

GRANITE RIDGE DEVELOPMENT AGREEMENT

THIS AGREEMENT, is made and entered into this _____ day of _____, 2015, by and between WILLARD CITY, a body corporate and politic of the State of Utah, and hereinafter referred to as "City") and Granite Ridge Development Company LLC, 5577 East Elkhorn Drive, Eden, Utah, 84310, its successors and assigns (hereinafter "Developer"):

WHEREAS, Developer desires to develop certain real property situated in the corporate city limits of WILLARD CITY, Box Elder County, State of Utah (hereinafter sometimes referred to as the "Property" or "Development") and legally described as shown on pages 3 and 4 of the Developer's Book of Exhibits for Granite Ridge, submitted to the City on _____, 2015, hereby incorporated by reference and attached as "Exhibit A."

WHEREAS, Developer desires to rezone and develop the Property and Developer shall submit to the City all plats, plans (including utility plans), reports and other documents required for the approval of a Phase Final Plat according to the City's outlined policies, procedures, and ordinances including any specifications and standards incorporated therein unless specifically provided otherwise in this agreement; and

WHEREAS, the parties hereto have agreed that the development of the Property will require increased municipal services from the City in order to serve such area and will further require the installation of certain improvements primarily of benefit to the lands to be developed and not to the City as a whole; and

WHEREAS, THE City approves the Planned Development Rezone for recording with the Recorder's Office of Box Elder County, Utah, which was submitted by the Developer subject to certain requirements and conditions, which involve the installation of and construction of utilities and other municipal improvements in connection with the property,

NOW, THEREFORE, in consideration of the promises of the parties hereto and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, it is agreed as follows:

I. GENERAL CONDITIONS

1. Development Activities. The terms of this Agreement shall govern all development activities of the Developer pertaining to the Property. For the purposes of this Agreement, "development activities" shall include, pursuant to Utah Code Annotated (hereinafter "U.C.A") § 10-9a-103(8), but be not limited to, the following: any change in use of Land that creates additional demand or need for public facilities. Furthermore, for purposes of this agreement only, "development activities" shall also include the following: (1) the actual construction of improvements, (2) obtaining any permit therefore, or (3) any change in grade, contour or appearance of the Property caused by, or on behalf of, the Developer with the intent to construct improvements thereon, none of which shall occur until execution of the Agreement and City approval of the final plat.

2. Time Limitation for Improvements. All water lines, sanitary sewer collection lines, storm sewer lines and facilities, streets, curbs, gutters, sidewalks, streetlights, and trails shall be installed as shown on each phase Final Plat and in the compliance with the standards and specification of the City, at the time of approval of each phase Final Plat, subject to a two (2) year time limitation from the date of approval of each phase Final Plat, which is in compliance with Sections 2.5.6 and 2.6.6 of the WILLARD City Land Use and Development Code. After two (2) years from the date of approval of each phase Final Plat any development improvements have not been completed, the City, at its sole discretion, may use the guaranty bond money to complete development improvements.

3. Building Permit Issuance. No building permit for the construction of any structure within the development shall be issued by the City until all individual lots within a final plat in the development are staked by a licensed surveyor, the public water lines and stubs to each lot, charged fire hydrants, sanitary sewer lines and stubs to each lot, street lights and public streets (including all weather access, curb, gutter, and pavement with at least the base course completed), serving such structure have been completed and accepted by the City.

4. Certificate of Occupancy. No Certificates of Occupancy shall be issued by the City for any structure within the development until water and gas lines to the structure are installed and functional, street signs are installed, and all electric lines are installed and functional.

5. Financial Responsibilities of Developer. Except as otherwise herein specifically agreed, the Developer agrees to install and pay for all water, sanitary sewer, and storm drainage facilities and appurtenances, and all streets, curbs, gutters, sidewalks, trails and other public improvements necessary to complete the development or as required by this Development Agreement, as shown on Exhibits A and B, the Final Plat, other approved documents pertaining to this Development on file with the City, and all Willard City ordinances not inconsistent with this agreement.

