#### **Spring Run Annexation and Master Development Agreement**

This Annexation and Master Development Agreement ("Agreement") is entered into between Eagle Mountain City, a municipal corporation of the state of Utah (the "City") and Twelve Horse Ranch, LLC, a Utah limited liability company, Two A, LLC, a Utah limited liability company, JD VI LLC, a Utah limited liability company, and Ralph B. Johnson collectively referred to as the "Developer" and is effective as of the \_\_\_\_\_\_\_\_, 2012.

#### Recitals

- A. Two A owns a parcel of land consisting of approximately 252 acres within the City boundaries and approximately 158 acres outside of the City boundaries: and
- B. Developer filed a petition to annex approximately 241.4 acres of additional land (the "Annexation Property") located north of Highway 73, the legal description and annexation plat of which is attached hereto as Exhibit "A," into the City.
- C. Johnson owns approximately 28 acres within the City boundaries contiguous to the Northwest boundary of Two A's land, the legal description of which is attached hereto as Exhibit "B," and
- D. JD VI LLC owns approximately 100 acres outside of the City boundaries, the legal description of which is attached hereto as Exhibit "B."
- E. Developer has applied to the City for approval of a master development plan sometimes referred to as the Spring Run Master Development Plan (the "Plan") for the development of approximately 520 acres of land located North of Highway 73 (the "Property").
- F. The parties wish to define their rights and responsibilities with respect to the annexation of the Annexation Property and the development of the Spring Run Property and for funding of improvements in the Spring Run that are approved by the City in this Agreement. This Agreement is sometimes referred to herein as the "Agreement."
- G. The Property includes facilities for electrical power service currently owned by Rocky Mountain Power and service cannot be extended to the Property by the City until Rocky Mountain Power has been compensated for the existing facilities; the cost to the City to compensate Rocky Mountain Power will be paid by the Developer.
- H. The development of the Property will require substantial improvements offsite and within the existing City infrastructure and the Developer will be required as consideration for the development rights conferred by this Agreement to fund the required offsite improvements.

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

- 1. <u>Conditions to Obligations</u>. The obligations of the Developer and the City hereunder are contingent upon and subject to the satisfaction of all of the conditions of this Agreement including the following:
  - 1.1 <u>Annexation</u>. The Annexation Property shall have been annexed into Eagle Mountain City in accordance with Utah's annexation statute (*Utah Code Ann.* §§ 10-2-401 *et seq.* The City acknowledges that the Developer has filed and the City has accepted a Petition for Annexation with the City relating to the Annexation Property; the City will enact an Ordinance Annexing the Property not within the City following the approval of this Agreement.
  - 1.2 Zoning. Upon the City's completion of annexation and the approval of this Agreement, the Property shall be zoned in accordance with the Land Use Element of the Plan, attached hereto as Exhibit C.
- 2. <u>Spring Run Development Plan</u>. The Plan includes residential development at various densities, mixed-use development, commercial development, industrial development, and business park development as described in Exhibit C.
- 2.1 <u>Spring Run Residential</u>. The Land Use Plan (Exhibit C) includes several residential areas for residential development consistent with Exhibit C and the City zoning ordinances.
  - 2.1.1 Residential Density. The numbers of residential units granted for each area are ceilings and not a minimum number of units that the Developer is guaranteed by the City to be able to build. The Property is vested with up to 1,016 residential units, provided that the Developer is in compliance with all other applicable Development Code standards. Potential residential units in areas that include residential development as a conditional use, such as the Commercial, Business Park, or Mixed Use areas, are not included in this maximum. The Property may be developed in accordance with the following number of residential units per acre ("Density" or "Densities") for the following areas ("Planning Areas"):

## **Land Use Summary**

Parcel	Land Use	Acres	Density	Units	Tier
1	Commercial	21.41			
2	Commercial	16.44			
3	Commerical-Town Center	23.70	10	237	3
4	Commercial-Town Center	19.65	10	197	3
5	Residential - 12K Average	15.50	2.9	45	2
6	Residential - 8K Average	16.90	4.35	74	2
7	School-Elementary	11.01			
8	Residential - 10K Minimum	15.28	3.45	53	2
9	Commercial-Mixed Use	15.07			
10	Residential - Multi-family	15.85	18	285	4
11	Residential -8K Average	29.00	4.35	126	2
12	Commercial-Mixed Use	4.11			
13	Industrial	25.19			
14	Industrial	21.13			
15	Industrial	17.44			
16	Public - Fire Station	1.61			
17	Business Park	22.33			
18	Business Park	34.52			
19	Business Park	52.64			
20	Business Park	30.30			
21	Commercial	1.53			
22	Commercial	1.86			

1,016 Total Units

NOTE: The maximum residential density in the Commercial, Mixed-Use, and Business Park areas is limited to 20 units per acre, to be reviewed through a Conditional Use Application. These dwelling units would be in addition to the 1,016 total units.

- 2.1.2 <u>Residential Parcel 8 (10K).</u> The lots adjacent to the Open Space Buffer in this area shall be a minimum of 10,000 square feet in size, as required by the City. Parcels 5, 6, and 11 designate a lot size average.
- 2.1.3 Multi-Family Residential. A variety of multi-family building types must be included in the area approved for Multi-Family housing to limit large concentrations of the same type of unit.
- 2.2 <u>Spring Run Business Park</u>. The Business Park portion of Spring Run is to consist of a multi-purpose business center including Offices, Retail, Technology, Light Manufacturing, Business Park and Mixed-Use development. The mix of the uses will be driven by market demand as determined by Developer and as approved by the City. It is important to note that

this area is located along the main entrance to the city, and development of this area will be held to a higher standard than other business park, industrial or commercial areas. This area currently contains an earth products extraction operation, which may include concrete and/or asphalt production.

