

Upon recording, return to:

Paul Morris  
3747 Sagebrush Drive  
Santa Clara, Utah 84765

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## **Development Agreement**

**For the Mixed-Use Project**

**by & between**

**Town of Leeds, Utah  
and  
Babylon Lands, LLC**

**November 12, 2025**

## DEVELOPMENT AGREEMENT

This Development Agreement ("**Agreement**") is entered into by and between the Town of Leeds, Utah ("**Town**"), a political subdivision of the State of Utah, and Babylon Lands, LLC ("**Owner**"), a Utah limited liability company. Town and Owner may be individually referred to herein as a "**Party**" and collectively as "**Parties**." This Agreement shall be effective when the last Party executes this Agreement. ("**Effective Date**"). The Owner shall cause this Agreement to be recorded with the Washington County Recorder within 30 days of the Effective Date.

### Background

- A. Owner owns certain property in the Town ("**Property**"), which is described in Exhibit A.
- B. Owner has applied for and received the zoning designation for the Property of Mixed-Use ("**MU Zone**") as shown on the Silver Cliffs Commons Project Plan attached as Exhibit B ("**Project Plan**") and plans to develop the Property as a mixed-use project ("**Project**").
- C. As set forth more fully in the Project Plan, the Project consists of 66 townhomes, 58 patio homes, and 25 single family dwelling lots, and five commercial buildings, totaling 52,000 square feet in combined size for retail, general commercial, and, most importantly, a grocery store.
- D. Owner also owns adjacent land that is currently located within the unincorporated area of Washington County, which is also depicted in Exhibit B as the Adjacent Land ("**Adjacent Land**") which is also being developed as a mixed-use project in the unincorporated area of Washington County ("**County**"). The Adjacent Land may be annexed into the Town in the future, pursuant to local and state laws.
- E. Owner filed a petition, dated August 8, 2025, to disconnect the Property from the boundary of the Town and develop the Property in the County ("**Disconnection Petition**"). As of the Effective Date, the Town denies the Disconnection Petition.
- F. The Parties desire certainty with regards to development of the Project. The MU Zone allows for other uses in the MU Zone, like two-family, three-family, and four-family residential buildings that would be rental focused but for this particular Property, the Town desires the residential units to be single-family lots, townhomes, and patio homes with an emphasis on owner-occupied housing. The Town also desires commercial uses be included in the Project, including a much-needed grocery store. The Owner is willing to limit itself to these specific types of residential uses and provide the desired commercial uses, but needs certainty that the development process for the Project will be streamlined.
- G. The Parties recognize that the timing of the commercial portion of the Project is reliant on having a sufficient number of "rooftops" in the surrounding area, and particularly, within the Project. And grocery store operators want to see all of the residential construction before they commit to building and operating a grocery store. Yet, the Town desires some assurance that there will eventually be commercial development that adds to the Town's taxbase. Consequently, the Owner is willing to commit to the initial construction of some commercial buildings in the Project in accordance with the terms of this Agreement.
- H. The Property has been annexed into the Land Enhancement and Development Special District ("**District**") which will provide the infrastructure and other financing for the project. The Manager of the Owner is involved in the Silver Cliffs subdivision, and the District provided the funding for all of the improvements. Together, they have demonstrated their ability to complete the Project, as provided in Town Ordinance 23.1.6(3).
- I. The Town finds the Project is in harmony with and meets the goals of the MU Zone. The Parties desire to enter into this Agreement to memorialize the Project commitments and to detail the future development process for the Project.

## Terms and Conditions

**NOW THEREFORE**, in consideration of the mutual promises set forth herein and other good and valuable consideration, the adequacy, sufficiency, and receipt of which are hereby acknowledged, the Parties hereby voluntarily mutually agree as follows:

1. **PROJECT OVERVIEW.** Owner is developing the Project and the Adjacent Land as a mixture of neighborhood commercial and residential uses with an emphasis on affordability for some of the residential uses.

