

DEVELOPMENT AGREEMENT
for
HORIZON VIEW FARMS

This Development Agreement for Horizon View Farms Phases A & B, hereinafter referred to as "the Agreement," is entered into this 2 day of July 2015, by and between the City of Elk Ridge, a Utah municipal corporation with its main office located at 80 East Park Drive, Elk Ridge, Utah 84651, hereinafter referred to as "City," and Salisbury Developers, Inc, a Utah Corporation with its principal office located at 494 West 1300 North, Springville, Utah, 84663, hereinafter referred to as "Developer" (collectively, "the Parties"), and/or the Parties' successors and assigns.

RECITALS

WHEREAS, the City, on December 16, 2005, entered into an agreement with Stone River Falls, LLC ("the original developer"), regarding the development of the Elk Ridge Meadows Planned Unit Development (or "PUD") in Elk Ridge, Utah (See Annexation Development Agreement dated December 16, 2005 and any Amendment thereto, attached hereto as Exhibit A and incorporated herein by reference, hereinafter referred to as the December 2005 Agreement or 2005 Annexation Development Agreement); and

WHEREAS, the December 2005 Agreement set forth the respective rights and obligations of the City and the original developer with respect to the development of Elk Ridge Meadows PUD; and

WHEREAS, Phase 4 of the Elk Ridge Meadows PUD is now held by Salisbury Developers, Inc, ("Developer") and is now known as Horizon View Farms; and

WHEREAS, Developer is developing 36 single family lots in place of the the vested right of 74 multi-family units; and

WHEREAS, the 2.67 acres of open space as required within the PUD Zone is credited as part of the 17.35 acres of open space developed with Elk Ridge Meadows Phases 1 & 2; and

WHEREAS, Developer desires to develop the land comprising of the former Phase 4, subject to certain terms and conditions;

NOW THEREFORE, in consideration of the above recitals and the mutual promises and conditions contained in this Agreement, the receipt and sufficiency of which is hereby willfully acknowledged, the Parties agree as follows:

TERMS

1. The Parties agree that this Agreement applies to Horizon View Farms which were formerly known as Elkridge Meadows Phase 4. The provisions of this Agreement are in addition to those which are contained in the December 2005 Annexation Development Agreement attached hereto as Exhibit A and incorporated herein. Should any provision or term of this Agreement conflict with any provision or term of the December 2005 agreement, the conflicting provision or term of this Agreement shall govern and take precedence.
2. The Developer shall pay an amount not exceeding \$150,000.00 toward the construction of a roundabout/intersection or other traffic calming alternative to be located on Elk Ridge Drive and Goosenest Drive and an entry monument also located on Elk Ridge Drive. The payment shall be

made into a City held escrow account at the time the first unit building permit is issued for each building. The payment shall be calculated by dividing the total amount (\$150,000) by the total number of developed lots for the (36), resulting in \$4167.00 per unit, with payment made with each building permit application. In the event that the number of lots in a particular phase changes, the relative proportion of the roundabout/ intersection or other traffic calming alternative and monument payment shall be adjusted accordingly to meet the total \$150,000. Once the roundabout/intersection and monument have been constructed any remaining funds shall be divided evenly between Salisbury Developers, Inc, and Elk Ridge Meadows Development, LLC and/or the Parties' successors and assigns.

3. The Developer shall be party to the design and construction of the roundabout/intersection or other traffic calming alternative , providing review and recommendations for value engineering while maintaining the industry, federal, state, and local standards.
4. The Developer shall coordinate the construction of improvements on 11,200 South, including obtaining the necessary access permits, with Utah County and shall obtain and submit records of inspection and an acceptance letter from Utah County before the City of Elk Ridge reduces and/or releases Guarantee amounts with respect to the improvements within the 11,200 South right-of-way.
5. The City of Elk Ridge shall pay for the installation of a PRV station on the culinary water line located on Twilight Way. The Developer shall install two isolation valves on the water line with connector pipe spool spaced for the PRV vault. The City shall install the PRV vault at a later date.
6. The Developer shall be allowed two one year extensions to complete both Phases 1 and 2. If the second phase is not constructed within the second year the Developer shall be required to go before the City Council and request any additional extensions.