- 2.3 <u>Spring Run Commercial & Mixed Use</u>. All Commercial, Town Center, and Mixed-Use areas are considered to be Commercial Zoning, according to the City's Development Code, with the intent of the areas to be developed as shown on the Land Use Plan. All residential units proposed in the future in these areas will require a Conditional Use Permit, according to the requirements in the Development Code.
- 2.4 <u>Spring Run Industrial.</u> The industrial area currently includes steep slopes and the intended uses include earth products extraction and asphalt or concrete production, until the grade becomes appropriate for more permanent industrial development.
- 2.5 <u>Extractive Industries Overlay.</u> This overlay zone allows for earth products extraction and asphalt and concrete production, in accordance with the development standards and other requirements found in the City's Development Code.
- 2.6 <u>Elementary School Site</u>. An 11.01-acre school site is shown on the Land Use Plan. A master plan amendment is required for any other use on this site.
- 2.7 <u>Fire Station Site</u>. A 1.61-acre fire station site is shown on the Land Use Plan and the site shall be dedicated to the City without cost in consideration for the annexation of portions of the Property to the City and other development rights described herein. The Fire Station site shall be surveyed and described by the City with access as depicted on the Land Use Plan. The described site shall be transferred to the City free and clear of all encumbrances within 90 days after the completion of the survey of the site and written notice to the owner of the site by the City. The City considers the firm of ASWN+JSA Architecture Inc. as professionally qualified and the preferred firm to design the proposed Fire Station to meet the requirements of the City and meet architectural standards for the Property.
- 3. <u>Development of Spring Run</u>. Subject to the terms and conditions of this Agreement, development applications shall be reviewed in accordance with the City's Code (the "Code") in effect on the date of submittal of each development application.
- 4. <u>Uses and Densities</u>. Intended Uses that are allowed within one or more Planning Areas are vested as shown in the Plan and Developer shall have the right to develop up to the vested density upon meeting the requirements in the City Code and in this Agreement. Unused residential units may not be transferred to other planning areas. For example, if only 100 of the 197 dwelling units are built in Town Center area 3, the remaining 97 may not be built in another area. Notwithstanding anything to the contrary herein, any City ordinance, amendment to the City's Code, or other development standard enacted, implemented, regulated and/or enforced

by the City on or after the date of this Agreement which has the effect of prohibiting and/or materially and unreasonably restricting Developer's rights to develop the vested densities set forth in the Land Use Element, including but not limited to any ordinance, amendment, or other development standard which increases or otherwise modifies minimum lot size requirements, setbacks, frontage requirements, or other similar standards which relate to or have an effect on densities, shall be inapplicable to the Spring Run Property (or modified to the extent necessary to permit Developer to develop the vested densities set forth in the Land Use Element), unless the Council, on the record, finds that a compelling, countervailing public interest would be jeopardized without applying such ordinance, amendment or standard to the Spring Run Property. The City makes no guarantee or warranty that the entitled Maximum Residential Units can be achieved, and the parties acknowledge that as development progresses certain market, infrastructure, and/or other similar constraints beyond the control of the parties may be presented which could prevent the practical use of all vested densities granted in the Spring Run Master Development Plan.

- 4.1 Accounting for Density for Parcels Developed by the Developer. At the recordation of a Final Plat or Commercial Site Plan or other approved and recorded instrument for any Parcel(s) within a Planning Area developed by the Developer allowing for residential uses, the Developer shall provide the City a Development Report showing any Density used with the Parcel(s) and the Density remaining with the Developer for such Planning Area and for the remaining Project.
- 4.2 Accounting for Density for Parcels Sold to Sub-Developers. Any Parcel sold by the Developer to a sub-developer shall include the transfer of a specified portion of the Maximum Residential Units and, for any non-residential use, shall specify the amount and type of any such other use sold with the Parcel. At the recordation of a Final Plat or other document of conveyance for any Parcel sold to a sub-developer, the Developer shall provide the City a Sub-Development Report showing the ownership of the Parcel(s) sold, the portion of the Maximum Residential Units and/or other type of use transferred with the Parcel(s), the amount of the Maximum Residential Units remaining with the Developer and any material effects of the sale on the Spring Run Master Development Plan.

#### 5. Zoning and Vested Rights.

5.1 Vested Rights Granted by Approval of this Agreement. To the maximum extent permissible under the laws of Utah and the United States, the City and the Developer intend that this Agreement grants the Developer all rights to develop the Project in fulfillment of this Agreement without modification or interference by the City except as specifically provided herein. The Parties intend that the rights granted to the Developer under this Agreement are contractual. The parties specifically intend that this Agreement grants to the Developer "vested rights" as to, among other things, the density approved and land uses, as that term is construed in Utah's common law and pursuant to Utah Code Ann. §10-9a-509 (2008) with

respect to the matters set forth in this Agreement, i.e. the Project Densities and Intended Uses, except as specifically provided herein.

- 5.2 <u>Development Requirements</u>. Developer shall construct improvements to meet the City's Tier II, Tier III, and Tier IV requirements for the approved density within each Planning Area as required by the Code. A copy of Table 17.30.110 of the Development Code, which sets forth the necessary improvements to acquire the approved density, is attached hereto as Exhibit "D." Developer may elect to comply with the Tier II, III, or IV requirements that are in place at the time of development application submittal.
- 5.2.1 The Property includes facilities for electrical power service currently owned by Rocky Mountain Power and service cannot be extended to the Property by the City until Rocky Mountain Power has been compensated for the existing facilities; the cost to the City to compensate Rocky Mountain Power will be paid by the Developer.
- 5.3 Term of Agreement. The term of this Agreement shall be until December 31, 2020. If as of that date the Developer has not been declared to be in default as provided in Section 23, or if any such declared default is not being cured as provided therein, then this Agreement shall be automatically extended until December 31, 2030. After December 31, 2030 this Agreement automatically expires, unless the applicant requests that the City Council renew the Agreement for a requested period of time, at which time any section of this Agreement may be revised if approved by the City Council.

#### 6. <u>Approval Processes for Development Applications.</u>

- 6.1 Zoning. The approval of this Agreement shall constitute the City's approval of zoning required for the Plan. Nothing in this Agreement shall be construed to require the Developer or any sub-developer to obtain further City zoning approval with respect to Developer's Use or Density for a Parcel that conforms to Developer's rights granted herein.
- 6.2 <u>Phase Approvals</u>. A specific site plan or subdivision plat for each phase together with engineering, fees and other items required by the Code shall be submitted to the City for approval with each Phase. The site plan or subdivision plat for the Phase shall be approved by the City provided it complies with the provisions of this Agreement, the Plan, and the City's Code.
- 6.2 <u>City's Cooperation in Processing Development Applications</u>. The City shall give prompt and reasonable cooperation to each Development Applicant, including Developer in processing Development Applications according to the terms of this Agreement and the City's Code.
- 6.3 <u>City Denial of a Development Application</u>. If the City objects to a Development Application, the City shall specify in writing in reasonable detail the reasons the City believes that the Development Application is not consistent with this Agreement and/or the City's Code.

- 6.4 <u>Meet and Confer regarding Development Application Objections</u>. The City and Applicant may meet within a reasonable time after an objection is made for a Development Application to review the issues specified in the objection to the Development Application.
- 6.5 <u>City Denials of Development Applications Based on Denials from Non-City Agencies</u>. If the City's objection to a Development Application is based on an objection to the Development Application by a Non-City Agency, the Developer may appeal any such objection to the Planning Director and then to the City Council.
- 7. <u>Open Space and Trails</u>. Spring Run contains 34.34 total acres of open space for a Regional Park, Community Trails, Neighborhood Parks, Pocket Parks and Open Space Buffers that are itemized on the Spring Run Land Use Element, Exhibit "C," and below.