6. Utility Line Installments. Street paving shall not be installed until all utility lines to be placed therein have been completely installed, inspected, and accepted by the City including all individual lot service lines (water and sewer) leading in and from the main to the property line, all electrical lines, and all communication conduits.

7. Inspection by City Officials. The installation of all utilities shown on each phase Final Plat shall be inspected by the Engineering Department and/ or Public Works Department of the City and shall be subject to such department's approval. The Developer agrees to correct any deficiencies in such installations in order to meet the requirements of the plans and/or specifications applicable to such installation. In case of conflict, the Final Plat shall supersede the standard specifications, except that if the conflicts are a result of Federal or State mandated requirements, then the Federal or State mandated requirements shall prevail.

8. Form of Recorded Drawings. The Developer shall provide the City Engineer with two (2) certified Record Plan Drawings upon completion of each phase of the construction. Utilities will not be initially

accepted without as-built drawings submittal by the developer and approval of the same by the City. The City reserves the right to request alternative forms of plans (i.e., CAD drawings, GIS images, etc.).

9. Developer Compliance with EPA and other Regulations. The Developer specifically represents that to the best of its knowledge all property dedicated (both in fee simple and as easements) to the City associated with this Development (whether on or off-site) is in compliance with all environmental protection and anti-pollution laws, rules, regulations, orders or requirements, including solid waste requirements, as defined by the U.S. Environmental Protection Agency Regulations at 40 C.F.R. Part 261, and that such property as is dedicated to the City pursuant to this Development, is in compliance with all such requirements pertaining to the disposal or existence in or on such dedicated property of any hazardous substances, pollutants or contaminants, as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and regulations promulgated thereunder. The Developer, for itself and its successor(s) in interest, does hereby agree to indemnify and hold harmless the City from any liability whatsoever that may be imposed upon the City by any governmental authority or any third party pertaining to the disposal of hazardous substances, pollutants or contaminants, and cleanup necessitated by leaking underground storage tanks, excavation and/or backfill of hazardous substances, pollutants or contaminants, or environmental cleanup responsibilities of any nature whatsoever on, of, or related to any property dedicated to the City in connection with this Development, provided that such damages or liability are not caused by circumstances arising entirely after the date of acceptance by the City of the public improvements constructed on the dedicated property, except to the extent that such circumstances are the result of the acts or omissions of the Developer. Said indemnification shall not extend to claims, actions or other liability arising as a result of any hazardous substance, pollutant or contaminant generated or deposited by the City, its agents or representatives, upon the property dedicated to the City in connection with this Development. The City agrees to give notice to the Developer that he must obtain a complete discharge of all City liability through such settlement. Failure of the City to give notice of any such claim to the Developer within ninety (90) days after the City first receives a notice of such claim under the Utah Governmental Immunity Act for the same, shall cause this indemnity and hold harmless agreement by the Developer to not apply to such claim and such failure shall constitute a release of this indemnity and hold harmless agreement as to such claim.

10. City Ownership Rights. The Developer acknowledges and agrees that the City, as the owner of any adjacent property (the "City Property") on which off-site improvements may be constructed, or that may be damaged by the Developer's activities hereunder, expressly retains (and does not by this Development Agreement waive) its rights as property owner. The City's rights as owner may include without limitation those rights associated with the protection of the City Property from damage, and/or the enforcement of restrictions, limitations and requirements associated with activities on the City Property by the Developer as an easement recipient.

11. Developer Vesting. Developer, by and through execution of this agreement, receives a vested right to develop the number of lots shown and configured on the Final Plat, so long as development is completed in accordance with the plans specifically shown in Exhibit A attached to this agreement, approval of the Final Plat, and compliance with all statutory requirements codified by the State of Utah and Willard City.