2. **AUTHORITY & CONSISTENCY WITH GENERAL PLAN AND ZONING – VESTED RIGHTS AND APPLICABLE LAW**

(a) *Project Consistent with General Plan of Town and MU Zone.* The Project and this Agreement are consistent with the General Plan of the Town and the MU Zone.

(b) *Authority to Enter into this Agreement.* This Agreement is defined as a "Development Agreement" in Town Ordinance Section 1.1.6(32) (this section and other sections of the Town Ordinance may be renumbered by the Town Attorney and Clerk, pursuant to Ordinance 2025-06). The Town is authorized to enter into this Agreement under Section 10-9a-102(2) of the Municipal Land Use, Development, and Management Act, Title 10, Chapter 9a of the Utah Code ("**LUDMA**"). This Agreement is required by Town Ordinance Section 24.1.18.

(c) *Binding Effect & Vesting.* This Agreement shall confer upon Owner, for the term of the Agreement, vested development rights to construct the Project according to the terms and conditions herein and the ordinances, laws, and rules of the Town in effect as of the Effective Date of this Agreement ("**Vested Rights**"). Such vesting shall be the maximum allowable, subject to the reserved legislative powers and exceptions described in Paragraph 2(d) of this Agreement. This Agreement shall be recorded at the office of the Washington County Recorder and constitutes a covenant running with the land, benefiting, and burdening the Property (described in Exhibit A) binding upon and inure to the benefit of Owner and Town and to the successors and assigns of Owner. Notwithstanding anything in this Agreement to the contrary, the owners of residential or commercial units or lots located within the Project are (a) subject to the burdens of this Agreement to the extent applicable to their particular unit or lot; and (b) have no right to bring any action under this Agreement as a third-party beneficiary or otherwise.

(d) *Reserved Legislative Powers and Exceptions.* Nothing in this Agreement shall limit the future exercise of the police power by the Town in enacting zoning, subdivision, development, transportation, open space, and related land use plans, policies, ordinances, and regulations after the Effective Date of this Agreement. Notwithstanding the retained power of the Town to enact such legislation under its police power, such legislation shall not modify Owner's Vested Rights as set forth herein except as provided in Subparagraph (e) below.

(e) For purposes of this Paragraph, the term "**Town's Future Laws**" means the ordinances and resolutions (including any written policy, procedure, standard, regulation, or rule adopted by ordinance or resolution) and processing fee schedules of the Town which may be in effect as of a particular time in the future when a Development Application (defined in Subparagraph (4)(a)) is submitted for a part of the Project and which may or may not be applicable to the Development Application depending upon the provisions of this Agreement. In addition to the restrictions set forth in Subparagraph 4(d), the restrictions on the applicability of the Town's Future Laws to the

Project as set forth in Subparagraph 2(c) of this Agreement are subject to the following exceptions:

- (i) *Owner Agreement.* Town's Future Laws that Owner agrees in writing to the application thereof to the Project;
  - (ii) *State and Federal Compliance.* Town's Future Laws which are generally applicable to all properties in the Town and which are required to comply with State and Federal laws and regulations affecting the Project;
  - (iii) *Codes.* Town's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, drainage, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual on Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare including, but not limited to, any such environmental regulations;
  - (iv) *Taxes.* Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the Town to all properties, applications, persons and entities similarly situated; or,
  - (v) *Fees.* Changes to the amounts of fees for the processing of Development Applications that are generally applicable to all development within the Town (or a portion of the Town as specified in the lawfully adopted fee schedule) and which are adopted pursuant to State law.
  - (vi) *Compelling, Countervailing Interest.* Laws, rules or regulations that the Town's land use authority finds, on the record, are necessary to avoid jeopardizing a compelling, countervailing public interest pursuant to Utah Code Ann. § 10-9a-509(1)(a)(i) (2025).
- (f) *Applicable Law.* Except as set forth expressly herein (including Subparagraphs 2(d) and 2(e) above), the rules, regulations, official policies, standards, specifications, codes, ordinances, resolutions, state law, and federal law in effect as of the Effective Date are the applicable laws for this Project.