Open Space - Regional Park	13.58
Open Space - Community Trails	5.64
Open Space-Neighborhood	4.44
Open Space - Pocket Park	1.07
Open Space - Pocket Park	1.07
Open Space - Neighborhood	5.59
Open Space-Buffer	2.95
	Open Space - Community Trails Open Space - Neighborhood Open Space - Pocket Park Open Space - Pocket Park Open Space - Neighborhood

34.34 Ac Total Open Space

- 7.1 <u>Improved Open Space</u>. As indicated on Exhibit "C", the improved open space is divided among various improved open space areas. These areas shall be designed and improved according to the City requirements and a landscape plan that will be approved by the City Council along with a subdivision plat or site plan. It should be noted that if residential development occurs within the Mixed-Use or Commercial areas, additional park space shall be required in accordance with the City's Development Code. The improved open space areas are generally as follows:
- 7.1.1 Pocket Parks. Two pocket parks are included in the Land Use Plan, totaling 2.14 acres. A landscape plan for each park shall be reviewed for approval along with the adjacent subdivision plat review. Parks shall be fully improved as required by City Development Code requirements. The required park space for each phase of development must be fully improved, or Developer shall place into escrow with the City sufficient funds to improve the park space prior to the issuance of 40% of the building permits within any phase of development. These parks shall be included in the bond to be posted along with the other subdivision improvements. These parks shall be maintained by the governing Home Owner's Association. Each park shall have access along a dedicated roadway.

- 7.1.2 Neighborhood Parks. Two neighborhood parks are included in the Land Use Plan, totaling 10.03 acres. A landscape plan for Neighborhood Park A shall be reviewed for approval along with the first subdivision plat review for Residential Parcel 8 (10K Lots). A landscape plan for Neighborhood Park B shall be reviewed for approval along with the first subdivision plat review for either Residential Parcel 10 or Parcel 11. A neighborhood park cash escrow account shall be set up for these parks prior to the recordation of the first residential subdivision plat in the Project. At recordation of each residential subdivision plat, an amount equal to the pro rata cost per lot/unit shall be deposited into this account. At any point, and with the approval of the City, the developer may use the escrow money to improve portions of the park. These parks shall be maintained by the governing Home Owner's Association. Each park shall have access along a dedicated roadway.
- 7.1.3 <u>Hillside Park</u>. The Hillside Park is a planned Community Park. The Concept Park Plan, included as Exhibit "E", shows a design that is generally acceptable by the City Council and will be considered during park construction. This park will be improved using impact fees and/or other funds in the future. The hillside park land shall be dedicated to the City free and clear of all taxes and encumbrances at recordation of the first subdivision or approval of the first site plan, as is required by City Code. Emergency access shall be maintained to this property through the project for the fire department.
- 7.1.4 <u>Trails</u>. Trail locations are shown on Exhibit C, shown generally along major roadways, connecting to each park, and through the open space buffer. These trails shall be constructed of a surface of gravel or asphalt, whichever is more acceptable to the City and shall be improved along with the infrastructure for any adjacent development phases, or Developer shall place into escrow with the City reasonably sufficient funds to improve that section prior to recording a subdivision plat for any adjacent areas. The trails will be considered public improvements, and must be bonded for completion along with the infrastructure bond.
- 7.1.5 <u>Trail System Buffer</u>. A 100-foot wide buffer has been provided between the Project and the existing Meadow Ranch lots. Exhibit "F" shows how the intent of the Development Code is met with this trail system buffer. The buffer is intended to be natural open space with the following exceptions: (1) Neighborhood Parks with benches, play areas, play equipment and grass may be included; and (2) natural vegetation shall be supplemented with a native seed mix that includes sagebrush, rabbit brush, a wildflower mix, where it is not growing; and (3) graveled or paved trails. The Buffer must be maintained by the Spring Run Master HOA. A landscaping plan specific to this corridor, designed by a licensed Landscape Architect, must be submitted for approval along with any phase of development in Residential Parcel 8 or Commercial Parcel 1.
- 7.2 <u>Creation of Open Space and/or Trails</u>. Open Space and/or Trails shall generally be created by means of a Subdivision Plat or a Site Plan to which the Open Space and/or Trails are either internal or contiguous. The City acknowledges that it may not be in the interest of

either the City, the Developer, assignees of the Developer or sub-developers to always construct Open Space and/or Trails on such a contiguous basis which may result in constructing and/or designating incremental, small, unusable parcels of land. Therefore, where reasonable and applicable, each Development Application approval shall provide for the designation and/or construction of Open Space and/or continuous Trails in such amounts as are determined to be appropriate by the City considering:

- 7.2.1 The amounts and types of Open Space and/or Trails proposed in the Application and provided on the portions of the Project previously developed;
- 7.2.2 The amounts and types of Open Space and/or Trails proposed in the Application and remaining to be designated and/or constructed pursuant to the Plan; and
- 7.2.3 If the development Application is for development of a commercial or industrial parcel, the amount and nature of the land and the types of land uses proposed by the Development Application.
- 7.3 Public Access to Open Space and/or Trails. If Open Space and/or Trails are dedicated to the City the public shall have access. The parties may by mutual agreement dedicate part or all of the open space or trails to the City. The public shall not have access to an amenity in the control of a Homeowners Association for the exclusive benefit of the members of the Homeowners Association, or with respect to private property. At a minimum, all trails along roadways shall be dedicated to the City.
- 7.4 Obligation of Sub-Developer. Any Parcel sold by the Developer to a Sub-developer shall include the transfer and delegation to such Sub-developer of a specified portion of the City's Open Space requirement found in the City's Code. If any portion of the Developer Property purchased by a Sub-developer is designed and constructed such that there is a greater amount of Open Space in such portion of the Developer Property than what is required under this Agreement, then the excess Open Space planned and constructed by such Sub-developer may be credited towards the Open Space requirement for the Planning Area and the Project unless the City is required to financially reimburse the Sub-developer for such open space.
- 7.5 <u>Maintenance of Open Space and/or Trails</u>. If Open Space or Trails are dedicated, then upon acceptance by the City of any proffered Open Space and/or Trails and after formal possession, the City shall be responsible for maintaining the Open Space and/or Trails after final inspection, acceptance of the improvements to the Open Space and/or Trails, if any, and expiration of the applicable warranty term. If the Open Space and/or Trails are dedicated to an entity other than the City then the dedication shall provide for maintaining the Open Space and/or Trails in a manner to be reasonably acceptable to the City. The HOA shall at all times provide access to all improved and unimproved open space for emergency services, including fire and police services. The City shall be given the right at its option, by the terms of restrictive

covenants or otherwise, to cause the HOA to care for the Open Space and/or Trails and enforce the provisions therein for assessment and collection of the costs thereof.

