

EAGLE MOUNTAIN CITY
MASTER DEVELOPMENT AGREEMENT
AND
ANNEXATION AGREEMENT
FOR THE
EVANS RANCH ANNEXATION
AND
CARSON PARCEL DEVELOPMENT

This is an Agreement between Eagle Mountain City, a Utah municipal corporation, referred to in this Agreement as "the City", the Evans Ranch Development Group comprised of the individuals and entities listed in the Agreement which are collectively referred to as "the Developer" and Larry S. Carson ("Carson"). This Agreement is effective upon the annexation of the land described on Exhibit 1 to the City. This Agreement includes an Exhibit File which is incorporated by reference in this Agreement. All references to "exhibits" in this Agreement are to the documents contained in the Exhibit File.

This Agreement is made with reference to the following facts.

The City received a Petition for Annexation to the City from the owners of the land called the "Evans Ranch", which is described on Exhibit 1. Exhibit 1 in the Exhibit File to this Agreement is the legal description of the land which was proposed for annexation to the City and which is to be annexed to the City under the terms of this Agreement. The "Evans Ranch" consists of the land described in Exhibit 1 and will be zoned for residential development and improved by the Developer in compliance with procedures and standards in the Development Code of the City and the terms of this Master Development Agreement.

The "Carson" parcel, described on Exhibit 2, is within the municipal boundary of the City and was zoned for agricultural purposes prior to the effective date of this Agreement. The Carson parcel is incorporated in the Ranches Master Development Planned area, but Larry S. Carson, the owner, is not affiliated with the Ranches or the Developer of the Evans Ranch.

The Developer received approval from the Planning Commission of the City and concept approval of the land uses and development density of the Evans Ranch from the City Council. The approved land use element map of the Master Development Plan which depicts the zoning for the Evans Ranch area and development density which will be allowed by the City is Exhibit 3.

Carson has received approval from the Planning Commission for re-zoning of the Carson parcel from agricultural use to residential and mixed use as depicted on Exhibit 3.

The City, the Developer, and Carson wish to define the rights and responsibilities of the parties with respect to the development of the land and funding for public improvements in the Evans Ranch Master Development Plan area which is approved by the City in this Agreement with the annexation of the land to Eagle Mountain City and the Carson parcel.

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

1. Annexation to the City. Concurrent with the approval of this Agreement, the City shall enact an Annexation Ordinance extending the municipal boundaries of Eagle Mountain City to include the land described on Exhibit 1 which is known as the Evans Ranch Annexation. The Annexation Ordinance shall provide that the effective date of the annexation and the effective date of the approval of the Master Development Plan for zoning for the Evans Ranch Annexation shall take effect at the same time and date and that the land owned by the Developer shall be used as provided and approved by the City in the Evans Ranch Master Development Plan and the Development Code of the City.
2. Development Group. The Evans Ranch Development Group is comprised of the following entities which each own individually the parcel of land set forth specifically beneath the name of each Developer party.

Developer: Evans Ranch, L.C.
Address: 3688 E. Campus Drive, #140
Eagle Mountain, Utah 84043

Developer: Mortgage Investment Trust
Address: 400 McIntyre Building
68 South Main Street
Salt Lake City, Utah 84101

Developer: Development Associates
Address: 141 E. 5600 S., #110
Murray, Utah 84107

Developer: John D. Jacob Company
Address: P.O. Box 643
Lehi, Utah 84043

3. Annexation Requirements. The City finds that all legal requirements for Annexation of the Evans Ranch Annexation to Eagle Mountain City have been completed, that all notices have been given and that no protests against the annexation have been received which legally prevent the annexation of the land described in Exhibit 1 to Eagle Mountain City.