**3. DISCONNECTION PETITION DENIAL.** Upon the Effective Date, the Disconnection Petition is denied by the Town. In addition to other remedies, the Owner reserves the right to file a petition in district court to challenge the denial, as provide in Utah Code Ann. § 10-2-502.5, if the Town does not fulfill its obligations under this Agreement. If the Property is disconnected this Agreement shall automatically terminated and no longer be of any force or effect.

**4. APPROVED USES AND SUBDIVISION-ADMINISTRATIVE PROCESS.**

- (a) *Administrative Process.* Any development application, including site plan review applications, subdivision applications, building permit applications, etc., required for the Project ("Development Application") will be processed administratively and without further legislative approval. The Development Applications must comply with all applicable Town ordinances and resolutions (including any written standards, procedures, regulations, and rules adopted by

ordinance or resolution) in seeking and obtaining any development application with the Town, as described in Paragraph 2 above.

- (b) *Permitted Uses.* For residential uses, the townhomes and single-family dwellings, including the patio homes, and all of the commercial uses listed in the Town Ordinance Section 23.1.5 and as generally illustrated in Exhibit B, are permitted uses in the Project.
- (c) *Prohibited Residential Uses.* Two-family, three-family, and four-family units are prohibited in the Project. Further, none of the townhomes, single-family units, or patio homes will be used for short-term rentals under any circumstances. Short-term rental is expressly prohibited within the Project.
- (d) *Subdivision.* To create the residential and commercial lots, the Owner shall follow the Town subdivision requirements for single-family, two-family, and townhome (STT) subdivision set forth in Town Ordinance Section 21.1.3.
- (e) *Approval Required Before Development.* No improvements, that expressly require Town approval, shall be constructed within the Project without Owner first obtaining administrative approval of the Development Application for such development from the Town. No Development Application shall be approved without first submitting the Development Application for review as set forth herein. Upon approval by the Town of any Development Application, the development related to such approval may be improved in accordance with the approved Development Application, subject to the terms, conditions, and provisions of the Development Application.
- (f) *Fees.* Owner shall pay to the Town the standard fees applicable to any submittal of a Development Application under the Town's fee schedule in effect at the time of the Development Application.
- (g) *Acceptance of Certifications Required for Development Applications.* Any Development Application requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying that the contents of the Development Application comply with the applicable regulatory standards of the Town.

**5. PROJECT DENSITY AND BASELINE FOR DEVELOPMENT.** Pursuant to Town Ordinance Section 23.1.18(1) the baseline for development of the Project is as follows:

- (a) *Residential Density.* Within the Property, there shall be a maximum of 4.25 dwelling units per acre. The Property's size is 35.22 acres for a total density of 149 units. The residential uses shown in Exhibit B are 66 townhomes, 58 patio homes, and 25 single-family dwelling units. As the Owner goes through the subdivision process it shall adhere to the 149 residential unit maximum but may adjust the mix of the residential units so long as no two-family, three-family, or four-family units are added.
- (b) *Commercial.* Exhibit B shows the general commercial layout of 5 commercial pads equaling 52,000 square feet in total, including a 30,000 square foot pad for a grocery store. The non-grocery store commercial square footage is 22,000 square feet. The exact square footage and number of commercial buildings may slightly increase or decrease, but in no event may the total commercial square feet within the Project increase or decrease by more than 10%. The exact total commercial square footage for this Project shall be determined through the subdivision and building permit process, based on road, sidewalk, and set back

configurations.

