

WHEN RECORDED, MAIL TO:

TERRI A. FABIO
IVINS CITY
55 NORTH MAIN
IVINS, UT 84738

00904213 Bk 1676 Pg 1646
RUSSELL SHIRTS * WASHINGTON CO RECORDER
2004 OCT 05 10:42 AM FEE \$.00 BY AMH
FOR: IVINS CITY

**DEVELOPMENT AGREEMENT
FOR THE PALISADES AND PALISADE PARK SUBDIVISION PROJECT
IVINS CITY, WASHINGTON COUNTY, UTAH**

This Development Agreement (the "Agreement") is entered into as of this 30th day of September, 2004, by and among **Hart of Dixie, L.C.**, a Utah limited liability company, (the "Developer") the developer and owner of certain real property located in Ivins City, Washington County, Utah, on which they propose the development of projects known as **The Palisades and Palisade Park Subdivisions**, and **Ivins City**, a municipality and political subdivision of the State of Utah, ("Ivins City" or "City") by and through its City Council.

RECITALS

A. Developer is the owner of approximately 108.464 acres of real property located in Ivins City, Washington County, Utah, as reflected in Exhibit A, which is attached hereto and incorporated herein by this reference (the "Property"), on which it proposes the development of certain single family residential subdivisions known as **The Palisades and Palisade Park Subdivision**, planned unit developments, as more fully described on Exhibit A, which is attached hereto and incorporated herein, and as more fully set forth herein (the "Project").

B. **The Palisades and Palisade Park Subdivision** received Preliminary Plan approval by the City Planning Commission on December 2, 2003, and by the City Council on December 18, 2003. This Development Agreement is intended to set forth the agreement between the Developer and the City regarding the development of The Palisades phase and Palisade Park phase of the Project, as more fully described on Exhibit B, which is attached hereto and incorporated herein, as well as the agreement pertaining to matters of development for the entire Project. Notwithstanding that the provisions of this Agreement pertain to the entire Project, it is anticipated that each additional phase of the Project may involve matters to be included on separate development agreements (or addenda to this Agreement) tailored for those phases in the future.

C. **The Developer acknowledges the potential shortage of culinary and secondary water in the City and understands that building permits will be issued only upon availability thereof, as more fully set forth herein.**

D. The Palisades Project shall be developed into two phases, with each phase to begin shortly after receipt of all necessary approvals. Palisade Park Project is proposed to be developed in twelve (12) phases, the first phases of which are proposed to begin in approximately two years, with the final phases to begin within ten (10) years from the date of Preliminary Plan approval.

E. The Project is proposed to be developed with specific restrictions limiting height of any approved residence or structure to a maximum of twenty-five (25') from center of lot back of curb; external building materials shall be limited to stucco facades, with stone, cultured stone, or slate accents, all of which blend with the surrounding environment; Pitched roofs shall be of slate or textured flat tile, which blend with the surrounding environment and flat roof coverings must be colored to blend with the home, though lighter shades of the dominant building color will be permitted. Fences will comply fully with the City fencing ordinances and regulations.

F. Developer shall comply with all City development standards, including the current City fencing regulations, as well as all standards and specifications incorporated herein, including retention of ground/drainage water on site.

G. Ivins City has authorized the negotiation and adoption of development agreements under appropriate circumstances in which, among other possible factors, the proposed development contains outstanding

features that advance the policies, goals, and objectives of the Ivins City General Plan, preserves and maintains the open and rural atmosphere desired by the citizens of Ivins City, and contributes to capital improvements which benefit Ivins City.

H. Developer and the City intend that the Developer shall provide for improvement of trails and/or paths as more fully described herein.

I. Ivins City, acting pursuant to its authority under Utah Code Ann., Section 10-9-101, et seq., (as amended from time to time), and in furtherance of its land use policies, goals, objectives, ordinances, resolutions, and regulations has made certain determinations with respect to the proposed Project, and, in the exercise of its legislative discretion, has elected to approve this Agreement.

A G R E E M E N T

Now, therefore, in consideration of the mutual covenants, conditions and considerations as more fully set forth herein, Developer and Ivins City hereby agree as follows:

1. Recitals; Findings. The foregoing recitals are incorporated herein by reference. The City finds that the development of the Property pursuant to this Agreement and the City ordinances shall result in meaningful planning and economic benefits to and shall further the health, safety and welfare of the City and its residents by, among other things: (i) requiring development of the Property in a manner consistent with the applicable rules, regulations and policies of the City; (ii) providing for the dedication of infrastructure improvements to be completed as set forth herein and/or as consistent with current State or City regulations; (iii) increasing sales and/or property tax and other revenues to the City derived from improvements to be constructed on the Property; and (iv) preserving the natural beauty and view of the surrounding environment through agreed upon construction materials and building height limitations. The City is entering into and approving this Agreement pursuant to its authority under the Land Use Act and City ordinances and policies and regulations and has made certain determinations with respect to the Property and, in the exercise of its legislative discretion, has elected to approve this Agreement as an agreement, compromise, and settlement as to the matters covered by this Agreement.

2. Project Plan; Development Pursuant to this Agreement; Restrictive Covenants.

(a) Project and Preliminary Plan. Prior to the date of this Agreement, the City Planning Commission and City Council reviewed the concept for the Project. The Project thereafter received Preliminary Plan (the "Project Preliminary Plan") approval by the City Planning Commission on December 2, 2003, and by the City Council on December 18, 2003. The Project Preliminary Plan, as well as the exhibits attached hereto, are an integral part of this Agreement, and the City's approval of the Project and phases within it are based upon the City's reliance that the Project will be developed in accordance with the standard and quality of improvements, unit densities, dedication of easements, roadways, and other improvements, as represented therein.

(b) Development. Upon execution of this Agreement by the City, final approval of the plat of each phase of The Palisades and Palisade Park, fulfillment of applicable obligations in this Agreement by Developer and the recording of the Final Plat and related documents for each phase of The Palisades and Palisade Park Subdivisions, the Developer is authorized to develop the Property as set forth in this Agreement in phases as described above and in accordance with the types, densities and intents of the land uses set forth in this Agreement and the exhibits referenced herein. The Palisades and Palisade Park Subdivisions includes a total of 238 lots. The Palisades phase to consist of 57 lots and the Palisade Park phase to consist of 181 lots.

(c) Restrictive Covenants. At the time of recording of the Final Plats for each phase of The Palisades and Palisade Park Subdivision, and prior to transferring ownership of any portion of the Property, via recorded title, other than to itself, the Developer shall record against the Property covenants, conditions and restrictions approved by the City and consistent with City ordinances and this Agreement (such covenants, conditions, and restrictions, as amended from time to time in a manner consistent with this Agreement being referred to in this Agreement as the "Restrictive Covenants").

3. Preliminary Plan Expiration Extension. In accordance with Section 4-3.5. of the Ivins Subdivision Ordinance (as amended from time to time), the Project Preliminary Plan for Palisades phase and Palisade Park phase shall expire ten (10) years following the date of Project Preliminary Plan approval (December 18, 2013), unless extended by the City Council pursuant to the Subdivision Ordinance.