4. Larry S. Carson – Carson Parcel. Larry S. Carson is the owner of two (2) parcels of land in the City which have been proved to be re-zoned from agricultural to residential use. The Carson parcel is re-zoned as depicted on Exhibit 3 which is the official Zoning Map for the Carson parcel and the Evans Ranch annexed area. Carson is not associated or affiliated with the Developer and is an independent landowner. Carson may, or may not, decide to develop the Carson parcel. In the future, Carson will be required to pay impact fees to the City to buy-in to certain facilities and to accommodate repayment arrangements or reimbursement arrangements between the City and other developers who have provided facilities used by the Carson parcel. If the Carson parcel develops before Pony Express Parkway is extended to the Carson parcel, Carson shall be responsible to extend Phase I of the Pony Express Parkway to the Carson parcel to accommodate its development or Phase II of the Pony Express Parkway consisting of an additional 12-foot traffic lane on the south side of Pony Express Parkway to accommodate the development of the Carson parcel.

Carson agrees to dedicate a 92-foot right-of-way to Eagle Mountain City for the extension of the Porter's Crossing Road and the intersection between Porter's Crossing Road and the Pony Express Parkway. In consideration for the dedication to the City of the right-of-way for Porter's Crossing Road, Carson will be allowed the residential density of 2.7 residential units per acre depicted specifically on the Zoning Map (Exhibit 3).

5. Governing Standards. The Evans Ranch Master Development shall be governed by the procedures, standards and requirements of the Development Code of the City as qualified in paragraph 10 of this Agreement, and the terms of the Evans Ranch Master Development Plan which is incorporated in the Exhibit File to this Agreement. The Exhibit File consists of the legal descriptions of the Evans Ranch Annexation parcel and the Carson parcel, the map of the Master Development Land Use Element approved by this Agreement, the general location and alignment of roads to be dedicated to the City and the areas approved for public uses such as parks, utilities and schools. Exhibit 4 is the Utility Requirements Funding Plan for the area subject to this Agreement which describes the additional utility facilities required to service the Master Development area and the timing and cost for the construction of the utilities.

6. Dedication of Facilities. 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, streets, utility facilities and improvements for the construction and use of utilities, parks, roads, and other public ways such as trails depicted on the Master Development Plan. A reimbursement agreement may be entered between the City and the Developer to require reimbursement from the City to the Developer as other developers pay impact fees to use facilities which are donated to the City by Developer.

7. Initial Development Cost Escrow. The Developer will provide the funds to construct the initial offsite improvements necessary to initiate the improvement of the Master Planned Area. The initial funding is to guarantee the construction, at the Developer's sole expense, of a new well and a well house, related pressure relief valves and a storm water debris basin. The Developer shall deposit the sum of \$700,000.00 in Escrow with a financial institution approved by the City, under the terms of an Escrow Agreement approved by the City to guarantee the construction of the improvements described above. The Escrow is required to fund the improvements defined above and described in Exhibit 4 as the "Initial Improvements." No subdivision plat will be recorded by the City in the Master Development Planned area until the improvement Escrow described in this paragraph is fully funded and approved by the City. Funds may be withdrawn from the Escrow with the permission of the City or by the City, if necessary, to construct the improvements. Engineering design review, approval, and construction approval by the City is required for each Initial Improvement.

8. Subdivision Improvements. The improvements described in Exhibit 4 as "Developer Constructed Improvements" will be constructed by the Developer and will be transferred to the City in consideration for the City's annexation approval of the Master Development Plan and subdivisions in the annexed area. All of the facilities dedicated to the City under the terms of this Agreement shall be constructed to the City's standard specifications and shall be subject to City inspections and approval before acceptance by the City. The design for each public improvement shall be reviewed and must be approved by the City Engineer prior to construction. All proposed utility improvements which are to be transferred to the City under the terms of this paragraph have been conceptually reviewed and approved by Epic Engineering on behalf of the City and shall be constructed in accordance with the review comments and concept approval by Epic Engineering.

9. Withholding Approval Upon Default. The parties agree that the City shall not approve or record any subdivision in the Master Development area 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 development project. In addition, the City may withhold approval of building permits to construct any building or structure within the Master Development area 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.