II. CONDITIONS OF APPROVAL

12. The development of the property shall be governed by this approval and shall reflect the architectural designs and plans as represented in the attached Exhibits A and B.

13. All City ordinances and standards currently in effect not expressly altered by this approval shall govern the development of the property.

14. Property must be under single ownership or owner agent.

15. The rezone shall not become valid until final acceptance of this Development Agreement by signature of the developer's authorized representative. Upon acceptance, these conditions of approval constitute the Development Agreement for the property.

16. Covenants, Codes and Restrictions will be reviewed and approved by city staff prior to Phase 1 plat approval.

17. Architectural regulations shall be finalized prior to plat approval.

18. Common and open space design and standards shall reflect the representations made by the developer in Exhibits A and B. Construction drawings will be required for the purpose of bonding or other security as part of final plat approval per phase.

19. Motorized vehicles will be prohibited from the trail system and improvements which restrict motorized access will be required and constructed consistent with the approved plat.

20. Proportionate open space and other construction improvement security shall be deposited by developer prior to plat approval. Bonding/security for open space related construction will occur after plat approval but prior to the Mayor's signature on the approved plat.

21. Developer will secure an agreement with Staker Parsons regarding the emergency use and restricted back of homesite access to the haul road. The document will be executed prior to approval of phase 3 of the project.

22. The trail system shall be completed on a per phase basis.

23. The Developer shall bond for open space improvements per approved plat per phase.

24. All water rights associated with the property shall be relinquished to Willard City per phase.
25. All open space areas will consist of native vegetation. The trails will be constructed as shown on Exhibit A, page 15.
26. Recommended landscape should be predominantly low or moderate water use design.
27. No animal rights will be allowed. No large game or farm animals will be allowed on a permanent basis within the development.
28. Developer shall prepay water impact fees per phase.
29. Sewer fees will be paid at the time of the issuance of each building permit.
30. Front yard landscape improvements will be installed or the funds for the improvements shall be escrowed prior to occupancy.
31. All utilities will be undergrounded.
32. All improvements identified on the site plan shall be required within the appropriate phase for plat approval.
33. Construction drawings shall be submitted for all common areas and amenities as shown on Exhibit A.
34. CC&R review and disclosures shall be a required notice provided to all buyers.
35. Developer agrees to dedicate the necessary property and easements for the city to install a culinary water reservoir up to one-million gallon size to be installed underground.
36. Developer agrees to install a park in the open area of the development as shown on Exhibits A and B.

III. SINGLE FAMILY LOT DEVELOPMENT STANDARDS

37. Lot size and width, setbacks, building height, lot coverage, and cul-de-sac lengths shall be installed as delineated in Exhibit A.

IV.

MISCELLANEOUS

38. Construction Site Safety. The Developer agrees to provide and install, at its expense, adequate barricades, flaggers, warning signs and similar safety devices at all construction sites within *the* public right-of-way and/or other areas as deemed necessary by the City Engineer, City Public Works Department, and Traffic Engineer in accordance with any and all Federal Regulations, the City's Policies

and Procedures, Utah Department of Transportation Requirements, OSHA, and Manual of Uniform Traffic Control Devices ("MUTCD") and shall not remove said safety devices until the construction has been completed.

39. Construction Site Waste. The Developer shall, at all times, keep the public right-of-way free from accumulation of waste material, rubbish, or building materials caused by the Developer's operation, or the activities of individual builders and/or subcontractors; shall remove such rubbish as often as necessary, but no less than daily and; at the completion of the work, shall remove all such waste materials, rubbish, tools, construction equipment, machinery, and surplus materials from the public right-of-way. The Developer further agrees to maintain the finished street surfaces so that they are free from dirt caused by the Developer's operation or as a result of building activity. Any excessive accumulation of dirt and/or construction materials shall be considered sufficient cause for the City to withhold building permits and/or certificates of occupancy until the problem is corrected to the satisfaction of the City Building Inspector and/or the City Public Works Director. If the Developer fails to adequately clean such streets within two (2) days after receipt of written notice, the City may have the streets cleaned at the Developer's expense and the Developer shall be responsible for prompt payment of all such costs. The Developer also agrees to require all contractors within the Development to keep the public right- of-way clean and free from accumulation of dirt, rubbish, and building materials. Under no circumstances shall the Developer or any sub-contractors use open burning procedures to dispose of waste materials.