- 7.6 <u>Tax Benefits</u>. The City acknowledges that the Developer intends to seek and qualify for certain tax benefits by reason of conveying, dedicating, gifting, granting or transferring Open Space and/or Trails to the City or to a charitable organization. The Developer shall have the sole responsibility to claim and qualify for any tax benefits sought by the Developer by reason of the foregoing. The City shall reasonably cooperate with the Developer to the extent reasonable under law to allow the Developer to take advantage of any such tax benefits.
- 8. Community Improvements. In conjunction with Chapter 17.30 of the Development Code, Developer must contribute \$2,000 per buildable acre of residential land within the Project to fund construction of community wide improvements such as regional parks or recreational facilities or public buildings that will benefit the residents of this Project. 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 is for 10 acres, Developer will place \$20,000 in the Improvement Fund or demonstrate that \$20,000 of community improvements have been constructed to meet the requirements. Developer's intention is to place this money towards the construction of a public recreation center (Exhibit G) to be located in Town Center Parcel 3.
- 9. <u>Privacy Fencing</u>. Six-foot high privacy fencing shall be installed by the developer at the time of development of each Phase along collector or arterial roads when residential lots back up to those facilities. This fencing must be installed along with the subdivision infrastructure.
- 10. <u>City Entrance Sign</u>. Developer agrees to provide land in the southeast corner of the project, along SR73, for a "welcome to Eagle Mountain" sign, Developer shall construct the approved sign at the Developer's sole expense.
- 11. <u>Drainage</u>. A master drainage plan will be required to be submitted with each preliminary plat or site plan application, addressing drainage on each lot and especially between smaller lots.
- 12. <u>Home Owners' Association</u>. Prior to approval of any development of a residential Phase within the Project, the Developer shall create an HOA for that Phase with legal authority to collect assessments and to maintain the improvements, including the trail buffer and any unmanicured open space in the Project.

- 13. Future Lake Mountain Freeway/Expressway. Exhibit C, the Spring Run Land Use Plan, includes land set aside for a future freeway or other limited access transportation corridor. This road is included in the City's Future Land Use and Transportation Corridors Map, as well as MAG's 2040 Metropolitan Transportation Plan for Utah County. This is a future facility, and the exact location of the roadway may differ from this plan. The parties to this Agreement will cooperate in evaluating the location of such a roadway and an access connection to what is projected to be the north extension of Ranches Parkway as well as an access connection to the Business Park. In the event that the proposed road is approved by the Parties and UDOT, the parties will again cooperate in considering the best location for the access, the potential commercial development it may support and appropriate land use changes to take advantage of that potential. This agreement is not intended to deprive Developer of the reasonable value of land that UDOT would need to pay for the purchase of land for the roadway through Developer's land.
- 14. <u>Traffic Impact Study.</u> A comprehensive traffic impact study must be submitted prior to the submittal of the first subdivision plat application or site plan application for residential, commercial, or business park uses within the project. Amendments to the traffic study, or additional studies, may be required by the City Engineer for individual applications.
- 15. Community Development Area / Economic Development Area. The City acknowledges that the Spring Run Master Development Plan includes the planning of the construction of a substantial business park, which business park is anticipated to increase sales of property, economic activity, job growth, and tax revenues over the long term for the benefit of the City and Developer. Among other reasons, and in an effort to induce and attract businesses to locate within the business park, the City will consider upon the Developer's request, the inclusion of the business park in a Redevelopment Area and Plan for the City including establishment of an Economic Development Area ("EDA") and/or a Community Development Area ("CDA"), pursuant to Title 17C (or subsequently designated section) of the Utah Code, which area(s) will include all or a portion of the Developer Property intended for commercial, industrial, and/or commercial related services. The City agrees to consider assisting the Developer in facilitating, negotiating, and obtaining necessary consents to the budget and terms of such EDA and/or CDA formed in connection with the Developer Property, with tax entity committee(s) and/or other taxing entities, as applicable, which would be impacted by such tax increment financing.
- 16. Special Assessment Area. It is contemplated that Special Assessment Areas ("SAAs") will be considered by the City pursuant to the SAA Act for the purpose of providing financing for the construction and/or acquisition of certain of the public infrastructure and improvements within or for the Project including without limitation roads, utilities, parks, and other public infrastructure for all purposes allowed by law. The City shall act in good faith to evaluate the feasibility and financial appropriateness of such SAAs but the approval shall remain subject to the City's sole and absolute discretion.

- 17. <u>Construction Prior to Completion of Infrastructure</u>. Anything in the City's Code notwithstanding, but subject to the requirements for fire protection, the Developer may apply for and obtain Building Permits and/or temporary Certificates of Occupancy for uninhabited model homes, homes shows, sales offices, construction offices or similar uses prior to the installation of all Public Infrastructure and Improvements required to be eventually completed so long as Developer is not in default of its obligations under this Agreement and such installation is secured consistent with the City's Code and the provisions of this Agreement. The foregoing notwithstanding, the City shall not be required to issue a permanent Certificate of Occupancy, except in compliance with the City's Code.
- 18. <u>Cable TV/Fiber Optic Service</u>. Upon application to the City and approval of a Franchise Agreement for such facilities, the Developer may install or cause to be installed underground all conduits and cable service/fiber optic lines within the Project at no expense to the City. The Developer may contract with any cable TV/fiber optic provider of its own choice and grant an exclusive access and/or easement to such provider to furnish cable TV/fiber optic services for those dwelling units or other uses on the Project, so long as the property is private and not dedicated to the public. The City may charge and collect all taxes and/or fees with respect to such cable service and fiber optic lines as allowed by contract with the Developer or its successor in interest.
- 19. <u>Enforcement of Design Guidelines and CC&R's</u>. Developer may implement a Design Review Committee, with respect to the Design Guidelines and the Master CC&R's, and the one or more Homeowners Association(s), with respect to the "sub" CC&R's, that will be responsible for the implementation, enforcement, and amendment of such "sub" CC&R's and the technical guidelines pertaining thereto, as applicable. The City shall not be responsible for the enforcement of private agreements or CC&R's.
- 20. <u>Mineral Rights</u>. All existing mineral rights and extraction are protected and may continue until such removal is terminated by the owner of the mineral rights. Operations to remove minerals and rock from the Annexation Property that were permitted by Utah County or the State of Utah may continue without additional requirements or restrictions until the minerals and rocks are exhausted. Until mineral removal is terminated by the owner of the minerals, the City may disapprove of new development on or immediately adjacent to the mineral removal operations that may create land use conflicts with the owner of the mineral estate in the sole and exclusive judgment of the City. The City will not unreasonably withhold development approval based on the grounds that land use conflicts may be created between mineral removal operations and new development.

#### 21. Payment of Fees.

21.1 <u>General Requirement of Payment of Fees</u>. The Developer and/or a subdeveloper shall pay to the City all fees in amounts and at times specified in the City's Code as modified from time to time.

- 21.2 <u>Infrastructure Built by the Developer</u>. Upon application to and approval of the City, the Developer or sub-developers may, from time-to-time, install and construct portions of the infrastructure within or supporting development of the Project specified in a City plan that are System Improvements. The City shall comply with Utah Impact Fee law including credits for Developer's or a sub-developer's costs of System improvements.
- 21.3 Reimbursement for "Upsizing". Except as otherwise provided herein for enlargement of existing infrastructure, The City shall not require the Developer to "upsize" any public improvements for future development (i.e., to construct the improvements to a size larger than required to service the Project) unless financial arrangements reasonably acceptable to the Developer are made to compensate the Developer for the pro rata costs of such upsizing.
  - 21.4 Refund for Unused Density. Developer shall be entitled to a refund of that amount of fees paid to the City that are based on density of residential unit calculations where the actual residential density eventually applied for in a site plan or subdivision application is less than the density used to calculate the fee.

#### 22. Permits; Security for Improvements.

- 22.1 <u>Building Permits</u>. Developer and each Sub-developer shall obtain all permits required in the City's Code. The City shall reasonably cooperate with the Developer or a Sub-developer in seeking to secure such permits from other governmental entities.
- 22.2 Security for Public Improvements. The completion of all improvements dedicated to the public ("Public Improvements") shall be subject to collateral requirements established by the City consisting of cash escrow or surety bonds in form approved by the City Attorney. Any such security shall be, at the Developer's request, partially released pro rata as work is completed, to a maximum of ninety percent (90%). The unreleased ten percent shall remain as security for a one (1) year warranty against defects in materials and workmanship. At the end of the one (1) year warranty, unless the Developer has been notified by the City of any repairs required under the warranty or of a reason to extend the warranty period to cover repairs to improvements within three months of the date of expiration of the warranty, the remaining security shall be released to the Developer. The City shall perform regular inspections of the improvements as they are made and notify Developer and applicable contractors of any observed defect and of any improvement installed contrary to the City's standard specifications.
- 23. <u>Dedication of Public Improvements</u>. The Developer agrees that all of the infrastructure and improvements dedicated to the City pursuant hereto shall be constructed to the City's standard specifications unless otherwise agreed in this Agreement or otherwise, and shall be

subject to City requirements, inspections and approval before acceptance by the City. The City agrees to accept such dedication after payment of all fees and inspection and correction of any deficiency or failure to meet City standards.

- 24. Water Tank. To provide adequate water storage for development of the Project Developer shall convey to the City a parcel of land located within the Project sufficient in size for a water tank free and clear of all encumbrances within 60 days of written request to do so from the City. The location offered shall be acceptable to the City. Developer shall have the option, subject to the approval of the City in its exclusive discretion, to form a Special Assessment Area (SAA) subject to meeting the standard requirements in the Code and as described herein. To the extent that the water tank or main lines are sized to serve other property, the City shall require a proportionate contribution at building permit approval from the owner of such other land for the use of the water tank and main distribution lines to reimburse the SAA or Developer for the cost thereof as the case may be. The Developer and the City also desire to cooperate in implementing techniques and methodology that encourage and promote the efficient use, maintenance and management of water resources, including without limitation efficient lot sizes, preservation of natural vegetation in open space, waterefficient landscaping and streetscaping, and/or other innovative methods that are intended to conserve water use in reasonable, cost-effective ways.
- 25. <u>Sewer</u>. The City shall provide sewer services to Spring Run, however, the Developer will be required to design and install a sewer lift station in the lowest corner of the Business Park to provide sewer service to certain portions of Spring Run and reimburse the City for all offsite improvement costs to enlarge existing lines. A final plan for the lift station must be approved by the City as a condition of the approval of any phases of development that will require the station.

#### 26. Default.

- 26.1 <u>Notice</u>. If the Developer or a Sub-developer or the City fails to perform their respective obligations hereunder or to comply with the terms hereof, the party believing that a Default has occurred shall provide Notice to the other party. If the City believes that the Default has been committed by a Sub-developer then the City shall also provide a courtesy copy of the Notice to the Developer.
- 26.2 <u>Contents of the Notice of Default</u>. The Notice of Default shall: (1) Specify the claimed event of Default; (2) Identify with particularity the provisions of any applicable law, rule, regulation or provision of this Agreement that is claimed to be in Default; (3) Identify why the Default is claimed to be material; and (4) If the City chooses, in its discretion, propose a method and time for curing the Default which shall be of no less than sixty (60) days duration.

- 26.3 <u>Remedies</u>. If the parties are not able to resolve the Default through good faith negotiations or through mediation (which both parties agree to submit to upon the request of the other party), then the parties may have the following remedies:
- 26.3.1 A11 rights and remedies available at law and in equity, including, but not limited to, injunctive relief, specific performance and/or damages.
- 26.3.2 The right to draw on any security posted or provided in connection with the Project and relating to remedying of the particular Default.
- 26.3.3 The right to withhold all further reviews, approvals, licenses, building permits and/or other permits for development of a Parcel within the Project where it would be dependent on resolution of the Default or exacerbate the consequences of the Default for the Parcel in the case of a default by the Developer, or in the case of a default by a Sub-developer, development of those Parcels owned by the Sub-developer until the Default has been cured.
- 26.3.4 If the cure of any alleged Default can be effectuated by the City because the alleged Default is covered by any security the City may have for the completion of a public improvement then the City may not declare a Default until it has attempted in good faith to use the security to remedy the alleged Default.
- 26.4 <u>Notice and Public Meeting</u>. Except for withholding the issuance of a building permit, before any remedy in Section 20.3 may be imposed by the City the party allegedly in Default shall be afforded the right to Notice of a public meeting before the Council and shall have the right to address the Council fully regarding the claimed Default.
- 26.5 <u>Emergency Defaults</u>. If the Council finds on the record that a default materially impairs a compelling, countervailing interest of the City, then the City may impose the remedies of Section 23.3 without meeting the negotiation and/or mediation requirements of Section 23.3.
- 26.6 <u>Extended Cure Period</u>. If any Default cannot be reasonably cured within sixty (60) days then such cure period shall be extended so long as the defaulting party is pursuing a cure with reasonable diligence.
- 27. <u>Amendment</u>. This Agreement shall not be changed or modified except by a written amendment signed by a duly authorized representative of each party.
- 28. <u>Assignability</u>. The rights and responsibilities of the Developer under this Agreement may be assigned in whole or in part by the Developer, provided that the Developer shall give written notice to the City of any assignment, and shall further provide such information regarding the assignee that the City may reasonably request. Such notice shall include providing

the City with all necessary contact information for the proposed assignee. If any proposed assignment is for less than all of the Developer's rights and responsibilities then the assignee shall be responsible for the performance of each of the obligations contained in this Agreement to which the assignee succeeds. Upon any such partial assignment, the Developer shall be released from any future obligations as to those obligations that are assigned but shall remain responsible for the performance of any obligations that were not assigned. Any assignee shall consent in writing with Developer to be bound by the assigned terms and conditions of this Agreement as a condition precedent to the effectiveness of the assignment.

#### 29. Miscellaneous

- 29.1 <u>Incorporation of Recitals, Exhibits</u>. The above Recitals and attached Exhibits are hereby incorporated into this Agreement.
- 29.2 <u>Binding Effect</u>. This Agreement shall be deemed to run with the Developer Property, and 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. A short-form notice of this Agreement may be recorded by the Developer.
- 29.3 <u>Notices</u>. Any notices, requests and demands required or permitted to be given by any provision of this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party to whom the same is directed or three (3) days after being sent by United States mail, certified or registered mail, postage prepaid, addressed to such party's address set forth next to such party's signature below. Any party may change its address or notice by giving written notice to the other party in accordance with the provisions of this Section.
- 29.4 <u>Headings</u>. The headings contained in this Agreement are intended for convenience only and are in no way to be used to construe or limit the text herein.
- 29.5 <u>Integration</u>. 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.
- 29.6 <u>Severability</u>. If any part or provision of this Agreement shall be adjudged unconstitutional, invalid or unenforceable by a court or competent jurisdiction, then such a judgment shall not affect any other part or provision of this Agreement except that part or provision so adjudged to be unconstitutional, invalid or unenforceable. If any condition, covenant, or other provision of this Agreement shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

- 29.7 <u>Waiver</u>. 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 part.
- 29.8 <u>Governing Law</u>. This Agreement shall be interpreted, construed and enforced according to the laws of the State of Utah.
- 29.9 <u>Costs of Enforcement</u>. 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 in enforcing the provisions of this Agreement, including but not limited to attorneys' fees, whether or not legal action is instituted.
- 29.10 <u>Further Documentation</u>. This Agreement is entered into by both parties with the recognition and anticipation that subsequent agreements implementing and carrying out the provisions of this Agreement may be necessary. The parties agree to negotiate in good faith with respect to all such future agreements.
- 29.11 <u>Estoppel Certificate</u>. If no default has occurred in the provisions of this Agreement and upon twenty (20) days prior written request by the Developer or a Subdeveloper, the City will execute an estoppel certificate to any third party, certifying that the Developer or a Sub-developer, as the case may be, at that time is not in default of the terms of this Agreement.
- 29.12 <u>No Joint Venture</u>. This Agreement does not create a joint venture relationship, partnership or agency relationship between the City and the Developer.
- 29.13 <u>Mutual Drafting</u>. Each party has participated in negotiating and drafting this Agreement and therefore no provision of this Agreement shall be construed for or against either party based on which party drafted any particular portion of this Agreement.
- 29.14 <u>Authority</u>. The parties to this Agreement each warrant that they have all of the necessary authority to execute this Agreement. Specifically, on behalf of the City, the signature of the Mayor of the City is affixed to this Agreement lawfully binding the City pursuant to and is further certified as to being lawful and binding on the City by the signature of the City Attorney.
- 30. <u>Consent</u>. Two A, LLC and Johnson, each, hereby gives its consent for its Property to bound by this Agreement. In the event that Developer should be in a default hereunder, City will include notice to Two A, LLC and to Johnson who shall have the right to remedy any default. Should Developer be declared by a court to be in default in its purchase and sale agreement with Two A, LLC or should Developer and Two A, LLC agree that Developer be released from its obligations to Two A, LLC, then Two A, LLC and Johnson shall be deemed to have become the

Developer in this agreement for their respective properties. City may rely on a bone fide court order or a written agreement properly executed by Developer and Two A, LLC.

IN WITNESS WHEREOF, the parties have executed this Agreement by their authorized representatives effective as of the date first written above.

CITY:	
EAGLE MOUNTAIN CITY, a Utah	
municipal corporation	ATTEST:
By: Heather Jackson Mayor	By: City Clerk CoRATE CO
DEVELOPER:	torney (FAGLE)
TWELVE HORSE RANCH, LLC, a Utah limited liability company	TWO A, LLC
By: COO its Manager	By: Celad its Manager
By: ts Manager	By:its Manager
JOHNSON:	10 ACTIC
Ralph B. Johnson	By: its Manager
	By: its Manager

# Spring Run Annexation & Master Development Agreement Summary of Exhibits

Exhibit A - Annexation Plat & Property Legal Description

Exhibit B – Legal Description of Master Development Plan Properties

Exhibit C – Spring Run Master Development Plan Land Use Element

Exhibit D – Table 17.30.110 of the City Development Code

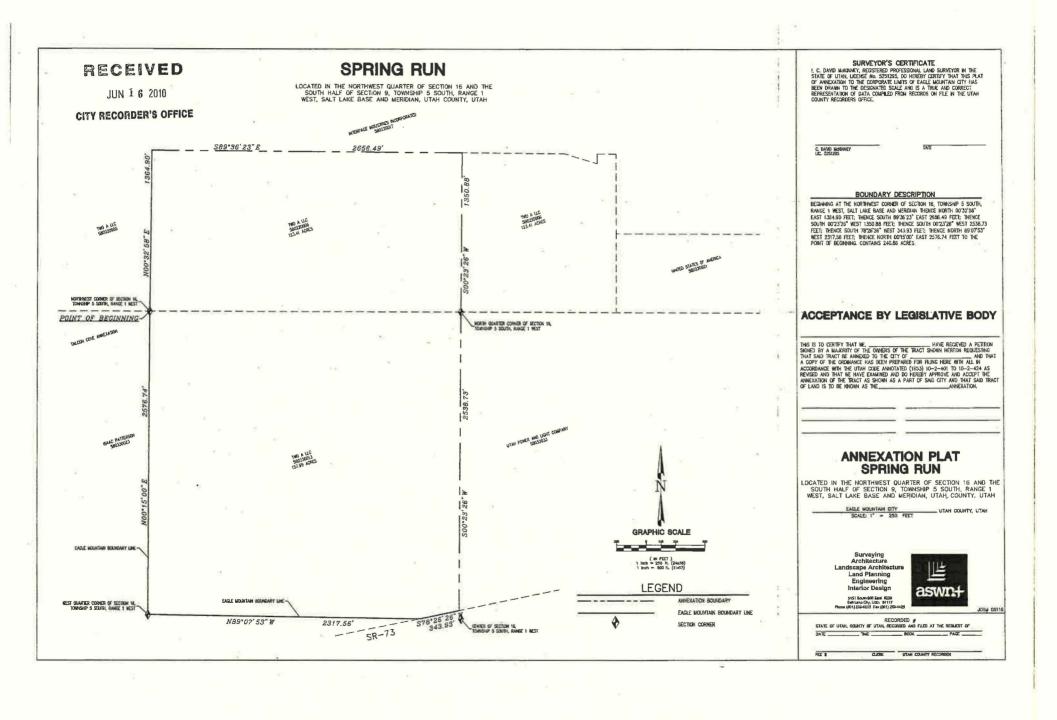
Exhibit E - Community Park Concept Plan

Exhibit F - Trail System Buffer

Exhibit G - Public Recreation Center Concept Plan

## **EXHIBIT A**

# ANNEXATION PLAT & PROPERTY LEGAL DESCRIPTION



# **EXHIBIT B**

# LEGAL DESCRIPTION OF MASTER DEVELOPMENT PLAN PROPERTIES

BEEN DRAWN TO THE DESIGNATED SCALE AND IS A TRUE AND CORRECT REPRESENTATION OF DATA COMPILED FROM RECORDS ON FILE IN THE UTAH COUNTY RECORDERS OFFICE.