- (c) *Commercial Building Timing.* The Owner shall ensure at least half of the 22,000 square feet of non-grocery store commercial space (currently estimated to be 11,000 square feet), is under construction prior to more than 60% of the residential units being issued a certificate of occupancy.
  - (d) *Insurance.* During the development of the Project, until final approval of and dedication to the Town of the required improvements, Owner, and its assigns, transferees, and sub-developers shall maintain the Town as an additional named insured where reasonably possible on any relevant or applicable liability insurance associated with the Project.
  - (e) *Bonding.* Owner shall provide applicable improvement completion assurance and improvement warranties, per LUDMA, for any infrastructure improvements (as those terms are defined in LUDMA). If a bond is issued by a special district, the bond proceeds shall be the security used, as provided by Town Code Section 21.1.3(9).
  - (f) *Improvements.* Owner is responsible to construct and install all infrastructure improvements under the applicable standards of the Town or other governmental entity to whom the improvements will be dedicated.
6. **COORDINATION WITH ADJACENT LAND – AFFORDABLE HOUSING.** Pursuant to Town Ordinance Section 23.1.18(2), the Adjacent Land shall be used by the Town’s administrative staff in its analysis and approval of the development requirements set forth in Paragraph 6, including the density, configuration, open space, road configuration, and compliance with the minimum ten percent (10%) attainable housing requirement set forth in Town Ordinance Section 23.1.3. For purposes of this Agreement, “attainable housing” means housing that meets the definition of “affordable housing” found in Section 10-9a-403.2(1)(a)(i) of LUDMA.
7. **MIXED-USE CHAPTER REQUIREMENTS**
- (a) *Impact Analysis Studies.* Pursuant to Town Ordinance Section 23.1.6, the Town finds that the traffic impact and community and fiscal impact analysis are not warranted and that the Owner, together with the District, has demonstrated their ability to complete the Project.
  - (b) *Development and Design Standards.* All development in the Project shall have the setbacks and lot sizing shown in Exhibit B. The maximum heights and building footprints shall be as set forth in Town Ordinance Section 23.1.7. The Project shall comply with Town Ordinance Sections 23.1.8 through 23.1.17 for: the design standards; pedestrian and vehicle circulation; landscaping; parking; paving; signage; site furniture and artwork; outdoor lighting; storm drainage; and, fencing and retaining walls.
8. **OBLIGATIONS OF OWNERS AND TOWN.** The Parties acknowledge and agree that the Owner, and any subsequent owner, developer, or successor, shall abide by the covenants and obligations in this Agreement and the MU Zone and such compliance is material consideration for the Town's agreement to grant the vested rights, vested density, and development rights set forth in this Agreement. Owner or its builders shall pay all applicable Town fees as a condition of developing the Project, including, but not limited to, impact fees, subdivision application fees, and building permits fees, and other fees required by law. The Town shall not impose any further conditions to the approvals other than those detailed in this Agreement and the MU Zone unless agreed to in writing by the Parties.

## 9. GENERAL PROVISIONS

- (a) *Assignment.* Owner shall be permitted to transfer or assign the Agreement and the Project, in its entirety or a portion thereof, provided the transferee or assignee assumes in writing Owner's obligations under the Agreement with respect to that portion of the Project. The Town shall be allowed to enforce the assumed obligations of the transferee or assignee. Each and every successor Owner or developer shall automatically and expressly assume the obligations of Owner and developers applicable to the entirety or a portion of the Project assigned and pursuant to this Agreement. In the event that the Property is conveyed in part, the fee owners of that portion of the Property assume all of the obligations of this Agreement applicable to that part of the Property. No transfer of a portion of the Property can result in any other lot or owners being denied a perpetual right to use the roadways, bridges, emergency evacuation, and utility services, drainage, and other infrastructure.
- (b) *Amendments.* The Parties may amend this Agreement by mutual written consent. No amendment or modification shall require the consent or approval of any person or entity having an interest in a specific residential lot or commercial lot, except that any amendment that materially and adversely affects the rights of such lot owners shall require their consent.
- (c) *Governing Law and Venue.* This Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah subject to venue in the Fifth District Court of Washington County. The Parties further agree that the Federal District Court for the District of Utah shall be the venue for any cause of action with mandatory federal jurisdiction.
- (d) *Severability and Waiver.* If any portion of this Agreement is determined by a court of law to be unenforceable or invalid, then the remaining portions of this Agreement shall remain in effect.
- (e) *Authority.* Each Party represents and warrants to the others that the individuals signing below have full power, authority, and legal right to execute and deliver this Agreement and thereby to legally bind the Party on whose behalf such person signed.
- (f) *Time is of the Essence.* Time is of the essence in the performance of all obligations and duties in this Agreement.
- (g) *Interpretation.* This Agreement has been reached as a result of arm's length negotiations with each Party represented by counsel, and thus no presumption of draftsmanship shall be used in interpreting this Agreement.
- (h) *Integration.* This Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Waiver of any default will not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Agreement will not be deemed to be a waiver of any other provision or subsequent breach and will not be construed to be a modification of the terms of this Agreement unless stated to be such through written approval by the Party charged with so waiving or modifying the terms of this Agreement, which written approval will be attached to the original Agreement.
- (i) *No Joint Venture, Partnership, or Third-Party Beneficiary.* This Agreement does not create any partnership, joint venture, undertaking, business arrangement or other arrangement between Owner and Town. It is specifically understood and agreed to by and between the Parties that:
  - (a) Project is a private development;
  - (b) Town has no interest or responsibilities for, or due

