DOC ID 20170036972

Agreement Page 1 of 23 Russell Shirts Washington County Recorder 09/12/2017 08:04:26 AM Fee \$103.06 By BINGHAM SNOW & CALDWELL

When Recorded Return To:

Heath H. Snow, Esq. BINGHAM SNOW & CALDWELL 253 W. St. George Blvd., Suite 100 St. George, Utah 84770

Affects Parcel Nos. V-RIOD-2-20, V-RIOD-2-21, V-RIOD-2-23, V-RIOD-2-24, V-RIOD-2-25, V-RIOD-2-26, V-RIQQ-2-27, V-RIOD-2-28, V-RIOD-2-29, V-RIOD-2-30, (V-RIOD-2-31, V-RIOD-2-32, ♥-RIOD-2-33, V-RIOD-2-35。 V-RIOD-2-36, V-RIOD-2-3ँँँँँँँँँँँँँँ V-RIOD-2-38, V-RIOD-2\39. V-RIOD-2-40, V-RIOD-3-41, V-RIOD-3-42, V-RIOD-3-43, V-RIOD-3-44, V-RIOD-3-45, V-RIOD-3-46, V-RIOD-3-47, V-RIOD-3-48, V-RIOD-3-49, V-RIOD-3-51, ¼-ℛi©D-3-52, V-RIOD-3-53, V-RIOD-3-54, V-RIOD-3-55,。 V-RIOD-3-56, V-RIOD-3-57@ V-RIOD-3-58, V-RIOD-3-59, V-RIOD-3-60, V-RIOD-3-61, V-RIOD-3-62, V-RIOD-3-63, V-RIOD-3-64, V-RIOD-3-65, V-RIOD-3-66, V-RIOD-3-67,

and V-RIOD-3-68

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into effective the 23rd day of August, 2017, between AMERICA FIRST FEDERAL CREDIT UNION ("Owner") and the TOWN OF VIRGIN, a municipal corporation and political subdivision of the State of Utah (the "Town"). Throughout this Agreement, Owner and the Town may collectively be referred to as the "Parties" and individually as a "Party".

RECITALS

A. The Rio de Sion Phase 2 Subdivision ("Phase 2") and the Rio de Sion Phase 3 Subdivision ("Phase 3," and together with Phase 2, the "Subdivision") is located within the

Town's boundaries in Washington County, Utah, and was originally developed by Riverwood Hollow, LLC ("Original Developer").

- Owner, through forectosure, has succeeded to the interests of the Original Developer in and to 19 lots in Phase 2 of the Subdivision, as more specifically described on Exhibit "A" attached to and incorporated in this Agreement by reference (the "Phase 2 Lots");
- C. In addition, Owner, through foreclosure has succeeded to the interests of the Original Developer in and to all 28 lots in Phase 3 of the Subdivision, as more particularly described on Exhibit "B" attached to and incorporated in this Agreement by reference (the "Phase 3 Lots").
- D. The Phase 2 Lots and the Phase 3 Lots (sometimes collectively, the "Lots") have been created by the recordation of two subdivision plats. No utilities or roadways were installed by the Original Developer for these Lots.
- Under the Wirgin Uniform Land Use ordinance (the "VULU") Ε. owner/developer of land must construct certain public improvements and post financial security prior to developing platted subdivision lots.
- The financial security posted by Original Developer intended to secure F. installation of the public improvements required by the VULU has lapsed.
- Owner is not the Original Developer, and does not intend to itself develop the Subdivision. Accordingly, Owner withouts to sell the Lots to a developer or other party, who would subsequently develop the subdivision in one or more phases (any party that develops the subdivision shall be referred to herein as "Developer"). The timing of such future development is not determinable at this time.
- The Town and Owner now desire to enter into this Agreement to Clarify the H. requirements that must be satisfied for Developer to begin development of the Lots.
- Each of the Parties is willing to enter into this Agreement to implement the purposes and conditions of approval of the Subdivision, while giving effect to applicable state law and the VULU.
- Acting pursuant to its authority under Utah Code Annotated, §§ 10-9a-101, et seq., and after all required public notice and hearings, the Town, in its exercise of its legislative discretion has determined that entering into this Agreement furthers the purposes of: (i) the Utah Municipal Land Use, Development, and Management Act ("LUDMA"); (ii) the Town Sceneral Plan; and (iii) the Town's VULU. As a result of such determination, the Town has concluded that the terms and conditions set forth herein serve a public purpose and promote the health, safety, prosperity, security, and general welfare of the inhabitants and taxpayers of the Town.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing promises conditions, covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

- Recitals Definitions. The recitals set forth above are incorporated herein by this reference. Any capitalized term used but not otherwise defined in this Agreement shall have the meaning ascribed to such term in the VULU.
- Subdivision Approval. The Parties acknowledge that the subdivision plats for 2. Phase 2 and Phase 3 of the Subdivision have been properly approved and recorded in the Official Records of Washington County, State of Utah. Except for the requirements set forth in this Agreement, no further approvals are necessary for the development of the Subdivision and sale of individual Lots.
- Declaration of CC&Rs. The Original Developer recorded that certain Declaration 3. of Covenants, Conditions, Easements and Protective Covenants of Rio de Sion on August 11, 2006 as Entry No. 20060036345 in the Official Records of Washington County, State of Itah as amended by that cortain Amendment No. 1 to Declaration of Covenants, Conditions, Easements and Protective Covenants of Rio de Sion recorded on October 18, 2006 as Entry No. 20060048467, and that certain Amendment No. 2 to Declaration of Covenants, Conditions, Easements and Protective Covenants of Rio de Sion recorded on January 23, 2007 as Entry No. 2007003751, and that certain Amendment No. 3 to Declaration of Covenants, Conditions, Easements and Protective Covenants of Rio de Sion recorded on March 19, 2007 as Entry No. 20070013738 (collectively, the "Original CC&Rs"), governing the Subdivision. The Parties acknowledge that Owner or Developer may terminate the Original CC&Rs and record such new covenants as it deems necessary and consistent with state taw VULU and with the terms hereof.
- Development Improvements. The Town has approved final construction plans 4. and specifications for public improvements in compliance with VULU Section 3.14.1 (the "Town Approved Plans"). The Town Approved Plans are attached hereto as Exhibit "C". The Town Approved Plans depict the improvements to be installed prior to development of the Lots (the "Development Improvements"). Vertical construction may only commence on any Lot following completion of the Development Improvements applicable to the Lot as shown on the Town Approved Plans, or adequate financial security has been provided to the Town in accordance with VULU Section 9.17 or as otherwise accepted by the Town.
- Sub-Phasing. The current platting provides for development of the Subdivision in three phases: Phase 1 Phase 2 and Phase 3. Phase Thas been fully constructed. However, Developer may desire to separate Phase 2 and Phase 3 into two or more sub-phases. The Town acknowledges and agrees that sub-phasing of Phases 2 and 3 may be permitted, provided the Developer complies with all Town requirements and completes all necessary approvals to ensure the Development Improvements for each sub-phase comply with the VULU. The Town shall reasonably review and approve applications for sub-phasing in accordance with the VULU and LUDMA.

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- Financial Security. The amount of financial security required for any phase or 6. sub-phase shall be calculated based on the projected cost break down submitted by Developer for the Development Improvements for the phase or sub-phase to be developed, in accordance with NOW Section 9.17. Developer shall present to the Town Engineer the list of Development Improvements and a cost estimate for those improvements at the time of application for a development improvement permit for that phase or sub-phase. The Town Engineer shall approve or disapprove the construction cost allocation as provided in the VULU.
 - Phase Lots not Owned by Owner Owner does not own lots 22 (V-RIOD-2-22) and 34 (V-RIOD-2-34) in Phase 2 (the "Lots 22 and 34"). Lots 22 and 34 are not subject to this Agreement. However, when the Development Improvements that front Lots 22 and 34 are installed, Developer shall bear the cost of those improvements and install them at the same time as the Development Improvements are installed in front of the neighboring Lots. Developer may try to collect from the owners of Lots 22 and 34 at the time the Development Improvements are completed. In addition, the Town agrees to record against Lots 22 and 34 a written notice that requires the owners of Lots 22 and 34 to pay to the Town the Lot 22 and 34 owners? proportionate share of the Development Improvements plus five percent (5%) per annum. building permits will be issued by the Town for Lots 22 and 34 until the Town has received evidence that the respective owners of Lots 22 and 34 have paid their proportionate share of the Development Improvements. If Developer was unable to collect the proportionate share for Lots 22 and 34 at the time of installing the Development Improvements, the Town shall collect the proportionate share for the Development Improvements plus 5% per annum from the Lot 22 and 34 owners at the time an application for a building permit is made to the Town for vertical construction on the respective Lots 22 and 34. Further, the Town agrees to reimburse Developer for the costs incurred by Developer to install the Development Improvements for Lots 22 and 34 in the amounts collected from the owners of Lots 22 and 34 as described above in this Section.
 - Water Impact Fees. Immediately upon the approval of this Agreement, and as a 8. condition precedent for recordation of this Agreement. Owner shall pay to the Town a water impact fee relating to source ("Culinary Water Source Impact Fee") in the amount of \$118,675.00 (47 Lots multiplied by \$2,525.00) of which the Town will remit to the Washington County Water Conservancy District ("WCWCD") the sum of \$107,912.00, which constitutes the per lot "Water Reservation Fee" as that term is used and implemented in the Ordinance Approving Water Supply Agreement and Water Rates, No. 97-01-23, dated March 20, 1997 ("WCWCD Water Supply Agreement Ordinance") for the Lots. The Parties acknowledge and agree that, in addition to the Water Source Impact Fee, Owner or its successor(s) will still be obligated to pay the Town's culinary water impact fee for storage and distribution in the amount set by Town ordinance (presently \$4,291.00 per lot) at the time a building permit is applied for and issued for each of the Lots ("Culinary Water Storage & Distribution Impact Fee"). Payment of the Culinary Water Source Impact Fee and the Culinary Water Storage & Distribution Fee shall satisfy all water impact fees applicable to the Lots, and Town agrees that Owner, in its capacity as owner of the Lots, and all future owners of the Lots, shall be vested with the right to receive water from Town in the amounts set forth in the WCWCD Water Supply Agreement Ordinance as of the date of this Agreement, and that no additional impact fees or charges will be required of Owner or any future owner of the Lots other than the Town's standard Water Connection Fee found in its Uniform Fee Schedule and any minimum monthly

fee or water availability assessment fee, as applicable, charged pursuant to the WCWCD Water Supply Agreement Ordinance.

- Septic Tanks. Septic tanks are permitted for handling sewage from residences constructed on the Lots, including Lots 22 and 34. The owner of each Lot shall make individual application to the Washington County Health Department for a permit to install a septic tank on the applicable Lot prior to starting construction of a residence on the applicable Lot as required by the VULU.
- 10. Findings. The Town finds that the development and sale of the Lots as contemplated by this Agreement will provide benefits to the Town and its residents. However, notwithstanding anything to the contrary in this Agreement, Owner is under no obligation to proceed with any development plans for the Subdivision, nor is it required to initiate any development plans within a certain time period.
- Authority. Owner warrants that the undersigned individual has full power and authority to enter into this Agreement on behalf of Owner,
- Regulatory Compliance. In addition to the other terms and conditions set forth herein, Owner or Owner's successors or assigns, including Developer, shall fully comply with all federal, state and local laws, orders, rules, regulations, directives, ordinances and requirements applicable to the development of the Lots and installation of the Development Improvements. and Owner or Developer shall pay all costs, expenses, liabilities, losses, fines, penalties, claims and demands including, without limitation, attorney's fees, that may in any way arise out of or be imposed because of the respective Tailure of Owner or Developer @ comply with such laws, orders, rules, regulations, directives, ordinances and requirements.
- Vested Rights. The Parties acknowledge that the Town is granting, and Owner's 13. receiving, only those rights granted herein, which rights may be assigned to or vested in Developer at Owner's discretion in accordance with Section 17 below. This Agreement does not provide or vest Owner or Developer with any rights, authorizations or approvals that are not expressly provided herein.
- Reserved Legislative Powers. Nothing in this Agreement shall limit the future exercise of the police powers by the Town in enacting zoning, withdivision, development, transportation, environmental, open space and related land use plans, policies, ordinances and regulations after the date of this Agreement provided that the adoption and exercises of such power shall not restrict Owner's or Developer's vested rights as provided herein. This Agreement is not intended and does not bind the Town particularly its Town Council in the independent exercise of its legislative discretion with respect to such zoning and subdivision regulations.
- No Joint Venture, Partnership or Third Party Rights. This Agreement does not create any joint venture, partnership, undertaking or business arrangements between the Parties hereto, nor any rights or benefits to third parties.

- 16. Agreement to Run With the Land. This Agreement shall be recorded, at Owner's expense, in the Office of the Washington County Recorder, shall be deemed to run with the Lots, shall encumber the same, and shall be binding on and inure to the benefit of Owner, Developer. or a future owner of any of the Lots and the Town. Owner and any future owner of any of the Lots shall be released of its obligations under this Agreement with respect to a Lot upon the sale of such Lot.
 - Assignment. 17. Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned to any other party, individual or entity without assigning also the responsibilities arising hereunder. This restriction on assignment is not intended to prohibit or impede the sale of one or more Lots by Owner. By purchasing all or a portion of the property subject to this Agreement, all subsequent successors and assigns agree to be bound by the covenants and obligations set forth herein.
 - 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 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 its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.
 - <u>Time of Performance</u>. Time shall be of the essence with respect to the duties imposed on the Parties under this Agreement. This Agreement does not bind or obligate the Owner to improve or develop the Subdivision.
 - State and Federal Law: Invalidity. The Parties agree, intend, and understand that 20. the obligations imposed by this Agreement are only such as are consistent with state and federal law. The Parties further agree that if any provision of this Agreement becomes in its performance, inconsistent with state or federal law or is declared invalid, this Agreement shall be deemed amended to the extent necessary to make it consistent with state or federal law, as the case may be, and the balance of the Agreement shall remain in full force and effect.
 - No Monetary Damages Relief Against Town. The Parties acknowledge that Town would not have entered into this Agreement had it been exposed to monetary damage claims from the Owner or Developer for any breach thereof. As such, the Parties agree that in no event shall the Owner or Developer be entitled to recover monetary damages against the Town for breach of this Agreement but shall only be entitled to specific performance as may be determined by a court of competent jurisdiction.
 - No Waiver of Governmental Immunity. Nothing in this Agreement is intended to, or shall be deemed a waiver of the Town's governmental immunity.
 - 23. Continued Cooperation. By executing this Agreement, the Parties hereto expressly agree to continue to operate in good faith to effectuate its purpose, by giving all consents, executing all documents and providing input and assurances within a reasonable time period after said actions are requested of any Party.

- Choice of Law, Venue and Jurisdiction. Any dispute regarding this Agreement 24. shall be interpreted pursuant to the Law of the State of Utah. The Town's VULU and other Ordinances shall be controlling/dispositive unless pre-empted by state on federal law. The Parties expressly agree that venue and jurisdiction for any legal proceeding related to the enforcement of this Agreement is properly placed in the District Court, in and for Washington County, State of
 - Hold Harmless. Owner or Developer agrees to and shall hold the Town, its 25. officers, agents, employees, consultants, legal counsel, and representatives harmless from liability for damages, just compensation restitution, or judicial or equitable relief which may arise from or are related to a breach by Owner or Developer, of Owner's or Developer's respective obligations contained herein. The obligations of Owner or Developer under this Section shall not be applicable to any claim arising by reason of the negligence or intentional tort actions of the Town.
 - Waiver. No delay in exercising any right or remedy shall constitute a waiver 26. thereof, and no waiver by Town, Owner, or Developer for the breach of any covenant of this Agreement shall be constitued as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.
 - Counterparts. This Agreement may be executed in two or more counterparts, each 27. of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all parties may be physically attached to a single document. Facsimile signatures on any counterpart of this Agreement shall be acceptable and shall constitute conclusive evidence of execution.
 - Headings The descriptive headings of the Sections of this Agreement are inserted for convenience only and shall not control the meaning or construction of any of the provisions hereof.
 - Notices. Any notices, requests, or demands required or desired to be given hereunder shall be in writing and should be delivered personally to the Party for who intended, or, it mailed by certified mail, return receipt requested, postage prepaid to the last known address of the Parties.
 - 30. Attorney's Fees. Each Party is responsible for its own attorney's fees related to drafting, negotiating, and executing this Agreement. Should any party default in any of the covenants, obligations, warranties, representations or agreements herein contained, that defaulting party shall pay all costs and expenses, including a reasonable attorneys 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.

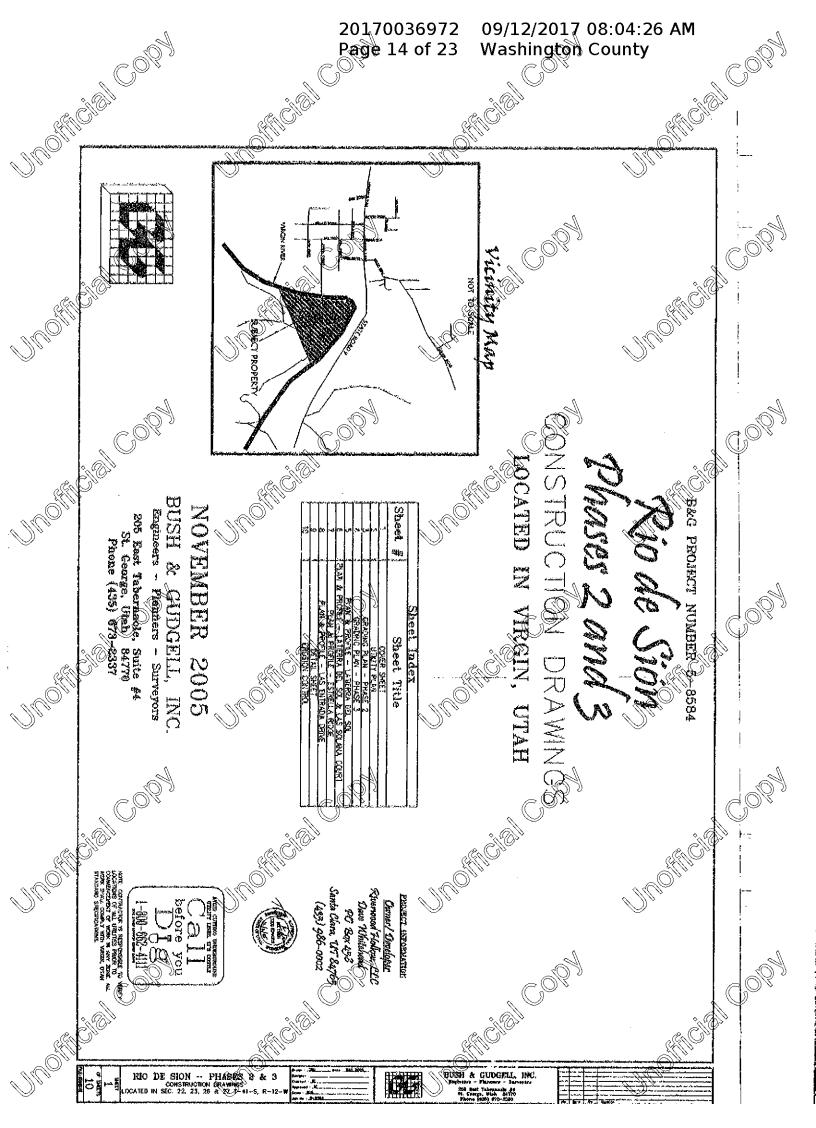
09/12/2017 08:04:26 AM 201,70036972 Page 9 of 23 Washington County TOWN: TOWN VIRGIN a Otah municipal corporation By: Bruce Densley, Mayor Monica Bowcutt, Recorder STATE OF UTAH COUNTY OF WASHINGTON day of August, 2017 personally appeared before me Bruce Densley and Monica Bowcutt, who duly acknowledged before me that they are respectively the Mayor and Town, Recorder of the Town of Firgin, a Utah municipal corporation, and that they signed the foregoing Development Agreement on behalf of said town, gursuant to authority granted them by the Virgin Town Council and for the uses and purposes stated therein. MISTIE BAIRD Notary Public - State of Utah Comm. No. 695531 My Commission Expires or 9

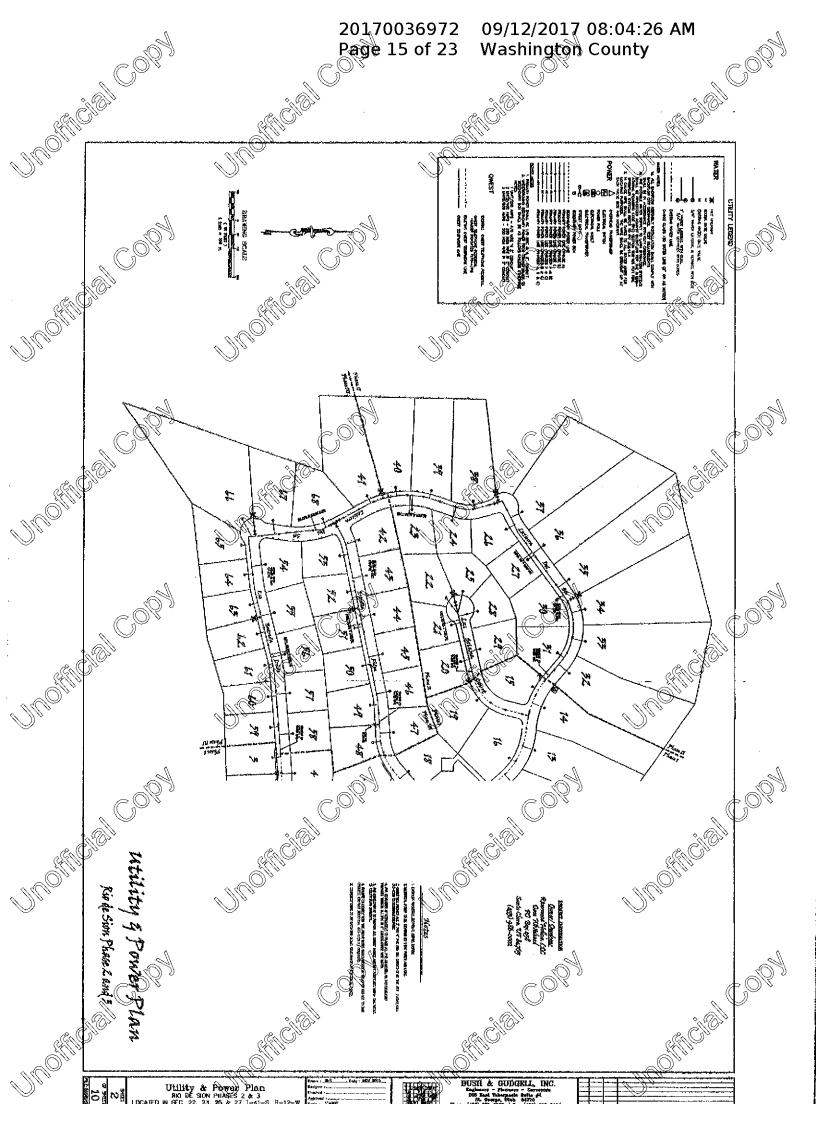
201,70036972 09/12/2017 08:04:26 AM Page 10 of 23 Washington County OWNER: AMERICA FIRST FEDERAL CREDIT UNION STATE OF UTAH) :ss COUNTY OF WEBER 2017, personally appeared before me ari Cherry, who duly ne is the _______ of AMERICA FIRST day of AUGUST On the 28 acknowledged before me that he/she is the FEDERAL CREDIT UNION, and that he/she signed the Gregoing Development Agreement freely and voluntarily on behalf of said company, pursuant to authority granted him/her by said company, and for the uses and purposes stated therein Notary Public . State of Utah Commission # 691263 10