C. D'AVID McKINNEY LIC. 5251295



ENT 54078:2012 PG 2 of 1

#### **BOUNDARY DESCRIPTION**

BEGINNING AT THE NORTHWEST CORNER OF SECTION 16, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN RUNNING THENCE NORTH 00'32'58" EAST ALONG THE WEST SECTION LINE OF SECTION 9 OF SAID TOWNSHIP AND RANCH 1364.90 FEET TO THE SIXTEENTH LINE; THENCE SOUTH 89'36'23" EAST ALONG SAID SIXTEENTH LINE 2634.50 FEET TO THE QUARTER SECTION LINE: THENCE SOUTH 00°32'31" SAST ALONG SAID QUARTER SECTION LINE 1351.06 FEET TO THE NORTH QUARTER CORNER OF SECTION 16 OF SAID TOWNSHIP AND RANGE; THENCE SOUTH 00°23'26" WEST ALONG THE QUARTER SECTION LINE OF SAID SECTION 2538.73 FEET TO THE NORTH RIGHT OF WAY LINE OF SR-73: THENCE SOUTH 78'26'26" WEST ALONG SAID RIGHT OF WAY LINE 343.93 FEET TO THE NORTH BOUNDARY OF EAGLE MOUNTAIN CITY AND THE QUARTER SECTION LINE OF SAID SECTION; THENCE NORTH 89'07'53" WEST ALONG SAID CITY BOUNDARY AND QUARTER SECTION LINE 2317.56 FEET TO THE EAST BOUNDARY OF EAGLE MOUNTAIN CITY, THE EAST BOUNDARY OF TALON COVE ANNEXATION AND THE SECTION LINE OF SAID SECTION AND: THENCE NORTH 0075'00" EAST ALONG SAID BOUNDARIES AND SECTION LINE 2576.74 FEET TO THE POINT OF BEGINNING. CONTAINS 240.52 ACRES.

# ACCEPTANCE BY LEGISLATIVE BODY

THIS IS TO CERTIFY THAT WE, HAVE RECIEVED A PETITION SIGNED BY A MAJORITY OF THE OWNERS OF THE TRACT SHOWN HEREON REQUESTING THAT SAID TRACT BE ANNEXED TO THE CITY OF AND THAT A COPY OF THE ORDINANCE HAS BEEN PREPARED FOR FILING HERE WITH ALL IN ACCORDANCE WITH THE UTAH CODE ANNOTATED (1953) 10–2–401 TO 10–2–424 AS REVISED AND THAT WE HAVE EXAMINED AND DO HEREBY APPROVE AND ACCEPT THE ANNEXATION OF THE TRACT AS SHOWN AS A PART OF SAID CITY AND THAT SAID TRACT OF LAND IS TO BE KNOWN AS THE ANNEXATION.

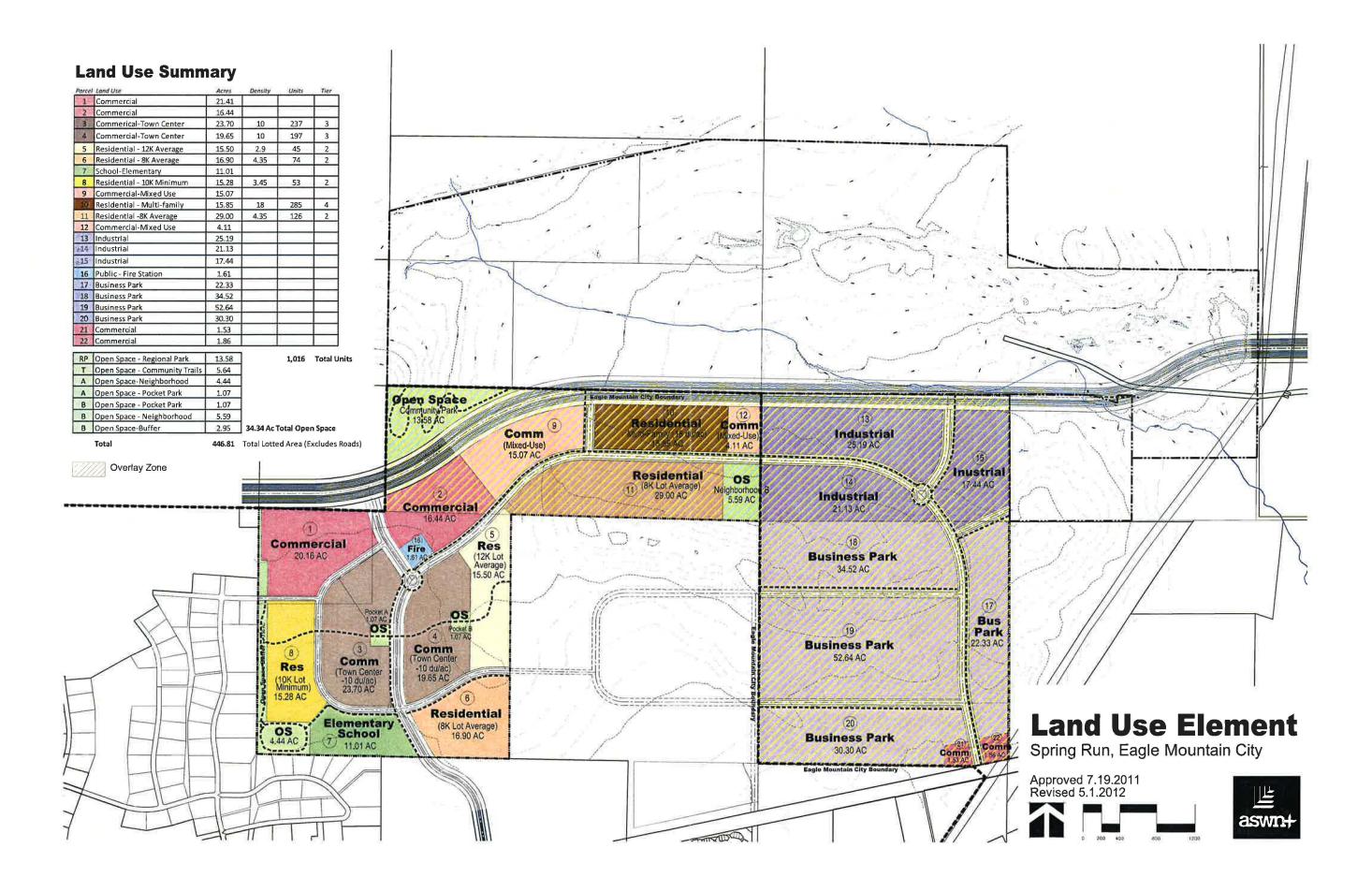
State Calebra

6/22/12



## **EXHIBIT C**

# SPRING RUN MASTER DEVELOPMENT PLAN LAND USE ELEMENT



# EXHIBIT D

# DEVELOPMENT CODE TABLE 17.30.110

#### 17.30.110 Tables.

Table 17.30.110(a) Tier I Residential Bonus Density Entitlements (Required)

