developer within the terms of this Agreement. It shall be an event of default if the Developer has failed to fund roads, parks or other utility infrastructure facilities required by this Agreement or by the City Development Standards, or if work remains incomplete on public infrastructure facilities without having received an adequate extension of time for the completion of such facilities from the City. It shall be an event of default if the Developer fails to deposit adequate collateral for the improvements required by this Agreement or fails to cure any defect discovered by the City upon inspection of any infrastructure utility facilities.

19. Default Notice to Developer. Upon the occurrence of an event of default by Developer, the City shall provide not less than fifteen (15) days notice to the Developer of a meeting of the City Council where the Developer's default shall be heard and reviewed by the City Council. The Developer shall be entitled to attend the hearing and comment on the evidence presented concerning the default. Upon a finding by the City Council that the Developer is in default, the City Council may order that work in the Project be terminated until the default is cured or may issue such further directions to City staff and to the Developer as

deemed appropriate under the circumstances.

20. Default Notice to City. Upon the occurrence of any default by City, the Developer may request in a hearing before the City Council where the City's default shall be heard and reviewed by the City Council. City shall schedule such hearing within thirty (30) days of written request of Developer.

21. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors, heirs and assigns of the parties hereto, and to any entities resulting from the reorganization, consolidation, or merger of any party hereto.

22. Integration. This Agreement constitutes the entire understanding and agreement between the parties, and supersedes any previous agreement, representation, or understanding between the parties relating to the subject matter hereof; provided however, that the Development Code of the City shall govern the procedures and standards for approval of each subdivision and public improvement.

23. Not Severable. The provisions of this Agreement are not severable, and should any provision hereof be deemed void, unenforceable or invalid, such provision shall affect the remainder of this Agreement, and shall provide grounds for dissolution of the Agreement at the option of the parties in the exclusive discretion of each of them.

24. Waiver. Any waiver by any party hereto of any breach of any kind or character what so ever by the other party, whether such waiver be direct or implied, shall not be construed as a continuing waiver of or consent to any subsequent breach of this Agreement on the part of the other party.

25. No Modification. This Agreement may not be modified except by an instrument in writing signed by the parties hereto.

26. Governing Law. This Agreement shall be interpreted, construed and enforced according to the laws of the State of Utah.

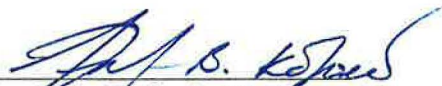
27. Costs of Enforcement. In the event of default on the part of any party to this Agreement, that party shall be liable for all costs and expenses incurred by the other parties enforcing the provisions of this Agreement, whether or not legal action is instituted.

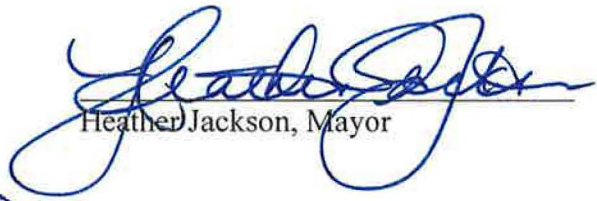
28. Agreement to Run With the Land. This Agreement shall be recorded against the Property and shall be deemed to run with the land and shall be binding on Developer and all successors and assigns of any of the foregoing.

Dated this 17 day of April, 2013.

ATTEST:

EAGLE MOUNTAIN CITY


Fionnuala Kofoed, City Recorder


Heather Jackson, Mayor



APPROVED AS TO FORM

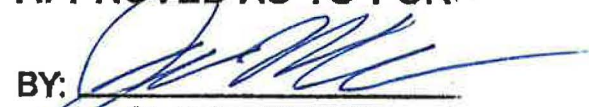
BY: 
CITY ATTORNEY

Exhibit A

[Legal Description]

Parcel 1

Commencing at the Northwest Corner of Section 24, Township 5 South, Range 2 West, Salt Lake Base and Meridian; thence South 89°21'24" East 2671.33 feet; thence South 00°45'19" West 110.236 feet; thence South 74°43'48" West 150.442 feet; thence along the arc of a 5804.578 foot radius curve to the left 1225.839 feet (chord bears South 67°19'12" West 1223.562 feet); thence South 62°37'48" West 1595.654 feet; thence North 00°53'06" East 1385.37 feet to the point of beginning.

Parcel 2

The South half of the Southwest Quarter of Section 13, Township 5 South, Range 2 West of the Salt Lake Base and Meridian.