4. Water Supply Shortage Acknowledgment. The Developer acknowledges the potential shortage of culinary and secondary water in the City and understands and agrees that building permits in the Project will be issued only upon availability thereof at any given time.

5. Construction Standards on Project and Protection of Views. During all aspects of the application process to the City for the Project, the Developer has represented that it would take all efforts possible to preserve the views of the surrounding natural features in the community in the development of the Project. To that extent, the Developer shall not construct any structures within the Project greater than one story high nor which exceeds twenty-five (25') in height as measured from center of lot back of curb as determined by the construction plans approved by the City at the time development begins on the Project. All improvements, whether public or private, in the Project shall be installed in accordance and consistent with the Project Preliminary Plan, approved Final Plat, approved construction drawings, exhibits referred to herein, and with Ivins City Design and Construction Standards and all other governmental and regulatory standards. External building materials shall be limited to stucco facades, with stone, cultured stone or slate accents, all of which blend with the surrounding environment. Pitched roofs shall consist of slate or textured flat tiles which blend with the surrounding environment, and flat roof coverings shall be colored to blend with the home, though lighter shades of the dominant building color will be permitted. All fencing in the Project must comply Exhibit "D" Project Fencing and with the Ivins fencing ordinances and regulations, whichever is more strict. Lighting in the Project shall be in accordance with current Ivins lighting ordinances and regulations or with the attached Exhibit "C", whichever is more strict.

6. Developer Provided Municipal/Public Improvements.

(a) Improvements. The Developer shall install, construct, and complete the following improvements, all as set forth in and contemplated by the Project Preliminary Plan and the exhibits attached hereto, (the "Developer's Municipal Improvements"), all such improvements shall be constructed in a good and workmanlike manner and in accordance with applicable regulations and governmental standards and within the time periods for development set forth herein or as otherwise agreed to by the City:

(i) Water Distribution System. All pipes, valves, fittings, pressure reducing valve stations, air release valves, and other distribution facilities within the Property for the purpose of distributing water within the Property.

(ii) Sewer Distribution System. Sewer lines connecting all of the structures to be developed on the Property to the existing City sewer system.

(iii) Roads. All roads located within The Palisades are designated as public; all roads located within Palisade Park are designated as private,

(iv) Water Drainage. Developer shall install all necessary water drainage improvements and all ground/drainage water shall be maintained on site. Any change in construction plans within the Project required to address underground water, if encountered, must be submitted by the Developer to the Ivins City Engineer and receive approval thereof prior to construction.

(v) Landscaping. The Developer shall install, construct and complete, all without cost to the City, landscaping, as provided in the Project Preliminary Plan and the exhibits hereto.

(vi) Trails Within the Project. Developer shall install trails in the locations and in accordance with Exhibit A, attached hereto and incorporated herein by reference.

(b) Costs Associated with the Developer's Municipal Improvements.

(i) Construction Costs. The Developer will pay all costs and all associated expenses to install, construct, and complete the Developer's Municipal Improvements, unless otherwise specifically provided herein for improvements for which City has specifically required of Developer, which Developer and City specifically agree herein shall be paid (or reimbursed) to Developer by City. If this Agreement makes no provisions for the City to provide, pay or reimburse Developer for any Municipal Improvements installed by Developer as anticipated in the construction drawing or in this Agreement, the City is not responsible for any such costs and Developer specifically waives any claims against City therefor.

(ii) Maintenance Costs. Until such time as a particular component of Developer's Municipal Improvements is dedicated to and accepted by the City and standard maintenance thereof is assumed by the City, the Developer shall maintain, at its cost, such component of Developer's Municipal Improvements. The cost of water and power for watering landscaping along the Easterly side of Park Avenue which are within the public road right-of-way and abut the Palisades Common Area and along the portion of Center Street that abuts Palisade Park Common Area and are within the public road right-of-way and other landscaped areas which are within the common areas shall be the responsibility of the Developer/Owners Associations. The 1.418 acre public park to be dedicated to the City upon recordation of the subdivision plat for the Palisades Phase 1 and the two (2) landscape medians closest to the park, all of which are within public improvements installed by the Developer hereunder, shall be the responsibility of the City.

(c) Inspection and Dedication of Developer's Municipal Improvements. Upon completion of the Developer's Municipal Improvements with respect to a particular phase of the Property (any such completed portion of Developer's Municipal Improvements being referred to as "Offered Improvements"), the City shall inspect the Offered Improvements within a reasonable time after receipt of written notice from the Developer that such Offered Improvements are complete. The City shall approve and accept for dedication the Offered Improvements so long as they are constructed in accordance with the City's adopted standards therefor, as verified by the City's inspection. Each final subdivision plat shall dedicate to the City for public purposes the Offered Improvements within the plat, or earlier if offered in association with an earlier phase, and following completion of the Offered Improvements and recordation of such Final Plat, the City shall thereafter own, operate and maintain the Offered Improvements without charge or cost to the Developer, excepting that usual warranty bonding shall be provided to the City by the Developer.

(d) Open Spaces. The Project Preliminary Plan contemplates, and Developer has represented, that certain portions of the Property will be designated as open space. Such open spaces shall be conveyed to a property owner's association, as Developer shall determine, and the City shall have no obligation with respect to any of the open spaces, with the exception of the 1.418 acre public park to be dedicated to the City and the two landscape medians closest to the park that Developer will dedicate to the City on Final Plat for The Palisades Phase 1.

(e) Other Utilities. The Developer shall install, construct and complete, without cost to the City all other utilities required by the City and by regulation, ordinance or law to be installed. The Developer will pay all costs and all associated expenses to install, construct, and complete such other utilities, unless otherwise specifically provided herein for improvements for which City has specifically required of Developer, which Developer and City specifically agree herein shall be paid (or reimbursed) to Developer by City. If this Agreement makes no provisions for the City to provide, pay or reimburse Developer for any such other utilities installed by Developer, the City is not responsible for any such costs and Developer specifically waives any claims against City therefore.

(f) Fencing and Lighting. All fencing in the Project must comply with the Ivins fencing ordinances and regulations. Lighting in the Project shall be in accordance with current Ivins lighting ordinances and regulations or with the attached Exhibit "C", whichever is more strict.

(g) Documentation Supporting Provisions Herein. If the City determines that any provision of this Agreement requires a separate (recordable or otherwise) document/agreement to protect or clarify the City's rights pursuant to the intent of the parties under this Agreement, both parties shall cooperate in preparing and completing such documents.

7. Reserved Legislative Powers. Nothing in this Agreement shall limit the future exercise of the police power by Ivins City in enacting zoning, subdivision, development, transportation, environment, open space, and related land use plans, policies, ordinances, and regulations after the date of this Agreement.

8. Subdivision Plat Approvals and Compliance with City Design and Construction Standards. Developer expressly acknowledges and agrees that nothing in this Development Agreement shall be deemed to relieve Developer from the obligation to comply with all applicable requirements of Ivins City necessary for approval and recordation of subdivision plats for the Project, including the payment of fees and compliance with all other applicable ordinances, resolutions, regulations, policies and procedures of Ivins City, including but not limited to, the Ivins City Subdivision Ordinance and Standards and Specifications for Design and Construction.

9. Bonding for Improvements. Developer shall comply with all bonding for completion, restoration and guarantee of improvements requirements of Ivins City. Specifically, as a condition of recording of any Final Plat for the Project, Developer shall provide the following bonds, or equivalent security as allowed by Ivins City ordinances:

(a) Completion of all Improvements or Completion Security. If the Developer does not complete all improvements prior to recordation of the Final Plat of the first phase, or any other phase, a completion bond shall be provided to the City. Such completion bond shall be the estimated cost for applicable construction costs for which a surety bond (or other form of security allowed by the City's Subdivision Ordinance) will be required in the amount of 125% thereof. The security must be in a form acceptable to the City.

(b) Restoration Bond. If the Developer intends to install improvements rather than provide a completion bond, the Developer must provide a restoration bond to the City in the amount of \$8,000 for Phase 1. (If a completion bond is not provided, plat recording may not occur until all improvements are installed and approved by the City.)

(c) Warranty Security. At the completion of the improvements for which completion security is required in Paragraph 9.a., Developer shall provide the City with a warranty bond (or other form of security provided by the City's Subdivision Ordinance) in the amount of the greater of ten percent (10%) of the construction costs referred to in Paragraph 9.a., or ten percent (10%) of the actual construction costs for such improvements. The security must be in a form acceptable to the City.

(d) Application. In case of any discrepancy between the bonding/security provisions in this Agreement and the City's subdivision ordinance provisions regarding bonding/security, the provision providing greater protection to the City (as such is determined by the City) shall be applicable.

10. Agreement to Run with the Land. This Agreement shall be recorded against the Property as described in Exhibit B hereto attached and shall be deemed to run with the land and shall be binding on all successors and assigns of Developer in the ownership or development of any portion of the Property. Additionally, Developer shall provide appropriate notes upon the Final Plat prior to recordation giving notice of the primary provisions of this Agreement. Furthermore, the Restrictive Covenants of the Project shall provide appropriate provisions giving notice to and detailing obligations of the homeowner's association pertaining to the primary provisions of this Agreement.

11. Assignment. Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned to any other party, individual or entity without assigning the rights as well as the responsibilities under this Agreement and without the prior written consent of Ivins City, which consent shall not be unreasonably withheld.

12. No Joint Venture, Partnership or Third Party Rights. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the Developer and the City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any

person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

13. Binding Effect. Subject to the provisions of Paragraph 11, all of the provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

14. Integration. This Agreement contains the entire Agreement with respect to the subject matter hereof and integrates all prior conversations, discussions or understanding of whatever kind or nature and may only be modified by a subsequent writing duly executed by the parties hereto.

15. Severability. If any part or provision of this Agreement shall be determined to be unconstitutional, invalid or unenforceable by a court of competent jurisdiction, then such a decision shall not affect any other part or provision of this Agreement except that specific provision determined to be unconstitutional, invalid or unenforceable. If any condition, covenant or other provision of this Agreement shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

16. Previous Agreements. Except as otherwise expressly provided herein, this Agreement is the exclusive agreement of the parties and replaces and supercedes all prior agreements between the parties pertaining to this Project.

17. Miscellaneous.

A. Legal Fees. Should any party default in any of the covenants or agreements herein contained, that defaulting party shall pay all costs and expenses, including a reasonable attorney's fee, which may arise or accrue from enforcing this Agreement or in pursuing any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise. This obligation of the defaulting party to pay costs and expenses includes, without limitation, all costs and expenses, including a reasonable attorney's fee, incurred on appeal and in bankruptcy proceedings.

B. Survival. It is expressly agreed that the terms, covenants and conditions of this Agreement shall survive any legal act or conveyance required under this Agreement.

C. Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

D. Plat Notes. Primary provisions of this Agreement, as determined by the City, shall be included as notes on any Final Plat of the Project, as well as incorporated into the Project Restrictive Covenants and Homeowners Association corporate documents.

IN WITNESS WHEREOF, the parties have executed this Development Agreement the day and year first above written.

IVINS CITY:

IVINS CITY,
A Utah Municipality,

By: R. Daren Barney
R. Daren Barney, Mayor

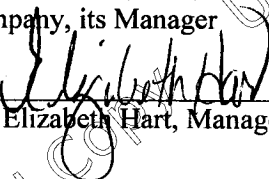
Attest:

Terri A. Fabio
Terri A. Fabio, Ivins City Recorder

24

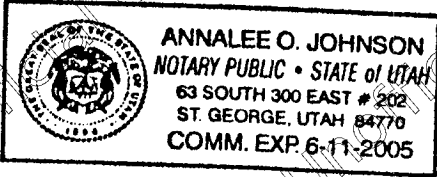
DEVELOPER/OWNER:


Hart of Dixie, L.C., a Utah limited liability company
By: Rave Hart, L.C., a Utah limited liability Company, its Manager

By:  _____
Elizabeth Hart, Manager

STATE OF UTAH)
)
) ss.
)
COUNTY OF WASHINGTON)

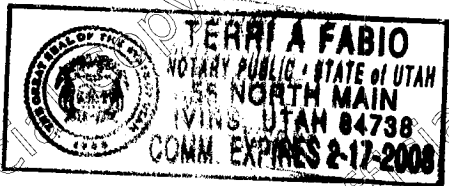
On this 30 day of September 2004, before me personally appeared R. DAREN BARNEY and TERRI A. FABIO whose identities are personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that they are respectively the Mayor and Recorder of **Ivins City**, and that the foregoing document was signed by them by authority, and they acknowledged before me that Ivins City executed the document and the document was the act of Ivins City for its stated purpose.

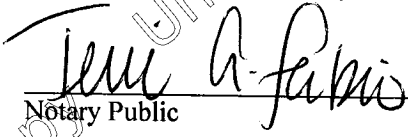


 _____
Notary Public
Residing at: St. George, UT

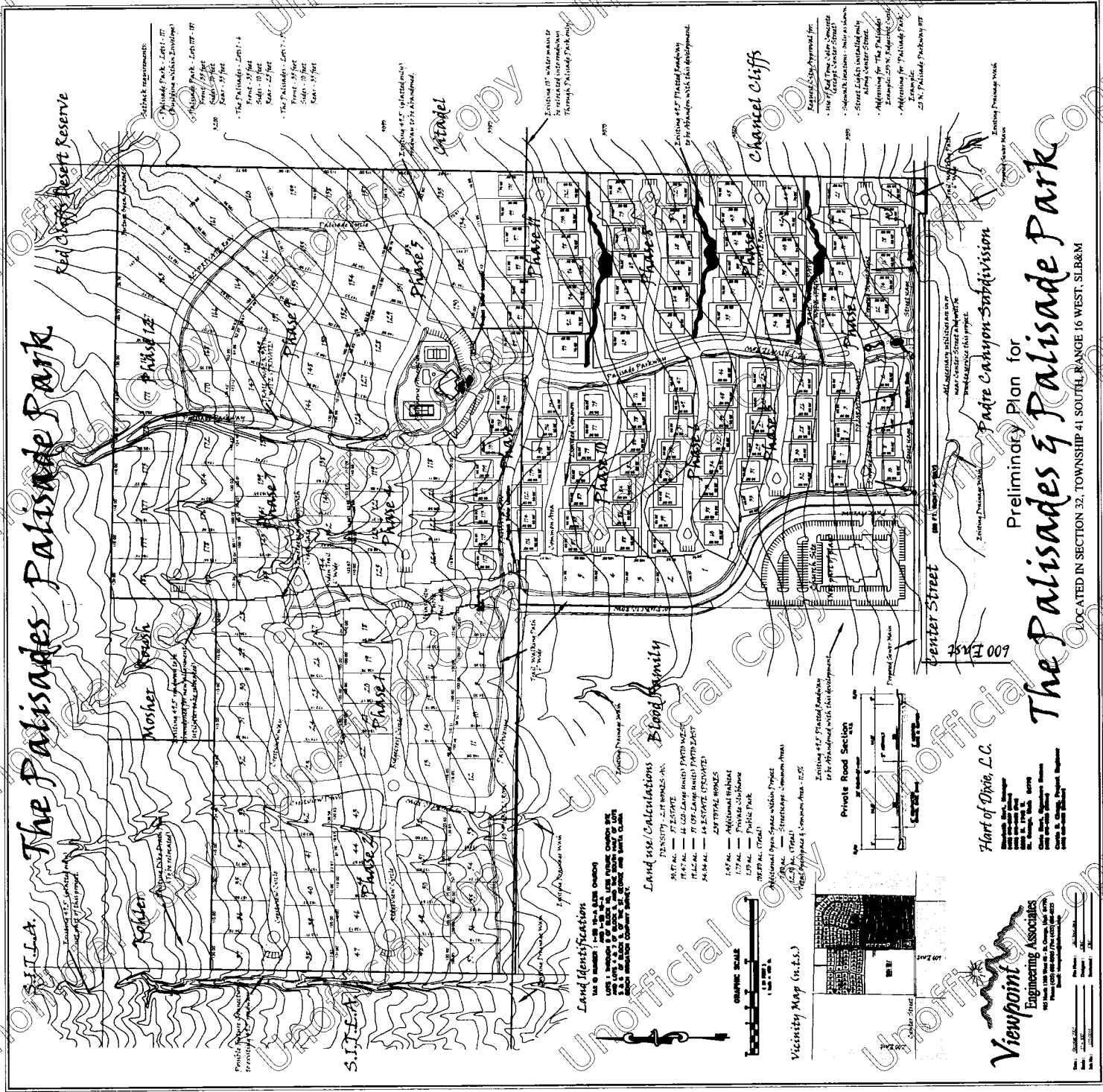
STATE OF UTAH)
)
) ss.
)
COUNTY OF WASHINGTON)

On the 1 day of OCT. 2004, personally appeared before me ELIZABETH HART, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that she is the Manager of **Rave Hart, L.C.**, who is the Manager of **Hart of Dixie, L.C.**, and did duly acknowledge to me that the foregoing document was entered into on behalf of such entity by authority of its Operating Agreement and that the document was the act of Hart of Dixie, L.C., for its stated purpose.



 _____
Notary Public

SA



The Palisades Palisade Park

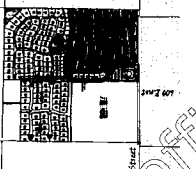
Old Chapel Resort Reserve

- Palisade Park - Lots 1-77
- Palisade Park - Lots 78-117
- Palisade Park - Lots 118-177

Land Use Calculations

7.17 AC. -	RESERVE
46.66 AC. -	RESERVE
44.64 AC. -	RESERVE
237.20 AC. -	RESERVE
1.47 AC. -	RESERVE
1.79 AC. -	RESERVE
78.27 AC. -	RESERVE

Heart of Dixie, L.C.
1001 N. 1st St. Tallahassee, FL 32301
Tel. 904.488.0001
Fax. 904.488.0002
www.heartofdixie.com



Private Road Section

Viewpoint Engineering Associates
2021 North West 13th St., Tallahassee, FL 32301
Tel. 904.277.0000
Fax. 904.277.0001
www.viewpointeng.com

Preliminary Plan for The Palisades & Palisade Park

LOCATED IN SECTION 32, TOWNSHIP 41 SOUTH, RANGE 16 WEST, SLB&M

- Palisade Park - Lots 1-77
- Palisade Park - Lots 78-117
- Palisade Park - Lots 118-177

EXHIBIT "B"

LEGAL DESCRIPTIONS

EA

**LEGAL DESCRIPTION
Palisades First Takedown**

Parcel No. 1

March 5, 2004

Land lying in the Southeast Quarter of Section 32, Township 41 South, Range 16 West, Salt Lake Base and Meridian, being more particularly described as follows:

Beginning at a point N 01°18'26" E 1879.90 feet along the section line, and West 1371.65 feet from the southeast corner of Section 32, Township 41 South, Range 16 West, Salt Lake Base and Meridian, and running thence N 88°44'23" W 8.00 feet; thence S 01°15'37" W 99.79 feet; thence S 88°44'23" E 8.00 feet; thence S 01°15'37" W 74.86 feet; thence S 88°42'25" E 11.875 feet; thence S 01°15'37" W 83.88 feet; thence S 88°44'23" E 8.00 feet; thence S 01°15'37" W 37.84 feet; thence S 88°44'23" E 4.38 feet; thence S 01°15'37" W 41.365 feet; thence S 88°44'23" E 8.00 feet; thence S 01°15'37" W 79.75 feet; thence S 88°44'23" E 4.00 feet; thence S 01°15'37" W 59.52 feet; thence S 89°14'39" E 30.00 feet; thence S 00°45'21" W 91.10 feet; thence S 89°14'39" E 40.28 feet; thence S 01°15'37" W 45.40 feet; thence S 88°44'23" E 8.00 feet; thence S 01°15'37" W 39.69 feet; thence N 88°44'23" W 4.00 feet; thence S 01°15'37" W 10.53 feet; thence N 88°44'23" W 4.00 feet; thence S 01°15'37" W 23.96 feet; thence S 88°44'23" E 4.00 feet; thence S 01°15'37" W 70.03 feet; thence S 88°44'23" E 4.00 feet; thence S 01°15'37" W 29.97 feet; thence N 88°44'23" W 4.00 feet; thence S 01°15'37" W 22.665 feet; thence S 88°44'23" E 4.00 feet; thence S 01°15'37" W 47.67 feet; thence N 88°44'23" W 4.00 feet; thence S 01°15'37" W 29.665 feet; thence N 88°44'23" W 4.00 feet; thence S 01°15'37" W 38.81 feet; thence S 88°44'23" E 4.00 feet; thence S 01°15'37" W 35.58 feet; thence N 88°44'23" W 4.00 feet; thence S 01°15'37" W 25.60 feet; thence S 88°44'23" E 4.00 feet; thence S 01°15'37" W 56.16 feet; thence S 88°44'23" E 4.00 feet; thence S 01°15'37" W 36.77 feet; thence S 88°44'23" E 3.22 feet; thence S 00°14'31" W 30.97 feet; thence S 20°54'12" E 46.94 feet; thence S 26°40'21" W 72.75 feet; thence S 62°56'14" E 27.74 feet; thence S 89°45'29" E 23.10 feet; thence S 00°14'31" W 8.00 feet; thence S 89°45'29" E 44.10 feet; thence S 00°14'31" W 12.83 feet; thence S 89°45'29" E 32.695 feet; thence S 00°14'31" W 12.54 feet; thence S 89°45'29" E 14.47 feet; thence S 12°42'12" E 67.07 feet; thence N 77°17'48" E 4.00 feet; thence S 45°07'04" E 49.91 feet; thence S 14°37'25" E 52.47 feet; thence N 75°22'35" E 4.00 feet; thence S 15°07'00" E 51.675 feet; thence S 00°14'31" W 60.385 feet; thence N 89°45'29" W 4.00 feet; thence S 00°14'31" W 47.64 feet; thence S 89°45'29" E 8.00 feet; thence S 00°14'31" W 60.00 feet; thence N 89°45'29" W 4.00 feet; thence S 00°14'31" W 69.98 feet; thence S 89°45'29" E 8.00 feet; thence S 00°14'31" W 47.52 feet; thence S 89°45'29" E 4.00 feet; thence S 00°14'31" W 38.17 feet; thence S 44°45'29" E 24.48 feet; thence S 00°14' 32" W 38.81 feet to the north right-of-way line of "Center Street", a dedicated public roadway; thence N 89°45'28" W 75.97 feet along said line; thence leaving said right-of-way line and running along the easterly boundary of the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints

JH

property the following three courses; N 00°14'32" E 332.27 feet to the point of a 230.00 foot radius curve to the left; thence Northwesterly 297.03 feet along the arc of said curve to the point of a 230.00 foot radius reverse curve; thence Northwesterly 300.87 feet along the arc of said curve to the point of tangency, said point also being on the centerline of a 49.50 foot wide platted road as shown between Block 9 and Block 10 of the "St. George and Santa Clara Bench Irrigation Company Survey"; thence N 01°11'55" E 533.50 feet along said centerline; thence N 89°08'22" W 1218.82 feet to and along the north line of Lot 8 and Lot 3 of said Block 9 to a point on the center section line of said Section 32; thence N 01°11'55" E 977.64 feet along said line to a point on the south line of the north ½ of Lot 5, said Block 9; thence S 88°53'04" E 1218.80 feet along the south line of the north ½ of Lot 5 and Lot 6 of said Block 9 to the centerline of said 49.50 foot wide platted road; thence S 01°11'55" W 162.46 feet along said centerline; thence leaving said centerline and running S 88°51'11" E 8.00 feet; thence S 01°08'49" W 63.42 feet; thence S 88°53'11" E 13.57 feet; thence S 01°06'49" W 84.465 feet; thence S 88°44'23" E 27.87 feet; thence S 01°15'37" W 66.01 feet; thence S 88°44'23" E 4.00 feet; thence S 01°15'37" W 60.00 feet to the point of beginning. Containing 31.878 acres more or less.

Subject to existing right-of-ways, easements or other interests as may be disclosed.

**LEGAL DESCRIPTION
Palisades Second Takedown**

Parcel No. 2

March 4, 2004

Land lying in the Southeast Quarter of Section 32, Township 41 South, Range 16 West, Salt Lake Base and Meridian, being more particularly described as follows:

Beginning at a point N 01°18'26" E 1879.90 feet along the section line, and West 1371.65 feet from the southeast corner of Section 32, Township 41 South, Range 16 West, Salt Lake Base and Meridian, and running thence S 88°44'23" E 210.00 feet; thence N 84°32'27" E 100.69 feet; thence S 88°44'23" E 140.66 feet to a point on the arc of a 486.00 foot radius curve to the right, the radius point of which bears S 81°56'52" E; thence Northerly 72.15 feet along the arc of said curve; thence S 73°26'31" E 32.00 feet; thence S 84°18'44" E 130.96 feet; thence S 72°55'31" E 210.00 feet; thence S 16°07'06" E 39.01 feet; thence S 74°52'53" E 359.76 feet; thence N 13°40'35" W 30.04 feet; thence N 76°19'25" E 32.00 feet; thence S 88°41'34" E 159.15 feet to the section line (being the east line of the southeast 1/4 of said section 32); thence S 01°18'26" W 283.76 feet along said section line; thence S 78°08'47" W 254.725 feet; thence N 83°57'17" W 157.42 feet; thence N 74°52'53" W 115.38 feet; thence S 00°14'31" W 212.85 feet; thence S 32°41'48" W 34.60 feet; thence S 00°14'31" W 148.81 feet; thence N 89°45'29" W 114.34 feet to a point on the arc of a 359.00 foot radius curve to the left, the radius point of which bears N 85°28'33" E; thence Southerly 87.36 feet along the arc of said curve to the point of tangency; thence S 18°28'00" E 219.40 feet to the point of a 396.00 foot radius curve to the right; thence Southerly 33.55 feet along the arc of said curve; thence S 79°05'09" E 94.20 feet; thence S 83°56'46" E 86.97 feet; thence S 89°45'29" E 172.58 feet; thence N 81°41'02" E 86.56 feet; thence S 89°45'29" E 101.62 feet to the section line (being the east line of the southeast 1/4 of said section 32); thence S 01°18'26" W 734.14 feet along said section line to the southeast corner of said Section 32 (Washington County Brass Cap); thence N 88°45'50" W 115.68 feet along the township line; thence N 00°23'28" E 10.38 feet to the north right-of-way line of "Center Street", a dedicated public roadway; thence N 89°45'28" W 883.565 feet along said right-of-way line; thence N 00°14' 32" E 38.81 feet; thence N 44°45'29" W 24.48 feet; thence N 00°14'31" E 38.17 feet; thence N 89°45'29" W 4.00 feet; thence N 00°14'31" E 47.52 feet; thence N 89°45'29" W 8.00 feet; thence N 00°14'31" E 69.98 feet; thence S 89°45'29" E 4.00 feet; thence N 00°14'31" E 60.00 feet; thence N 89°45'29" W 8.00 feet; thence N 00°14'31" E 47.64 feet; thence S 89°45'29" E 4.00 feet; thence N 00°14'31" E 60.385 feet; thence N 15°07'00" W 51.675 feet; thence S 75°22'35" W 4.00 feet; thence N 14°37'25" W 52.47 feet; thence N 45°07'04" W 49.91 feet; thence S 77°17'48" W 4.00 feet; thence N 12°42'12" W 67.07 feet; thence N 89°45'29" W 14.47 feet; thence N 00°14'31" E 12.54 feet; thence N 89°45'29" W 32.695 feet; thence N 00°14'31" E 12.83 feet; thence N 89°45'29" W 44.10 feet; thence N 00°14'31" E 8.00 feet; thence N 89°45'29" W 23.10 feet; thence N 62°56'14" W 27.74 feet; thence N 26°40'21" E 72.75 feet; thence N 20°54'12" W 46.94 feet; thence N 00°14'31" E 30.97 feet; thence N 88°44'23" W 3.22 feet; thence N 01°15'37" E 36.77 feet;

thence N 88°44'23" W 4.00 feet; thence N 01°15'37" E 56.16 feet; thence N 88°44'23" W 4.00 feet; thence N 01°15'37" E 25.60 feet; thence S 88°44'23" E 4.00 feet; thence N 01°15'37" E 20.14 feet; thence S 89°45'29" E 203.08 feet; thence S 77°05'01" E 203.75 feet; thence S 89°45'29" E 209.40 feet; thence N 18°28'00" W 101.76 feet to the point of a 421.00 foot radius curve to the right; thence Northerly 186.38 feet along the arc of said curve; thence N 89°45'29" W 118.30 feet; thence N 74°47'32" W 295.04 feet; thence N 89°45'29" W 146.35 feet; thence N 01°15'37" E 16.60 feet; thence N 88°44'23" W 8.00 feet; thence N 01°15'37" E 45.40 feet; thence N 89°14'39" W 40.28 feet; thence N 00°45'21" E 91.10 feet; thence N 89°14'39" W 30.00 feet; thence N 01°15'37" E 59.52 feet; thence N 88°44'23" W 4.00 feet; thence N 01°15'37" E 79.75 feet; thence N 88°44'23" W 8.00 feet; thence N 01°15'37" E 41.365 feet; thence N 88°44'23" W 4.38 feet; thence N 01°15'37" E 37.84 feet; thence N 88°44'23" W 8.00 feet; thence N 01°15'37" E 83.88 feet; thence N 88°42'25" W 11.875 feet; thence N 01°15'37" E 74.86 feet; thence N 88°44'23" W 8.00 feet; thence N 01°15'37" E 99.79 feet; thence S 88°44'23" E 8.00 feet to the point of beginning. Containing 37.856 acres more or less.

Subject to existing right-of-ways, easements or other interests as may be disclosed.

224

**LEGAL DESCRIPTION
Palisades Third Takedown**

Parcel No. 3-A

March 5, 2004

Land lying in the Southeast Quarter of Section 32, Township 41 South, Range 16 West, Salt Lake Base and Meridian, being more particularly described as follows:

**Beginning at a point N 01°18'26" E 1879.90 feet along the section line, and West 1371.65 feet from the southeast corner of Section 32 (Washington County Brass Cap), Township 41 South, Range 16 West, Salt Lake Base and Meridian, and running thence N 01°15'37" E 60.00 feet; thence N 88°44'23" W 4.00 feet; thence N 01°15'37" E 66.01 feet; thence N 88°44'23" W 27.87 feet; thence N 01°06'49" E 84.465 feet; thence N 88°53'11" W 13.57 feet; thence N 01°08'49" E 63.42 feet; thence N 88°51'11" W 8.00 feet to the centerline of a 49.50 foot wide platted road as shown between Block 9 and Block 10 of the "St. George and Santa Clara Bench Irrigation Company Survey"; thence N 01°11'55" E 506.87 feet along said centerline to the center section line (being the north line of of the southeast quarter of said Section 32); thence S 88°45'19" E 1426.26 feet along said line to the east 1/4 corner of said Section 32 (G.L.O. Brass Cap Dated 1912); thence S 01°18'26" W 860.60 feet along the east line of said Section 32; thence N 88°41'34" W 159.15 feet; thence S 76°19'25" W 32.00 feet; thence S 13°40'35" E 30.04 feet; thence N 74°52'53" W 359.76 feet; thence N 16°07'06" W 39.01 feet; thence N 72°55'31" W 210.00 feet; thence N 84°18'44" W 130.96 feet; thence N 73°26'31" W 32.00 feet to a point on the arc of a 486.00 foot radius curve to the left, the radius point of which bears S 73°26'31" E; thence Southerly 72.15 feet along the arc of said curve; thence N 88°44'23" W 140.66 feet; thence S 84°32'27" W 100.69 feet; thence N 88°44'23" W 210.00 feet to the point of beginning.
Containing 25.783 acres more or less.**

Subject to existing right-of-ways, easements or other interests as may be disclosed.

JL

**LEGAL DESCRIPTION
Palisades Third Takedown**

Parcel No. 3-B

March 5, 2004

Land lying in the Southeast Quarter of Section 32, Township 41 South, Range 16 West, Salt Lake Base and Meridian, being more particularly described as follows:

Beginning at a point N 01°18'26" E 748.94 feet along the section line from the southeast corner of Section 32 (Washington County Brass Cap), Township 41 South, Range 16 West, Salt Lake Base and Meridian, and running thence thence N 89°45'29" W 101.62 feet; thence S 81°41'02" W 86.56 feet; thence N 89°45'29" W 172.58 feet; thence N 83°56'46" W 86.97 feet; thence N 79°05'09" W 94.20 feet to a point on the arc of a 396.00 foot radius curve to the left, the radius point of which bears S 76°23'16" W; thence Northerly 33.55 feet along the arc of said curve to the point of tangency; thence N 18°28'00" W 219.40 feet to the point of a 359.00 foot radius curve to the right; thence Northerly 87.36 feet along the arc of said curve; thence S 89°45'29" E 114.34 feet; thence N 00°14'31" E 148.81 feet; thence N 32°41'48" E 34.60 feet; thence N 00°14'31" E 212.85 feet; thence S 74°52'53" E 115.38 feet; thence S 83°57'17" E 157.42 feet; thence N 78°08'47" E 254.725 feet to the section line (being the east line of the southeast 1/4 of said section 32); thence S 01°18'26" W 737.52 feet along said section line to the point of beginning. Containing 9.074 acres more or less.

Subject to existing right-of-ways, easements or other interests as may be disclosed.