Bonus Density	Improvement	Required/Optional
0.8	Base Density Improvements	Required
	Improved open space: 4% improved open space (total buildable acres)	Required
0.8	Fund or construct community improvements/amenities	Required
	Entryways and monuments	Required
	Professional land planning	Required
1.6	Total density granted required to do all improvements noted above	

0.81 to 1.6 dwelling units per acre: Tier I.

Table 17.30.110(b) Tier II Residential Bonus Density Entitlements (Optional)

Bonus Density	Improvement	Required/Optional	
0.8	Base Density Improvements	Required	
0.8	Tier I Improvements	Required	
	Improved open space: 8% improved open space (total buildable acres)		
0.5	Architectural and landscape guidelines/CC&Rs/design review committee	Optional	
0.7	Street trees, enlarged park strips, fencing, and street signposts	Optional	
1.0	Masonry materials (75% of the exterior)	Optional	
Up to 1.5	Residential lot landscaping (1 front and sides, 0.5 rear)	Optional	
0.1 - 0.6	Recreational amenities	Optional	
5.9	Total available (cannot exceed 5.2 dwelling units per acre)		

1.61 to 5.2 dwelling units per acre: Tier II.

#### Table 17.30.110(c) Tier III Residential Bonus Density Entitlements (Required)

Bonus	Improvement	Required/Optional
Density	improvement	required/optional

0.8	Base Density Improvements	Required
0.8	Tier I Improvements	Required
3.6	Tier II Improvements	Required
	Improved open space: 8% improved open space (total buildable acres) plus 10% of Tier III development acreage	Required
7.0	Clubhouse (all multifamily development)	Required
	Swimming pool	Required
12.2	Total density granted required to do all improvements noted above	

5.21 to 12.2 dwelling units per acre: Tier III.

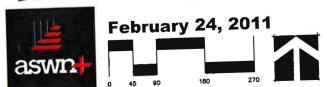
Table 17.30.110(d) Tier IV Residential Bonus Density Entitlements (Optional)

Bonus Density	Improvement	Required/Optional
0.8	Base Density Improvements	Required
0.8	Tier I Improvements	Required
3.6	Tier II Improvements	Required
7.0	Tier III Improvements  Improved open space: 8% improved open space (total buildable acres) plus 10% of Tier III and Tier IV development acreage	Required
1.5	Covered parking	Optional
3.5	Garages	Optional
3.5	Masonry materials (75%)	Optional
3.5	Storage units (100 square feet)	Optional
24.2	Total available (cannot exceed 22.7 dwelling units per acre)	

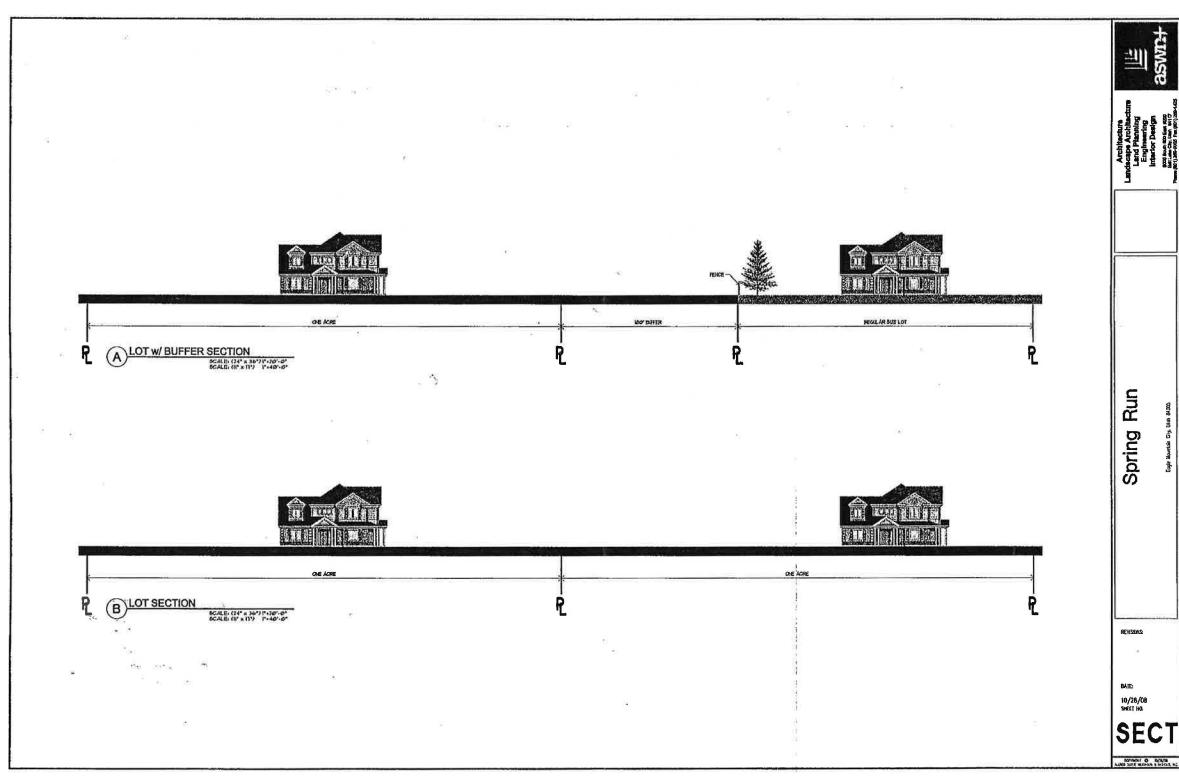
12.21 to 22.7 dwelling units per acre: Tier IV.

# EXHIBIT E COMMUNITY PARK CONCEPT PLAN





# EXHIBIT F TRAIL SYSTEM BUFFER



# **EXHIBIT G**

# PUBLIC RECREATION CENTER CONCEPT PLAN