Parcel 3

The Southeast Quarter of Section 14, Township 5 South, Range 2 West of the Salt Lake Base and Meridian.

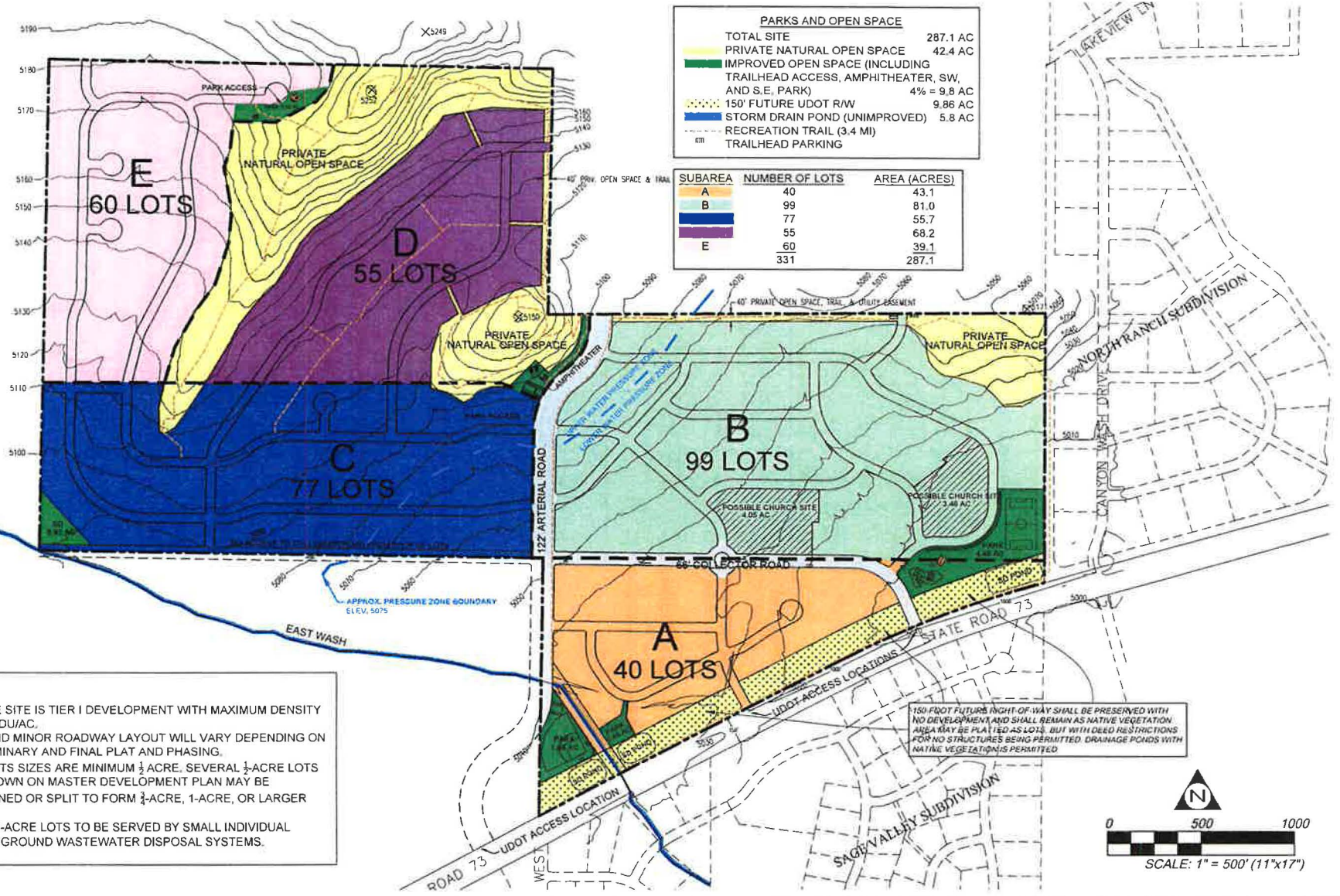
Combined Description

Beginning at the South Quarter Corner of Section 13, Township 5 South, Range 2 West, Salt Lake Base and Meridian; thence South 00°45'19" West along quarter section line 96.50 feet; thence along the northerly right-of-way line of State Road 73 the following three courses and distances: 1) South 74°43'49" West 43.09 feet, 2) along the arc of a 5097 foot radius curve to the left 1111.21 feet through a central angle of 12°29'28" (chord bears South 68°29'04" West a distance of 1109.01 feet), and 3) South 62°14'20" West 1828.47 feet; thence North 00°52'57" East along section line 1396.22 feet to the Southwest corner of Section 13; thence along the Southeast Quarter of Section 14, Township 5 South, Range 2 West, Salt Lake Base and Meridian the following four courses and distances: 1) North 89°12'30" West 2685.28 feet, 2) North 01°04'12" East 2643.25 feet, 3) South 89°02'22" East 2687.84 feet, and 4) South 01°07'35" West 1317.68 feet; thence along the South Half of the Southwest Quarter of Section 13 the following two courses and distances: 1) North 89°41'32" East 2649.79 feet, and 2) South 00°11'34" West 1361.47 feet to the point of beginning.

Basis of Bearing = North 00°11'34" East along Quarter Section line from the South Quarter Corner of Section 13, Township 5 South, Range 2 West, Salt Lake Base and Meridian to the North Quarter Corner of Section 13.

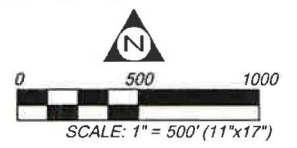
Exhibit B

[Land Use Map]

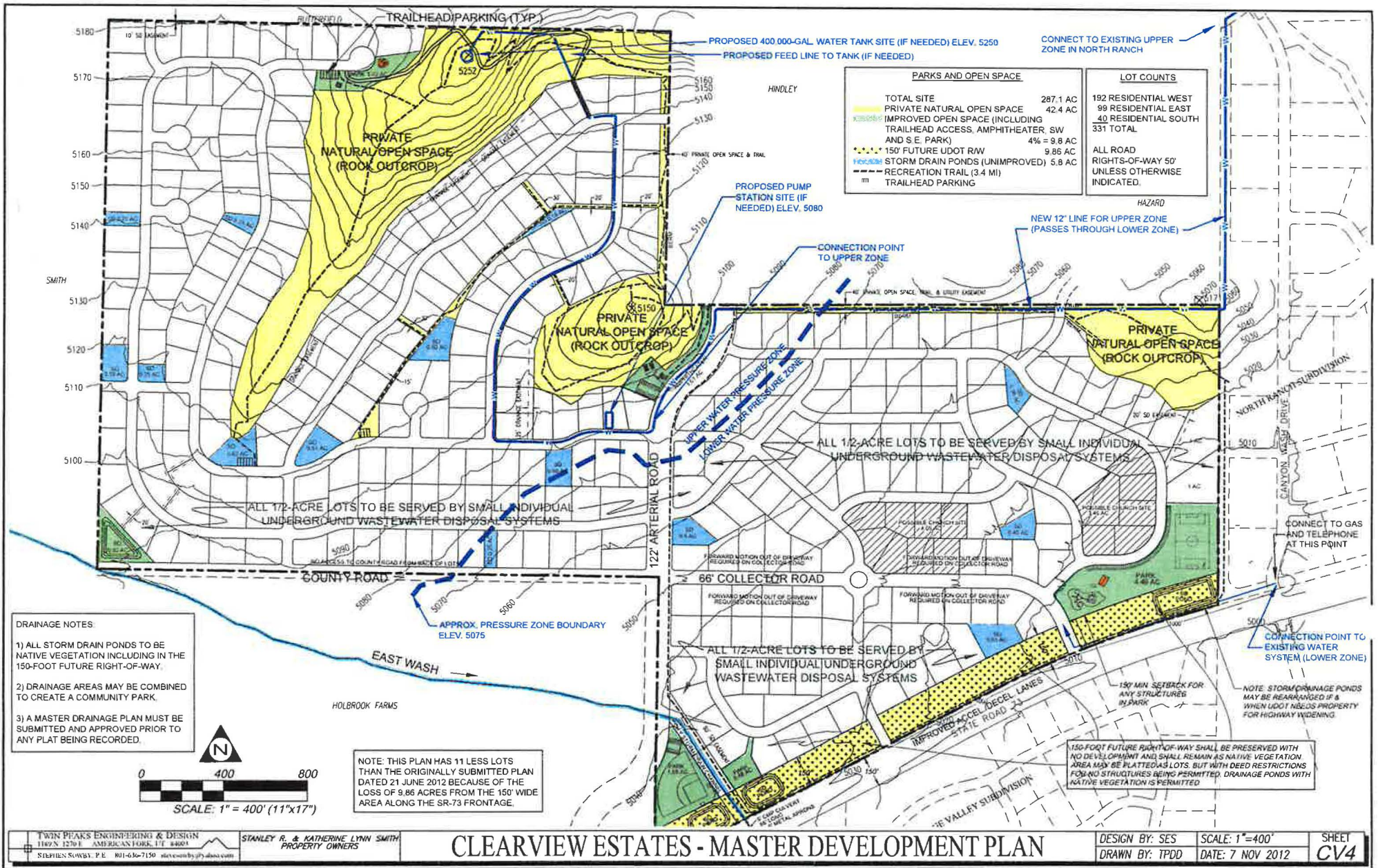


- NOTES**
- ENTIRE SITE IS TIER I DEVELOPMENT WITH MAXIMUM DENSITY OF 1.6 DU/AC.
 - LOT AND MINOR ROADWAY LAYOUT WILL VARY DEPENDING ON PRELIMINARY AND FINAL PLAT AND PHASING.
 - ALL LOTS SIZES ARE MINIMUM 1/2 ACRE. SEVERAL 1/2-ACRE LOTS AS SHOWN ON MASTER DEVELOPMENT PLAN MAY BE COMBINED OR SPLIT TO FORM 3/4-ACRE, 1-ACRE, OR LARGER LOTS.
 - ALL 12-ACRE LOTS TO BE SERVED BY SMALL INDIVIDUAL UNDERGROUND WASTEWATER DISPOSAL SYSTEMS.

150 FOOT FUTURE RIGHT-OF-WAY SHALL BE PRESERVED WITH NO DEVELOPMENT AND SHALL REMAIN AS NATIVE VEGETATION. AREA MAY BE PLATTED AS LOTS, BUT WITH DEED RESTRICTIONS FOR NO STRUCTURES BEING PERMITTED. DRAINAGE PONDS WITH NATIVE VEGETATION IS PERMITTED.

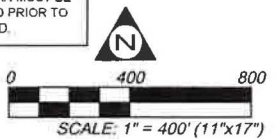


CLEARVIEW ESTATES - LAND USE PLAN



| PARKS AND OPEN SPACE | | LOT COUNTS | |
|--|-------------|--|--|
| TOTAL SITE | 287.1 AC | 192 RESIDENTIAL WEST | |
| PRIVATE NATURAL OPEN SPACE | 42.4 AC | 99 RESIDENTIAL EAST | |
