**DEVELOPMENT AGREEMENT**

This Development Agreement (“Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2024 by and among the City of Payson, a Utah Municipal Corporation, hereafter referred to as “**City**”, and Patterson Homes, LLC, a Utah limited liability corporation, hereafter referred to as “**Developer**”. The Developer is the owner and representative of the property contained in the “Payson View Estates Subdivision, Plat “I” (the “**Project**”). The City and Developer are sometimes collectively referred to in this Agreement as the “**Parties**”.

RECITALS

A. Payson City, acting pursuant to its authority under Utah Code Annotated 10-9a-102 (2) *et seq*., as amended and in furtherance of its land use policies, goals, objectives, ordinances, resolutions, and regulations, has made certain determinations with respect to the development Project and, in exercise of its legislative discretion, has elected to enter into this Agreement.

B. Developer is the owner of certain real property located in Payson, Utah and desires to develop a portion of the Developer’s property and is willing to design and construct the project in a manner that is in harmony with and intended to promote the long range policies, goals, and objectives of Payson City, the Payson City General Plan, zoning, and development standards and regulations in order to receive the benefit of vesting for certain uses and zoning designations under the terms of this Agreement as more fully set forth herein.

1. The Payson View Estates Subdivision, Plat I is located on or about 1800 South Main St., Payson, Utah and encompasses Utah County Parcels 30:071:0072, 30:071:0085, 30:071:0087 and a portion of 30:085:0026, with the legal description being contained in **Exhibit “A”** attached hereto and incorporated herein by this reference.
2. Parties acknowledge the subdivision is located within the Payson View Estates Subdivision and is a single phase of a larger residential development and is subject to the conditions imposed by the Payson City Council for Preliminary Plan approval, Final Plat approval, and the terms of this Agreement.
3. Developer acknowledges the unique physical nature of the development site along Main Street and the High Line Canal and agrees to follow the landscaping requirements outlined in this Agreement as shown on Exhibit E. Developer hereby acknowledges and agrees that , as a condition of an in consideration for approval of the Payson View Estate, Plat I, Developer shall dedicate no less than thirty (30) acres of open space in a subsequent plat within the same development project (the “Future Plat”). The parties acknowledge that this obligation forms an integral part of the overall development plan and is intended to satisfy open space requirements made by Developer in connection with the current plat. Developer shall include the dedication of the thirty (30) acres of open space in the next phase or plat filed by Developer for any portion of the remaining property within the development area, or in such other subsequent plat as may be mutually agreed upon in writing by the parties. Failure to dedicate the required thirty (30) acres of open space in the Future Plat shall be deemed a material breach of this Agreement and may serve as grounds for withholding or delaying approval of subsequent plats, permits, or entitlements. The Developer expressly acknowledges and agrees to the foregoing obligation, and affirms that the obligation shall run with the land and be binding upon the Developer, its successors, and assigns.
4. Developer has prepared and presented to the City land use applications for a single-family residential subdivision to be known as the Payson View Estates Subdivision, Plat I, and hereafter referred to as the “**Project**”. The application package was submitted and reviewed by the City pursuant to the requirements of the Payson City Code and related protocols and policies and other applicable zoning, engineering, fire safety and building requirements. The resulting final approved subdivision plat is referred to herein as the “**Final Plat**” and the approved construction drawings and associated studies and plans are referred to herein as the “**Plans and Specifications**.”
5. Developer and City desire to allow the Developer to make improvements to the Property and develop the Project in accordance with the Final Plat and the Plans and Specifications.
6. The Payson City Council has authorized the negotiation of and adoption of a development agreement which advances the policies, goals, and objectives of the Payson City General Plan, including protection of natural vegetation and protection of view sheds such as hillsides and ridgelines. Moreover, the Developer has voluntarily agreed to the terms of this Agreement and hereby acknowledges the obligations to complete the Project in a manner consistent with the approval of the city council and the regulations of the land use ordinances.
7. Consistent with the foregoing authorization and the provisions of Utah State law, the City’s governing body has authorized execution of this Agreement by Resolution 01-06-2021-B, a copy of which is attached to this Agreement as **Exhibit “C”**.

**AGREEMENT**

**NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, IT IS AGREED AS FOLLOWS:**

**I. Recitals.** The recitals set forth above are incorporated herein by this reference.

**II.**  **Exhibits.** The Exhibits and attachments are intended to be included as if in the body of this Agreement and regulated as such:

Exhibit “A” – Legal Description of Property

Exhibit "B” - Legal Description of Open Space to be deeded to Payson City

Exhibit “C” – Adopting Resolution

Exhibit “D” – Final Plat for Payson View Estates Subdivision, Plat I

Exhibit "E” – Landscaping Plan along Main Street and Plat I

Exhibit “F” - Housing Product Sample Exteriors and Materials

**III. Developer Obligations.**

1. **Completion of the Project**. Developer agrees to construct and complete the Project in accordance with the Preliminary Plan, Final Plat and the Plans and Specifications (collectively, the “**Work**”) and dedicate to the City all roads, open space, trails and other applicable public infrastructure included within the Project, to the extent to such roads, open space, trails and other public infrastructure are located within the boundaries of the City and are to be upon City approval and acceptance operated by the City. Any modification from the approved project drawings must be approved in writing by both Developer and City.