40. Compliance with City Building Inspector, City Engineer, and City Public Works Director. The Developer hereby agrees that it will require its contractors and subcontractors to cooperate with the City's Building Inspector, City Engineer, or City Public Works Director by ceasing operations when winds are of sufficient velocity to create blowing dust which, in the inspector's opinion, is hazardous to the public health and welfare.

41. The Developer shall, pursuant to the terms of this Agreement, complete all improvements and perform all other obligations required herein, as such improvements or obligations may be shown on the Exhibit A, any Final Plat, City ordinance, or any documents executed in the future that are required by the City for the approval of an amendment to the Final Plat or this Agreement, and the City may withhold such building permits and certificates of occupancy as it deems necessary to ensure performance in accordance with the terms of the Agreement and reserves the right to any other recourse provided by law.

42. No Waiver of Regulation(s). Nothing herein contained shall be construed as a waiver of any requirements of the City Code or the Utah Code Annotated, in its current form as of the date of approval of the Final Plat and the Developer agrees to comply with all requirements of the same.

43. Severability of Waivers. In the event the City waives any breach of this Agreement, no such waiver shall be held or construed to be a waiver of any subsequent breach hereof.

44. City Council Budgetary Discretion. Any financial obligation of the City arising under this Agreement that are payable after the current fiscal year are contingent upon funds for the purpose being annually appropriated, budgeted and otherwise made available by the Willard City Council, in its discretion.

45. Covenants to Run with the Land. This Agreement shall run with the Property, including any subsequent approved, amendments to the Final Plat of all, or a portion of the Property. This Agreement shall also be binding upon and inure to the benefit of the parties hereto, their respective personal representatives, heirs, successors, grantees and assigns. It is agreed that all improvements required pursuant to this Agreement touch and concern the Property regardless of whether such improvements are located on the Property. Assignment of interest within the meaning of this paragraph shall specifically include, but not be limited to, a conveyance or assignment of any portion of the Developer's legal or equitable interest in the Property, as well as any assignment of the Developer's rights to develop the Property under the terms and conditions of this Agreement.

46. Liability Release. With limitations pursuant to Utah Code Annotated § 10-9a- 607, in the event the Developer transfers title to the Property and is thereby divested of all equitable and legal interest the Property, the Developer shall be released from liability under this Agreement with respect to any breach of the terms and conditions of this Agreement occurring after the date of any such transfer of interest. In such event, the succeeding property owner shall be bound by the terms of this Agreement.

47. Default Each and every term of this Agreement shall be deemed to be a material element hereof. In the event that either party shall fail to perform according to the terms of this Agreement, such party may be declared in default. In the event that a party has been declared in default hereof, such defaulting party shall be given written notice specifying such default and shall be allowed a period of ten (10) days within which to cure said default. In the event the default remains uncorrected, the party declaring default may elect to: (a) terminate the Agreement and seek damages; (b) treat the Agreement as continuing and require specific performance or; (c) avail itself of any other remedy at law or equity.

48. Non-Binding Mediation. In the event of the default of any of the provisions hereof by either party which shall give rise to commencement of legal or equitable action against said defaulting party, the parties hereby agree to submit to non-binding mediation before commencement of action in any Court of law. In any such event, defaulting party shall be liable to the non-defaulting party for the non-defaulting party's reasonable attorney's fees and costs incurred by reason of the default. Nothing herein shall be construed to prevent or interfere with the City's rights and remedies.