J&J

**LEGAL DESCRIPTION
Palisades Third Takedown**

Parcel No. 3-C

March 5, 2004

Land lying in the Southeast Quarter of Section 32, Township 41 South, Range 16 West, Salt Lake Base and Meridian, being more particularly described as follows:

Beginning at a point N 01°18'26" E 888.81 feet along the section line, and West 647.36 from the southeast corner of Section 32 (Washington County Brass Cap), Township 41 South, Range 16 West, Salt Lake Base and Meridian, and running thence N 89°45'29" W 209.40 feet; thence N 77°05'01" W 203.75 feet; thence N 89°45'29" W 203.08 feet; thence N 01°15'37" E 15.44 feet; thence N 88°44'23" W 4.00 feet; thence N 01°15'37" E 38.81 feet; thence S 88°44'23" E 4.00 feet; thence N 01°15'37" E 29.665 feet; thence S 88°44'23" E 4.00 feet; thence N 01°15'37" E 47.67 feet; thence N 88°44'23" W 4.00 feet; thence N 01°15'37" E 22.665 feet; thence S 88°44'23" E 4.00 feet; thence N 01°15'37" E 29.97 feet; thence N 88°44'23" W 4.00 feet; thence N 01°15'37" E 70.03 feet; thence N 88°44'23" W 4.00 feet; thence N 01°15'37" E 23.96 feet; thence S 88°44'23" E 4.00 feet; thence N 01°15'37" E 10.53 feet; thence S 88°44'23" E 4.00 feet; thence N 01°15'37" E 23.09 feet; thence S 89°45'29" E 146.35 feet; thence S 74°47'32" E 295.04 feet; thence S 89°45'29" E 118.30 feet to a point on the arc of a 421.00 foot radius curve to the left, the radius point of which bears S 83°06'06" E; thence Southerly 186.38 feet along the arc of said curve to the point of tangency; thence S 18°28'00" E 101.76 feet to the point of beginning. Containing 3.877 acres more or less.

Subject to existing right-of-ways, easements or other interests as may be disclosed.

JH

E. 1/4 COR. SEC. 32,
T. 41 S., R. 18 W., S. 82M
G.L.O. BC (1912)

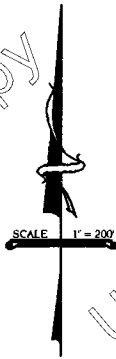
2645.06'

S88°45'19"E 1426.26'

1039.40' 5

6

362.11'



Third Takedown PARCEL 3-A

25.783 acres

S73°26'31"E (R)

32.00'

S88°44'23"E
140.66'

S84°18'44"E
130.96'

S72°55'31"E
210.00'

S16°07'06"E
39.01'

WEST

P.O.B.
TAKEDOWNS
1, 2 & 3

S88°44'23"E 100.69'
210.00'

S81°56'52"E (R)

R=486.00'
L=72.15'
Δ=8°30'21"

S74°52'53"E
359.76'

N76°19'25"E
32.00'

S88°41'34"E
159.15'

N13°40'35"W
30.04'

Second Takedown

BLOCK 10

"ST. GEORGE and SANTA
CLARA BENCH IRRIGATION
COMPANY SURVEY"

2266.12'
860.60'
501'18'26"W
283.76'
S01'18'26"W

N74°52'53"W 157.42'
115.38'

254.725'
S78°08'47"W

S00°14'31"W
212.85'

N83°57'17"W
34.60'

S89°14'39"E
40.28'

4
3
8

N89°45'29"W
146.35'

N74°47'32"W
295.04'

N89°45'29"W
118.30'

S83°06'06"E (R)

Third Takedown PARCEL 3-C

3.877 acres

R=421.00'
L=186.38'
Δ=25°21'57"

S00°14'31"W
148.81'

N85°28'33"E (R)

N89°45'29"W
114.34'

N85°28'33"E (R)

R=359.00'
L=87.36'
Δ=13°56'33"

N71°31'56"E (R)

S77°05'01"E
203.75'

S89°45'29"E
203.75'

S18°28'00"E
219.00'

N18°28'00"E
101.79'

S89°45'29"E
647.36'

WEST

Third Takedown PARCEL 3-B

9.074 acres

1879.90' (TIE POB PARCELS 1, 2 & 3)

N01°18'27"E (REC.)
N01°18'30"E 2630.83'
COR-COR (MEAS)

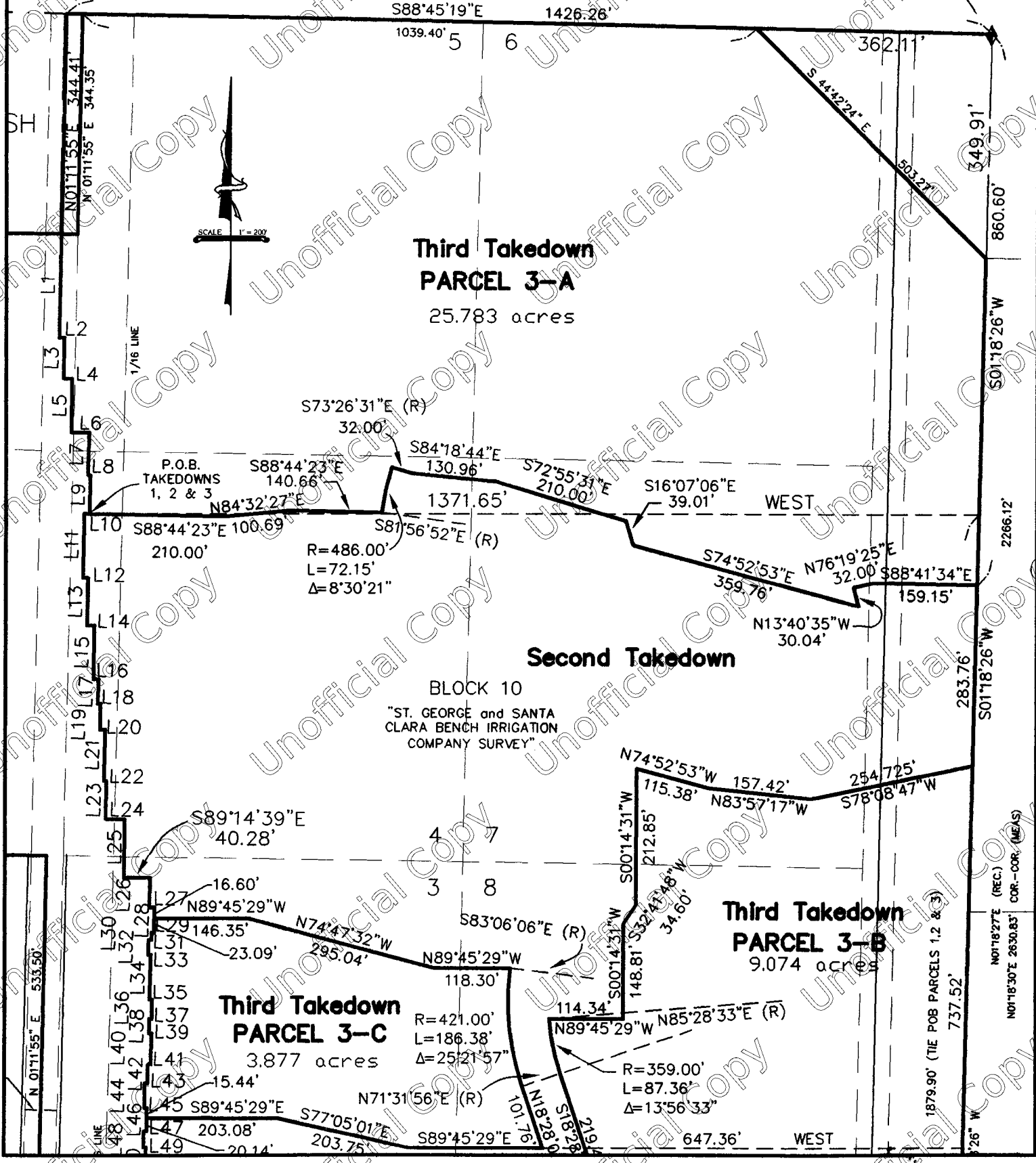


EXHIBIT "C"
PROJECT LIGHTING

Project Lighting for Palisade Park:

The street lighting for this development shall be restricted to low level illumination of signage, entry features, rock formations and other landscape elements along Center Street and Palisade Parkway, landscaped medians within the private roadways and in the common areas and amenity areas. Exterior lighting on individual homes and outbuildings shall be so arranged as to reflect light away from adjacent residences and away from the vision of passing motorists. Low level ground lighting (maximum 20 watt) must be used to illuminate particular landscape features. All light sources must be shielded. No exposed bulbs are permitted. For public safety reasons Architectural Control Committee will require that each home have some exterior lighting on a photo cell or timer to minimally light the streets at night.

Project Lighting for The Palisades:

The street lighting for this development shall be restricted to low level illumination of signage, entry features, rock formations and other landscape elements along Park Avenue and in the landscaped medians within the public roadways. Exterior lighting on individual homes and outbuildings shall conform to Ivins City Lighting Ordinance and be so arranged as to reflect light away from adjacent residences and away from the vision of passing motorists. Low level ground lighting (maximum 20 watt) must be used to illuminate particular landscape features. All light sources must be shielded. No exposed bulbs are permitted. For public safety the Architectural Control Committee will require that each home have some exterior lighting on a photo cell or timer to minimally light the streets at night

EA

EXHIBIT "D"
PROJECT FENCING

Palisade Park Fencing:

Project Fencing:

The perimeter wall around Palisade Park will be constructed of stucco-covered block. Accents of natural stone will be added to the exterior perimeter walls facing Center Street and along Park Avenue as far North as Lot 1, The Palisades. The existing walls that abut Chancel Cliffs and Citadel will be stucco covered on the side facing the interior of this project with stone accents added at the end of the cul de sacs in Patio Homes East. Perimeter wall that abuts Red Cliffs Desert Reserve will be constructed of sandstone colored smooth block and will be stucco covered on the interior side only. Developer will select stucco color and stone to blend with the mountain backdrop.

Developer will install those portions of the perimeter project wall for Palisade Park that abut Lots 1 through 6 The Palisades, the 1.418 acre Ivins City Public Park (proposed) and up to the North boundary of The Palisades at the time Phase 1 of The Palisades is developed. The sides of the walls facing into the park will be stucco covered in a color selected by Developer to blend with the mountain backdrop and to match future perimeter project wall for Palisade Park.

Private Estate Lots:

Individual homeowners may construct privacy walls in the rear, along the side property lines and front facing return walls. Side yard and front facing return walls may not extend forward of the nearest front building corner. All privacy walls will be constructed of smooth faced sandstone block stucco covered to match the perimeter project wall or to match or complement (subject to the approval of the ACC) the stucco color of the home. Block walls may not generally exceed 6 feet. If the grade differential between lots, a reasonable need for privacy, or enclosing a swimming pool to meet code require additional wall height the ACC may grant a variance of the overall block wall height to a maximum of 8 feet. Any additional required wall height must be constructed of wrought iron of a color, style and height determined by the ACC with a written variance required.

JA

Patio Homes West and Patio Homes East:

Individual homeowners may construct privacy walls running from front to back on the common line that separates the limited common area between pad sites. Side yard privacy walls must be constructed of smooth faced sandstone colored block stucco covered to match the perimeter project walls and may not extend forward of the nearest front building corner. To preserve views through the project, front facing returns and rear fencing, if desired, must be constructed of wrought iron of a color and style to be determined by the Architectural Control Committee. No privacy wall or fencing may extend beyond the limited common areas. Walls and fences may not generally exceed 6 feet. If the grade differential between lots, a reasonable need for privacy, or enclosing a swimming pool to meet code requires additional wall height, the ACC may grant a variance of the overall block wall height to a maximum of 8 feet.

The Palisades Fencing:

Project Fencing:

Developer will install those portions of the perimeter project wall for Palisade Park that abut Lots 1 through 7, 17, 18, 27 and 28, The Palisades, and the 1.418 acre Ivins City Public Park to the North boundary of The Palisades at the time Phase 1 of The Palisades is developed. Developer will also install wall along West boundary of the 1.418 acre Ivins City Public Park. These walls will be constructed of smooth faced sandstone colored block. The sides of the walls facing into the park and into The Palisades Phase 1 will be stucco covered in a color selected by Developer to blend with the mountain backdrop and to match future perimeter project wall for Palisade Park.

Individual homeowners may construct privacy walls in the rear and along the side property lines. Side yard walls may not extend forward of the nearest front building corner. These walls must be constructed of solid or split-faced sandstone colored block. Front facing return walls and other street facing walls must be constructed of split-faced sandstone colored block with the split face toward the street. Architectural Control Committee shall allow the interior face of any privacy wall and front face of any return wall to be stucco covered to match the home. Block walls may not generally exceed 6 feet. If the grade differential between lots, a reasonable need for privacy, or enclosing a swimming pool to meet code requires additional wall height, the ACC may grant a variance of the overall block wall height to a maximum of 8 feet. Any additional required wall height must be constructed of wrought iron of a color, style and height determined by the ACC with a written variance required. Rear walls for Lots 1 through 7, 17, 18, 27, and 28 will be installed by developer and may not be altered.

JA

FAR WEST BANK

Construction/Mortgage
Department

00904213 BK 1676 Pg 1668

Irrevocable Letter of Credit

August 20, 2004

The City of Ivins

Ladies and Gentleman:

We hereby establish an irrevocable letter of credit in your favor for the account of Hart of Dixie, LC 5800 N. 1740 W., St. George, Utah 84770 in the aggregate amount of Eight Thousand Dollars and NO/100 (\$8,000.00) drawn on sight at Far West Bank, 308 West Tabernacle, St. George, Utah, accompanied by a statement signed by an Officer of the City of Ivins as follows: "We certify that the improvements related to The Palisades Phase 1 Subdivision have not been completed in accordance with municipal ordinances and that the enclosed documents represent the amount necessary to complete those on-sight improvements."

We hereby agree with drawers, endorsers and bona fide holders that all drafts under and in compliance with terms of the credit will be duly honored upon presentation and delivery for negotiation until said subdivision is accepted in writing by the Ivins City Engineer.

Notice of expiration of this irrevocable letter of credit shall be given to the City Manager in writing 30 days prior to expiration. In no event shall this letter of credit expire before August 20, 2005.

Very truly yours,



Alison Park
Assistant Vice President