to, third parties concerning any improvements until such time, and only until such time, that the Town accepts the same pursuant to the provisions of this Agreement; and (c) Owner shall have full power over and exclusive control of the Property and Project herein described, subject only to the limitations in the approvals for the Project and this Agreement. This Agreement is made and entered into for the sole protection and benefit of the Parties hereto and their successors and assigns. No other person, party, or entity shall have any right of action based upon any provision of this Agreement. Any person or entity with an interest or encumbrance on any portion of the Project or Property, hereby automatically and without the need for any further documentation, consents, subjects, and subordinates their interest or encumbrance to this Agreement and its amendments.

(j) *Other Necessary Acts.* The Parties shall execute and deliver to each other all other further instruments and documents that are reasonably necessary to carry out and implement this Agreement.

(k) *Defaults and Remedies.*

i. *Notice of Default.* In the event a Party believes the other Party is in default of this Agreement (a "**Default**") the Party which believes a Default has occurred will give notice according to Paragraph (k)(ii) of the claimed Default to the other Party, ("**Notice of Default**"). Such Notice of Default shall include a description of the claimed Default and the actions or termination of actions necessary to cure the claimed default, including the reasonable time, not less than thirty (30) days, necessary to cure the Default; provided that if the Default cannot reasonably be cured within thirty (30) days, the cure period shall be extended for such additional time as is reasonably necessary to complete the cure, so long as the defaulting Party commences the cure within the initial thirty (30) day period and diligently pursues the cure to completion. The Parties shall meet in person or virtually, within ten days of the Notice of Default to attempt to resolve the claimed Default. If the claimed Default is neither resolved nor cured, the non-defaulting Party may utilize all remedies in this Paragraph or may terminate this Agreement upon the occurrence of a material default.

ii. *Owner's Remedies Upon Default.* Except if a court, described in Subparagraph (9)(c), finds that the Town has acted unreasonably to delay or stop the development of Owner's Project, Owner's sole and exclusive remedy under this Agreement shall be specific performance of the rights granted in this Agreement and Town's obligations under this Agreement. IN NO EVENT, EXCEPT A FINDING OF BAD FAITH, SHALL THE TOWN OF LEEDS BE LIABLE TO OWNER, ITS SUCCESSORS OR ASSIGNS, FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, COSTS OF DELAY, OR LIABILITIES TO THIRD PARTIES. In the event of a finding that the Town acted unreasonably, in addition to specific performance, the Owner shall be entitled to direct damages and attorney's fees and costs.

iii. *Town's Remedies Upon Default.* In addition to all other remedies available at law or in equity, the Town shall have the right to withhold all further reviews, approvals, licenses, building permits and other permits for development of the Property in the case of a Default by Owner (or its Successor or Assigns), until the Default has been cured. Town shall further have the right to draw on any security posted or provided in connection with the Property and relating to remedying of the particular Default.



iv. *Notice.* Any demand, request, or notice which either Party hereto desires or may be required to make or deliver to the other shall be in writing and shall be deemed given when personally delivered, or successfully transmitted by email transmission with confirmation of receipt, or when actually received after being deposited in the United States Mail in registered or certified form, return receipt requested, addressed as follows:

To Owner:

Babylon Lands, LLC  
Attention: Paul Morris  
3747 Sagebrush Dr.  
Santa Clara, UT 84765  
paul@vital-lands.com

To Town:

Town of Leeds  
Attn: Mayor  
218 N Main St.  
Leeds, UT 84746  
mayor@leedstown.org

- (l) *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original.
- (m) *Term.* The Term of this Agreement ("**Term**") shall commence on the Effective Date and will continue for a period of ten (10) years, and the right to renew it for one additional five (5) year term by providing written notice thirty (30) days before the expiration of the Agreement, provided that the Owner proceeds with reasonable diligence. Unless otherwise agreed by the Parties, the Owner's interest and rights contained in this Agreement expire at the end of the Term or upon termination of this Agreement.
- (n) *Effect of Termination of Agreement.* Upon termination of this Agreement, for any reason, the obligations of the Parties to each other hereunder shall terminate, but none of the recorded plats, licenses, building permits, or certificates of occupancy granted prior to expiration of the Term or termination of this Agreement shall be rescinded or limited in any manner due to the expiration or termination of this Agreement. No easements, maintenance requirements, infrastructure improvement obligations, or other agreements intended to run with the land, including obligations that were based upon the approvals, shall expire upon termination or expiration of this Agreement.
- (o) *Indemnification.* Owner (including its Successors and Assigns) shall defend and hold the Town and its officers, employees and consultants harmless for any and all claims, liability and damages arising out of the negligent actions or inactions of such Owner, its agents or employees pursuant to this Agreement, unless caused by the City's negligence or willful misconduct.
- (p) *Incorporation of Recitals and Exhibits.* The above Background provisions, the attached Exhibits A and B, and all referenced approvals are incorporated into and are a part of this Agreement as if fully set forth herein.

- (q) *Partial Invalidity Due to Governmental Action.* In the event the state or federal laws or regulations enacted after the Effective Date of this Agreement, or formal action of any governmental jurisdiction other than City, prevent compliance with one or more provisions of this Agreement, or require changes in plans, maps or permits approved by City, the Parties agree that the provisions of this Agreement shall be modified extended or suspended only to the minimum extent necessary to comply with such laws or regulations.
- (r) *Waiver of Rights Under Utah Code Section 10-9a-532.* The Parties have been represented by an attorney throughout this process. Owner acknowledges that this Agreement does not restrict any of Owner's rights under clearly established state law or that Owner has been advised in writing of any such rights being restricted. As an essential term of this Agreement, Owner hereby waives any claim that any term of this Agreement is void, illegal, invalid, or unenforceable as the result of any failure on the Town's part to disclose in writing any rights being restricted by this Agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the date(s) set forth in the acknowledgments below.

*[Signatures appear on the following pages]*

**TOWN OF LEEDS**, a Utah municipal corporation

\_\_\_\_\_  
Bill Hoster  
Mayor

Attest:

\_\_\_\_\_  
Cari Bishop  
Town Clerk/Recorder

STATE OF UTAH                                 )  
  : ss.  
COUNTY OF WASHINGTON                 )

On this \_\_\_\_ day of \_\_\_\_\_, 2025, personally appeared before me Bill Hoster, who being by me duly sworn, did say that he is the Mayor of the Town of Leeds, Utah, a Utah municipal corporation, and that the foregoing instrument was signed on behalf of said Town by authority duly given, and said Bill Hoster acknowledged to me that said Town executed the same.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**BABYLON LANDS, LLC**, a Utah limited liability company

\_\_\_\_\_  
Paul Morris  
Manager

STATE OF UTAH                                 )  
  : ss.  
COUNTY OF WASHINGTON                 )

On this \_\_\_\_ day of \_\_\_\_\_, 2025, personally appeared before me Paul Morris, who being by me duly sworn, did say that he is the Manager of Babylon Lands, LLC, and that the foregoing instrument was signed in behalf of said limited liability company, and said Paul Morris acknowledged to me that said limited liability company executed the same.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**EXHIBIT A**  
**Property Description**

**EXHIBIT B**  
**Project Plan**