49. No Third-Party Beneficiaries. Except as may be otherwise expressly provided herein, this Agreement shall not be construed as or deemed to be an agreement for the benefit of any third party or parties, and no third party or parties shall have any right of action hereunder for any cause whatsoever.

50. Applicable Laws. It is expressly understood and agreed by and between the parties hereto that this Agreement shall be governed by and its terms construed under the laws of the State of Utah and the City of Willard, Utah.

51. Notice. Any notice or other communication given by any party hereto to any other party relating to this Agreement shall be hand-delivered or sent by certified mail, return receipt requested, addressed to such other party at their respective addresses as set forth below; and such notice or other communication shall be deemed given when so hand-delivered or three (3) days after so mailed:

If to the City:

Willard City Corp
POBox593
Willard, UT 84302

If to the Developer:

Granite Ridge Development Company LLC
5577 East Elkhorn Drive
Eden, Utah 84310

Notwithstanding the foregoing, if any party to this Agreement, or its successors, grantees or assigns, wishes to change the person, entity or address to which notices under this Agreement are to be sent as provided above, such party shall do so by giving the other parties to this Agreement written notice of such change.

52. Word Meanings. When used in this Agreement, words of the masculine gender shall include the feminine and neutral gender, and when the sentence so indicates, words of the neutral gender shall refer to any gender: and words in the singular shall include the plural and vice versa This Agreement shall be construed according to its fair meaning and as if prepared by all parties hereto, and shall be deemed to be and contain the entire understanding and agreement between the parties hereto pertaining to the matters addressed in this Agreement

53. Complete Agreement. There shall be deemed to be no other terms, conditions, promises, understandings, statements, representations, expressed or implied, concerning this Agreement, unless set forth in writing signed by all of the parties hereto, Further, paragraph headings used herein are for convenience of reference and shall in no way define, limit, or prescribe the scope or intent of any provision under this Agreement.

54. Property Owner as Party. The Owner is made a party to this Agreement solely for the purpose of subjecting the Property to the covenants contained in this Agreement. The City and the Developer expressly acknowledge and agree that the Owner shall not be liable for any obligations of the

Developer under this Agreement, unless the Owner were to exercise any of the rights of the Developer in which event the obligations of the Developer shall become those of the Owner.

55. Greenbelt Taxes. Pursuant to Utah Code Annotated § 10-9a-603(3), Developer shall pay any required Greenbelt Taxes, if applicable.

56. All application fees must be paid at time of application submittal. No application will be processed until all application fees are paid. Notification and publication fees for required public hearing notices (individual notices mailed to property owners - \$1.00 per notice; 14 day publication of legal notice in local newspaper - cost of notice) will be billed to applicant at the time a hearing is scheduled. Notification fees must be paid within 10 days of billing.

57. NOTE REGARDING FEES; the payment of fees and /or the acceptance of such fees by City Staff does not constitute any sort of approvals, vesting, or signify that the application is complete or appropriate in any manner. The collection of fees is simply a requirement to begin the review process that will ultimately make such determinations.

I hereby declare under penalty of perjury that this application form, and all information submitted as part of this application form is true, complete, and accurate to the best of my knowledge. Should any information or representation submitted in connection with this application form be incorrect or untrue, I understand that Willard City may rescind any approval or sufficiency determination, or take other appropriate action.

DATED this ____ day of _____, 2015.

Granite Ridge Development Company LLC

COUNTY OF BOX ELDER)
Ss:
STATE OF UTAH)
NOTARY CERTIFICATE/ ACKNOWLEDGMENT

On the ____ day of _____, 20____, _____ personally appeared before me, the undersigned notary, and who duly acknowledged to me, that he has read the foregoing "Granite Ridge Estates Development Agreement," and that he signed the same for its stated purpose.

Notary Public, State of Utah

Commission No.

Commission Expires: