

PURCHASE AGREEMENT

This Agreement made the _____ day of _____, 2013, between Heber City and JDS, LLC (hereinafter referred to as JDS).

WITNESSETH:

That the Parties to this Agreement, in consideration of the promises and agreements contained herein, stipulate and agree as follows:

1. Heber City, for the sum of \$167,000 agrees to sell and convey to JDS 1.90 acres of ground located in the Heber City Industrial Park, which has access from 1000 South and 300 West in Heber City, Utah, which parcel is more particularly described in the attached Exhibit A, as Parcel 17.

2. Heber City agrees that as part of the purchase price to include up to 3.4 acre feet of non transferrable water rights for the development of Parcel 17. If JDS's demand on Heber City's water system exceeds 3.4 acre feet, JDS will be required to obtain additional water rights/shares that are to be transferred to Heber City.

2. JDS agrees to construct on the premises within eighteen months from the date of this contract, with construction to commence on or before the 1st day of ~~June~~ September, 2013, to be pursued with due diligence, a building with at least 15,000 square feet floor space. If the building is not substantially completed within eighteen months, the City shall be entitled to additional compensation so that the purchase price is equal to \$150,000 dollars per acre or the sum of \$285,000, which amount is \$118,000 in addition to the Purchase Price from Item 1.

3. In the event JDS transfers or sells the property within three years of the date of possession, then Heber City shall be entitled to additional compensation for the property so that the Purchase Price is equal to \$150,000 per acre or the sum of \$285,000, which amount is \$118,000 in addition to the Purchase Price in item 1. This provision shall be a covenant running with the land, however, Heber City agrees to subordinate the same to any construction loan or long-term financing necessary for the building. If JDS sells the property within three years, the additional amount shall be paid to Heber City within twenty (20) calendar days from the sale of the property.

4. Signage on the premises shall be in conformity with local ordinances and codes and shall identify not more than two business entities. Landscaping shall be in conformity with local ordinances, codes and the Industrial Park Protective Covenants.

5. Heber City represents that City has fee title to the Property and will convey good and marketable title to JDS at Closing by special warranty deed.

6. Heber City represents that the Property is free from hazardous conditions, substances, and materials, such as methane gas, radioactive material, landfill, mineshaft, buried storage tanks and lines, wells, or toxic materials.

7. JDS shall engage a licensed surveyor to complete an Alta Survey of the Property to determine the accurate legal description and size.

8. JDS shall have a period of time prior to Closing to conduct due diligence on the Property, including items such as an environmental assessment, geotechnical testing, discovery of existing utilities, boundary survey, etc. Subject to JDS's acceptance of all items of due diligence it deems necessary. Closing of this Purchase Agreement shall occur on or before ~~April~~ July 1, 2013

9. Heber City will be responsible for moving the power line that currently runs through the property.

9. This instrument contains the entire agreement between the Parties and no statements, promises or inducements made by any party hereto, or agent or officer of either party hereto, which is not contained in this written contract, shall be valid or binding, and this contract may not be enlarged, modified, or altered except in writing signed by the parties and endorsed thereon.

10. The parties each agree that should they default in any of the covenants or agreements contained herein, that the defaulting party shall pay all costs and expenses, including a reasonable attorney's fee, which may arise or accrue in enforcing this Agreement.

DATED this _____ day of _____, 2013.

HEBER CITY

By: _____
David R. Phillips, Mayor

ATTEST:

Michelle Kellogg, Recorder

DATED this _____ day of _____, 2013.

JDS, LLC

Member