MISCELLANEOUS PROVISIONS

1. Waiver. No breach of any provision of this Agreement shall be deemed waived unless the waiver is written and signed by a duly authorized representative of the waiving party. Waiver of one breach shall not be deemed a waiver of any other breach of the same or any other provision of the Agreement.
2. Complete Agreement. This Agreement represents a complete and exclusive statement of the entire agreement between the parties and supersedes all prior and contemporaneous promises and arrangements of any kind, as well as all negotiations and discussions between the parties hereto with respect to the subject matter covered herein. No other agreements, covenants, representations, or warranties, express or implied, oral or written, have been made by any of the parties hereto concerning the subject matter hereof. This is an integrated agreement.
3. No Third Party Beneficiary. Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third party beneficiary under this Agreement.
4. Assignment. Neither party may assign any interest in this Agreement without prior written consent of the other party. The terms of this Agreement will inure to the benefit of and be binding

upon the respective representatives and successors of each of the parties. Any attempted assignment in violation of this Agreement shall be void.

5. Amendment. This Agreement may not be modified or amended except in writing, which writing must be signed by the authorized representatives of each of the parties.
6. Relationship. Nothing in this Agreement shall be construed to create any partnership, joint venture or fiduciary relationship between the parties.
7. Hold Harmless. Developer agrees to defend and hold the City and its officers, agents, employees and consultants harmless for any and all claims, liability, and damages arising out of any work or activity of Developer or its members, agents, contractors, or employees which is permitted or required pursuant to this Agreement. Developer further agrees to and shall indemnify and hold the City and its officers, agents, employees harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of any accident, injury (including death), loss or damage whatsoever, caused to any person or to the property of any person, resulting directly or indirectly from any acts or any errors or omissions of Developer or any of its members, agents, contractors, or employees in connection with the work contemplated by this Agreement, except for the willful misconduct or negligent acts or omission of the City or its officers, agents or employees.
8. Representations. Developer Represents and warrants that it is authorized to enter into the transactions contemplated herein and to carry out its obligations hereunder. The City also represents and warrants that it is authorized to enter into the transactions contemplated herein and to carry out its obligations hereunder.
9. Severability. In the event that any portion of this Agreement is deemed unenforceable, all other provisions of this Agreement shall remain in full force and effect.
10. Conflict. To the extent the terms or provision of this Agreement conflict with any of the terms or provision of the 2005 Annexation Development Agreement or any Amendment thereto, the terms and provisions of this Agreement shall control.
11. Governing Law. It is understood and agreed that the construction and interpretation of this Agreement shall be governed by the laws of the State of Utah.

EFFECTIVE DATE

12. The terms of this agreement shall become effective at such time as all parties have signed the Agreement and shall continue in effect until the total fee of \$150,000 is paid for Horizon View Farms Phases A&B, Certificates of Occupancy have been issued for all proposed units and all improvements including landscaping are complete and have been accepted as complete by the City and the durability period has commenced.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below.

Dated this 2 day of July, 2015

Dated this 2 day of July, 2015

DEVELOPER

CITY

Rick Salisbury

Rick Salisbury
Salisbury Developers, Inc

Hal Shelley

Mayor, Elk Ridge, Utah

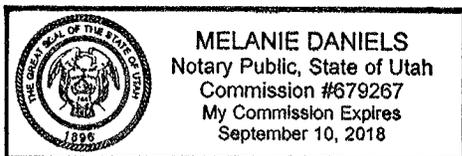
WITNESS:

Royce J. Smith

City Recorder

STATE OF UTAH)
 :SS.
COUNTY OF UTAH)

On the 2 day of July 2015, personally appeared before me, a Notary Public in and for the State of Utah, Rick Salisbury, who being by me duly sworn did say that he is the President of Salisbury Developers, Inc, a Utah Limited Liability Company, the signer of the above instrument, who duly acknowledged to me that he executed the same on behalf of said Company.



Melanie Daniels

Notary Public

Exhibit A
Elk Ridge Meadows
2005 Annexation Development Agreement dated December 16, 2005

Exhibit B

Horizon View Farms Preliminary Plat Drawings
Plat A and Plat B