| IMPROVED OPEN SPACE (INCLUDING TRAILHEAD ACCESS, AMPHITHEATER, SW AND S.E. PARK) | 4% = 9.8 AC | 40 RESIDENTIAL SOUTH | |
| 150' FUTURE UDOT R/W | 9.86 AC | 331 TOTAL | |
| STORM DRAIN PONDS (UNIMPROVED) | 5.8 AC | ALL ROAD RIGHTS-OF-WAY 50' UNLESS OTHERWISE INDICATED. | |
| RECREATION TRAIL (3.4 MI) | | | |
| TRAILHEAD PARKING | | | |

- DRAINAGE NOTES**
- 1) ALL STORM DRAIN PONDS TO BE NATIVE VEGETATION INCLUDING IN THE 150-FOOT FUTURE RIGHT-OF-WAY.
 - 2) DRAINAGE AREAS MAY BE COMBINED TO CREATE A COMMUNITY PARK.
 - 3) A MASTER DRAINAGE PLAN MUST BE SUBMITTED AND APPROVED PRIOR TO ANY PLAT BEING RECORDED.



NOTE: THIS PLAN HAS 11 LESS LOTS THAN THE ORIGINALLY SUBMITTED PLAN DATED 21 JUNE 2012 BECAUSE OF THE LOSS OF 9.86 ACRES FROM THE 150' WIDE AREA ALONG THE SR-73 FRONTAGE.

CLEARVIEW ESTATES - MASTER DEVELOPMENT PLAN

DESIGN BY: SES SCALE: 1"=400' SHEET
 DRAWN BY: TPDD DATE: 7 NOV 2012 CV4

TWIN PEAKS ENGINEERING & DESIGN
 11829 N. 1270 E. AMERICAN FORK, UT 84003
 STEPHEN SOWBY, P.E. 801-636-7150 stephen@twpeaks.com

STANLEY R. & KATHERINE LYNN SMITH
 PROPERTY OWNERS