On **July 10, 2025**, the Land Use Authority granted Final Plat approval contingent upon the satisfaction of certain conditions. Developer hereby agrees to satisfy all conditions imposed by the Payson City Council in conjunction with Preliminary Plan and Final Plat approval as such conditions pertain or relate to the Project.

All infrastructure, roadways, lot improvements, and trails in the Project must be completed by Developer and inspected by Payson City for compliance with the Plans and Specifications, to include the Highline Canal roadway and utility crossings. Project landscaping must be completed prior to the issuance of an occupancy permit.

1. **Recorded Agreements.** Developer understands and agrees that the Project property was annexed into the municipal boundaries of Payson, Utah through the recording of the Mower Addition Annexation and the Addendum to the Mower Addition Annexation and is subject to the terms and conditions of any recorded agreements.
2. **Payson City Plans, and Payson City Ordinances**. All aspects of the Project must comply with all related Payson City plans, ordinances, codes and the improvements must be completed and meet all Payson City standards and specifications.
3. **Project Density and Lot Arrangement.** The Project was approved in accordance with Title 13, Zoning and Title 12, Subdivision of the Payson City Code. Developer shall be entitled to the project density and lot arrangement for the Project consistent with **Exhibit “D”** and the approval granted by the Payson City Council. Developer made various representations and commitments to the Payson City Council through the approval process. Developer agrees that all representations and commitments must be met. It was represented that the Project would contain twenty two(22) single-family lots. Each dwelling shall be on a separate lot and used for single-family purposes only.
4. **Infrastructure, Circulation, and Access.** All infrastructure, streets, trails, and utility connections shall be constructed in accordance with the Payson City Development Guidelines to include the Highline Canal roadway and utility crossings. Developer agrees to complete all on-site and off-site improvements necessary to provide adequate service to the Project. The following are improvements specific to Plat I:
   1. Developer agrees to coordinate with the private utility providers to ensure underground placement of existing distribution overhead facilities and installation of all new facilities prior to the placement of asphalt. The improvements shall be completed, inspected and approved prior to the issuance of any building permits in the Project. Developer agrees to observe all rights and privileges included in the easement and/or right-of-way documents recorded in favor of the private utility companies.
   2. Pedestrian access will be provided within the Project. Developer agrees to construct a non-motorized trail consistent with the Plans and Specifications and provide a pedestrian access from the neighborhood to the trail system.

Developer agrees to provide at least two points of ingress/egress at all times, including during the construction phase of the project. Developer shall provide turn-around areas consistent with the land use and development ordinances and the adopted fire code for any temporary dead end roads.

1. **Soil Analysis, Grading and Slope Stabilization.**  Developer agrees to follow recommendations made by the geotechnical report and to have a representative of a geotechnical company present during excavation of each foundation. Developer agrees to comply with the SWPP permit issued by Payson City for each lot.
2. **Electrical Considerations.** As required by City ordinance, Payson City shall provide all electrical service to the Project, unless otherwise agreed to in writing by Payson City or otherwise ordered by a court of competent jurisdiction. Developer will take all steps necessary to effect a transfer of electric service to Payson City at such time as Payson City shall direct consistent with Utah law and/or agreement between Payson City and South Utah Valley Electric Service District (dba SESD). Provision of electrical service for future customers must satisfy the regulations of federal, state and local law or ordinance, and any other service provider obligations. The Parties will work together to secure easements or needed land dedication to provide connection to the Payson Power electrical system.
3. **Conveyance or Dedication of Required Easements**. Prior to the construction of a particular utility facility, Developer shall convey or dedicate or cause to be conveyed and dedicated to the applicable public entity or other applicable utility provider, at no cost, such required utility easements on or across the Project as are necessary to facilitate the extension of those required utility services to be constructed to and throughout the Project and as are shown on the Plans and Specifications.
4. **Assurance for Completion of Improvements.**  Developer agrees to provide a performance guarantee for all infrastructure and utility improvements that will be dedicated to Payson City, required landscaping and project amenities. The performance guarantee shall be equal to one hundred ten (110) percent of the approved engineer’s cost estimate and in cash or in the form of an irrevocable letter of credit. Developer will also submit, in cash, an amount consistent with the Payson City Fee Resolution that will be used to complete public works inspections and testing requirements. Developer will provide, in cash, the amount necessary to complete a slurry seal, as required by City ordinance.
5. **Residential Dwelling Design Elements.** To further the land use goals of Payson City, the Developer acknowledges and agrees the Project will be compliant with its zoning and Developer agrees to implement the following design elements in the Project:
   1. Dwelling sizes.. The minimum square footage requirements are as follows:
      1. One-story dwellings shall not be less than 1350 square feet above the finished lot grade. Bonus space constructed in the attic trusses does not count toward the required square footage and do not qualify the dwelling as a two-story structure.
      2. Two-story dwellings shall not have less than 950 square feet on the main floor, and not less than a total of 1900 square feet of finished living area above the finished lot grade.
      3. Each dwelling shall contain at least an attached two-car garage.
   2. Exterior requirements:
      1. The Project will contain dwellings with varying design and architecture. Developer agrees to vary the elevations so that similarly designed homes are not located on adjoining lots or across the street from one another. Variations in colors, material treatments, elevation details, rooflines, and other features can be adequately altered to avoid a tract feel in the development. See Exhibit F.
      2. Each dwelling shall be constructed using surface materials such as brick, stone, stucco, engineered wood siding, and cementitious siding with the exception of roofing materials, eaves, doors, windows, and other similar architectural details. The use of metal soffit and fascia is allowed. Vinyl exteriors are not permitted.

* + 1. Rooflines for conventional homes may have a variety of rooflines on each home, but the majority of the roofline will have a pitch of 6/12 or higher.. Rooflines for modern design homes are only allowed upon approval by the City staff with reference to Exhibit F. Roofing materials shall be non-reflective and fire resistant.
    2. Accessory buildings must be constructed using a similar architectural motif and materials as the primary dwelling. No metal buildings are allowed.

1. **Landscaping and Storage.** 
   1. In order to protect the storm drainage system, avoid erosion, eliminate noxious weeds, and improve aesthetics, the Developer shall complete, or cause to complete, the following landscaping improvements:
      1. The Developer agrees to follow the landscaping plan shown on Exhibit E.

The Developer agrees to follow its plans for storm water that have been approved by Payson City.

* 1. Storage:
     1. Recreational vehicles, motorhomes, boats, trailers, and other similar apparatus shall be stored and maintained within an enclosed structure or located behind the front of the dwelling and screened from public view by a sight-obscuring fence.

**IV. Vested Rights and Reserved Legislative Powers**.

1. **Vested Rights**. Developer shall have the vested right to develop and construct the Project in accordance with the R-1-10 and R-1-12 zoning designation (as applicable) and the Final Plat and the Plans and Specifications, subject to compliance with the terms and conditions of agreements and the other applicable ordinances and regulations of the City.
2. **Reserved Legislative Powers**. Developer acknowledges that the City is restricted in its authority to limit its police power by contract and that the limitations, reservations and exceptions set forth herein are intended to reserve to the City all of its police power that cannot be so limited. Notwithstanding the retained power of the City to enact such legislation under the police powers, such legislation shall only be applied to modify the vested rights of Developer with respect to use under the zoning designations as referenced in Section IV (A) above under the terms of this Agreement based upon the policies, facts and circumstances meeting the compelling, countervailing public interest exception to the vested rights doctrine in the State of Utah. Any such proposed change affecting the vested rights of the Project shall be of general application to all development activity in the County; and, unless in good faith the City declares an emergency, Developer shall be entitled to prior written notice and an opportunity to be heard with respect to the proposed change and its applicability to the Project under the compelling, countervailing public interest exception to the vested rights doctrine.

**V. Term**. This Agreement shall be effective as of the date of execution, and upon recordation, shall run with the land and shall continue in full force and effect until all obligations hereunder have been fully performed and all rights hereunder fully exercised; provided, however, that unless the parties mutually agree to extend the term, this Agreement shall not extend further than a period of ten (10) years from its date of recordation in the official records of the Utah County Recorder’s Office.

**VI. General Provisions**.

A. **Notices**. All Notices, filings, consents, approvals, and other communication provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally, by nationally recognized overnight courier, or sent by registered or certified U.S. Postal Service mail, return receipt requested, postage prepaid to:

If to City: The City of Payson

439 W. Utah Ave.

Payson City, Utah 84651

Attention: City Recorder

If to Developer: Patterson Homes, LLC

11038 N. Highland Blvd. Suite 100

Highland, Utah 84003

or to such other addresses as either party may from time to time designate in writing and deliver in like manner. Any such change of address shall be given at least ten (10) days before the date on which the change is to become effective.

B. **Mailing Effective**. Notices given by mail shall be deemed delivered seventy-two (72) hours following deposit with the U.S. Postal Service in the manner set forth above. Notices that are hand-delivered or delivered by nationally recognized overnight courier shall be deemed delivered upon receipt.

1. **Waiver**. No delay in exercising any right or remedy shall constitute a waiver thereof and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach by the same of any other provision of this Agreement.
2. **Meet and Confer regarding Development Application Denials.**  The City and Developer shall meet within fifteen (15) business days of any recommendation for denial by the City staff to resolve the issues specified in the recommendation for denial of a development application.
3. **Headings**. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only, and shall not control or affect the meaning or construction of any provision this Agreement.
4. **Authority**. The parties to this Agreement represent to each other that they have full power and authority to enter into this Agreement, and that all necessary actions have been taken to give full force and effect to this Agreement. Developer represents and warrants that each party is fully formed and validly existing under the laws of the State of Utah, and that each party is duly qualified to do business in the State of Utah and each is in good standing under applicable state laws. The Developer and the City warrant to each other that the individuals executing this Agreement on behalf of their respective parties are authorized and empowered to bind the parties on whose behalf each individual is signing.
5. **Entire Agreement**. This Agreement, including exhibits, constitutes the entire Agreement between the parties.
6. **Amendment of this Agreement**. This Agreement may be amended in whole or in part with respect to all or any portion of the Property by the mutual written consent of the parties to this Agreement or by their successors in interest or assigns. Any such amendment of this Agreement shall be recorded in the official records of the Utah County Recorder’s Office.
7. **Severability**. If any of the provisions of this Agreement are declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect, provided that the fundamental purpose of this Agreement and the Developer’s ability to complete the Project is not defeated by such severance.
8. **Governing Law**. The laws of the State of Utah shall govern the interpretation and enforcement of the Agreement. The parties shall agree that the venue for any action commenced in connection with this Agreement shall be proper only in a court of competent jurisdiction located in Utah County, Utah, and the Parties hereby waive any right to object to such venue.
9. **Remedies**. If any party to this Agreement breaches any provision of this Agreement, the non-defaulting party shall be entitled to all remedies available at both law and in equity.
10. **Attorney’s Fee and Costs**. If any party brings legal action either because of a breach of the Agreement or to enforce a provision of the Agreement, the prevailing party shall be entitled to reasonable attorney’s fees and court costs.
11. **Binding Effect**. The benefits and burdens of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors in interest and assigns.
12. **Assignment**. The rights of the Developer under this Agreement may not be transferred or assigned, in whole or in part except by written approval of the City. Developer shall give notice to the City of any proposed or requested assignment at least thirty (30) days prior to the effective date of the assignment. City shall not unreasonably withhold its consent to assignment. The provisions of this paragraph shall not prohibit the granting of any security interests for financing the acquisition and development of the Project, subject to the Developer complying with applicable law and the requirements of this Agreement. The provisions of this paragraph shall also not prohibit Developer’s sale of completed subdivision Lots within the Project.
13. **Third Parties**. There are no third-party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.
14. **No Agency Created**. Nothing contained in the Agreement shall create any partnership, joint venture, or agency relationship between the parties.

*[Signatures on following page]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written:

**CITY**

ATTEST: CITY OF PAYSON A Utah Municipal Corporation

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

Kim Holindrake William R. Wright

Payson City Recorder Payson City Mayor

**DEVELOPER**

PATTERSON HOMES, LLC

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

Printed Name:

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

STATE OF UTAH )

: ss.

County of Utah )

On this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_, 2021, before the undersigned notary public in and for the said state, personally appeared \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, known or identified to me to be a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of PATTERSON HOMES, LLC, a Utah limited liability corporation, and the person who executed the foregoing instrument on behalf of said Company and acknowledged to me that said Company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

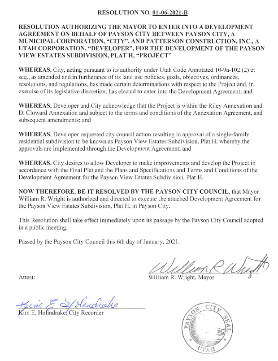
Notary Public for Utah

Exhibit “A”

(Legal Description of Property)

PAYSON VIEW PLAT “I”Exhibit “B”

(Adopting Resolution)



Payson City to Provide

Exhibit “C”

(Final Plat for Payson View Estates Subdivision, Plat I)

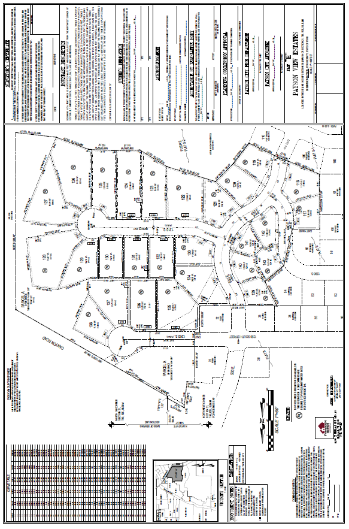


EXHIBIT D

EXHIBIT E