10. Reserved Powers. The parties agree that the City reserves certain legislative powers to amend its Development Code to amend and enact 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 Master Development Plan Map (Exhibit 3), but to require compliance by the Developer 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, provided however, that the City shall not be required to approve any residential lot with less than 60 ft. front dimension and that all residential structures shall conform to the approved Ranches architectural guidelines for the Ranches Master Planned Area.

11. Impact Fees. The 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. The parties shall enter into a separate Reimbursement Agreement upon the enactment of impact fee requirements and which shall provide for reimbursement to the Developer for certain improvements transferred to the City by the Developer as provided more specifically in the Reimbursement Agreement.

12. 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, City Development Standards and Schedules in the Master Development Plan approved by 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.

13. Default Notice and Remedy for Default. Upon the occurrence of an event of default, 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 Master

Development area 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.

14. 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.

15. 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.

16. 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.

17. 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.

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

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

20. 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 in enforcing the provisions of this Agreement, whether or not legal action is instituted.

Dated this 18TH day of JUNE, 2002.

Developer: Evans Ranch, L.C.

By: [Signature] MANAGER

Developer: Mortgage Investment Trust

By: [Signature] EXECUTIVE ASSISTANT

Developer: Development Associates

By: [Signature]

Developer: John D. Jacob Company

By: [Signature]

By: [Signature]
Larry S. Carson

ATTEST:

[Signature]
Janet B. Valentine, CMC
City Recorder

EAGLE MOUNTAIN CITY

[Signature]
Kelvin E. Bailey, Mayor

EXHIBIT 1

Property Description of Annexed Parcel:

The land referred to is located in Utah County, State of Utah, and is described as follows:

Commencing at a point located South 89°10'11" East along the Section line 1319.685 feet from the Northwest corner of Section 28, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence South 89°10'11" East 1319.685 feet along the Section line to the North quarter corner of Section 28; thence South 89°50'17" East 2639.41 feet along the Section line to the Northeast corner of Section 28; thence South 00°08'39" West 2647.80 feet along the Section line to the East quarter corner of Section 28; thence South 00°36'42" West 2659.26 feet along the Section line to the Southeast corner of Section 28; thence North 89°20'31" West 2652.03 feet along Section line to the Southeast corner of Section 28; thence North 89°16'10" West 1324.566 feet along the Section line to the 1/16 section corner of Section 28; thence North 00°33'59" East 2649.228 feet along the 1/16 Section line; thence North 00°34'12" East 2637.168 feet along the 1/16 Section line to the point of beginning.

Approximately 482.715 acres

EXHIBIT 2

Legal Description of Carson Parcel:

Commencing at the Northwest corner of Section 28, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence South 89°10'11" East along the section line 1319.685 feet; thence South 0°34'12" West along the 1/16 section line 1318.58 feet; thence North 89°18'58" West along the 1/16 section line 758.878 feet to the center of a wash; thence along the center of the wash as follows: North 3°43'36" East 215.04 feet; thence North 33°10'35" East 40.338 feet; thence South 88°54'29" West 166.937 feet; thence North 56°31'12" West 155.178 feet; thence North 33°23'06" West 136.299 feet; thence North 57°34'13" West 67.829 feet; thence North 36°37'17" West 218.460 feet; thence North 1°24'52" West 106.506 feet; thence South 83°40'59" West 28.496 feet to the section line on the West side of Section 28; thence along said wash as follows: South 83°40'59" West 113.780 feet; thence North 14°21'48" West 108.764 feet; thence North 61°28'59" West 66.304 feet; thence South 84°28'44" West 91.646 feet; thence South 54°39'22" West 113.615 feet; thence North 50°12'10" West 48.042 feet; thence North 8°08'50" East 127.178 feet; thence South 56°02'26" West 94.605 feet; thence North 67°15'52" West 197.116 feet; thence North 8°13'30" West 205.399 feet; thence North 57°17'38" West 197.829 feet; thence North 27°20'12" West 47.367 feet; thence North 24°56'32" West 1.834 feet; thence South 89°02'10" East along the section line 886.083 feet to the point of beginning.

EXHIBIT 3