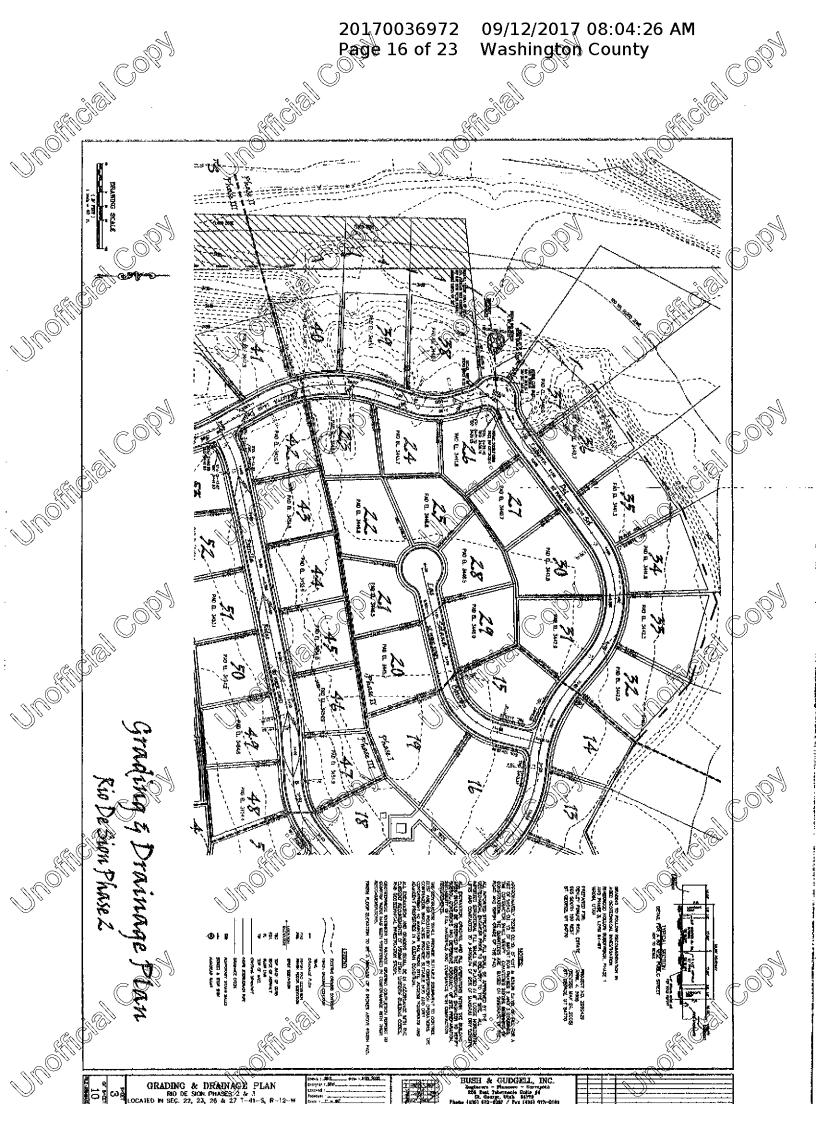
201,70036972 09/12/2017 08:04:26 AM Page 11 of 23 Washington County EXHIBIT "A" Legal Description of Phase 2 Lots ALL LOTS, RIO DE SION PHASE 2 SUBDIVISION, according to the Official Plat thereof, on file and of record in the Office of the Recorder of Washington County, State of Utah. LESS AND EXCEPTING THEREFROM: Lots 22 and 34 of said RIO DE SION PHASE 2 SUBDIVISION according to the Official Plat thereof, on file and of record in the Office of the Recorder of Washington County, State of Utah. Tax Parcel Nos.: V-RIOD-2-20, V-RIOD-2-21, V-RIOD-2-23, V-RIOD-2-24, V-RIOD-2-25, V-RIOD 226, V-RIOD-2-27, V-RIOD-2-31, V-RIOD-2 RIOD-2-32, V-RIOD-2-33, V-RIOD-2-35, V-RIOD-2-36, V-RIOD-2-37, V-RIOD-2-38, V-RJOD-2-39, V-RIOD-2-40 11

Page 12 of 23 09/12/2017 08:04:26 AM Washington County **EXHIBIT "B"** Legal Description of Phase 3 Lots ALL LOTS, RIO DE SION PHASE 3 SUBDIVISION, according to the Official Plat thereof, on file and of record in the Office of the Recorder of Washington County, State of Utah. Tax Parcel Nos.: V-R10D-3-41, V-RIOD-3-42, V-RIOD-3-43, V-RIOD-3-44, V-RIOD-3-45, V-RIOD-3-46, V-RIOD-3-47, V-RIOD-3-48, V-RIOD-3-49, V-RIOD-3-50, V-RIOD-3-51, V-RIOD-3-52, V-RIOD-3-53, V-RIOD-3-54, V-RIOD-3-55, V-RIOD-3-56, V-RIOD-3-57, V-RIOD-3-58, V-RIOD-3-59, V-RIOD-3-60, V-RIOD-3-61, V-RIOD-3-62, V-RIOD-3-63, V-RIOD-3-63, V-RIOD-3-64, V-RIOD-3-65, V-RIOD-RIOD-3-58, V-RIOD-3-59, V-RIOD-3-60, V-RIOD-3-61, V-RIOD-3-62 RIOD-3-64, V-RIOD-3-65, V-RIOD-3-66, V-RIOD-3-67, V-RIOD-3-68 -3-60 -3-60 -3-60 12

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Town Approved Plans (Attached Plans to Follow) 13







201,70036972 09/12/2017 08:04:26 AM Page 17 of 23 Washington County AN 00000 1 END C. Junes. Grading & Drainage Flan Rio Desion Phase 3 PASPANED FOR ORMER STAND AND NOTE OF MOTOR OF MO HONET HO 2000-28
HONES HAY 14, 2006;
THE SECONDS OF WITH GRADING & DRAINAGE PLAN

