

**COBBLESTONE
DEVELOPMENT AGREEMENT**

Ent. 253060 Bk. 0600 Pg. 0704-0741
ELIZABETH M PALMIER, Recorder
WASATCH COUNTY CORPORATION
JAN 17 2:49pm Fee 114.00 MWC
FOR COBBLESTONE DEVELOPMENT

-00000-

This DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of this the 29th day of July, 2002, by and between Cobblestone Development, L.L.C., a Utah limited liability company (hereinafter called "Developer"), and Wasatch County, a political subdivision of the State of Utah (hereinafter called the "County"). Developer and the County are hereinafter referred to individually as a "Party" and collectively as the "Parties." This Agreement supersedes and replaces any previous agreements entered into or representations made by and between Developer and the County involving the Property (defined below).

RECITALS

- A. The County, acting pursuant to its authority under Utah Code Ann. Section 17-27-101, et seq., and Section 17-53-223, as amended, and in furtherance of its land use policies, goals, objectives, ordinances, and regulations, in the exercise of its legislative discretion, has elected to approve and enter into this Agreement.
- B. Developer has a legal interest in certain real property consisting of approximately 98 acres located in the unincorporated portion of the County, as described in Exhibit A attached hereto.
- C. Developer has requested approval to develop the real property described in Exhibit A as a planned residential development consisting of 127 Equivalent Residential Units (hereinafter referred to as "ERUs"), together with other uses, as more particularly described in Section 2 of this Agreement. This development is commonly known as Cobblestone and is more particularly described in a Plat on file with the Wasatch County Recorder, which Plat is incorporated by reference herein.
- D. The County desires to enter into this Agreement because the Agreement establishes planning principles, standards, and procedures to: (1) eliminate uncertainty in planning and guide the orderly development of the Property consistent with the County General Plan; (2) mitigate significant environmental impacts; (3) ensure installation of necessary on-site and off-site public improvements; (4) provide for the preservation of substantial permanent open space; (5) make provision for trail facilities; (6) provide for the timely payment of all fees and charges, including impact fees in the amounts set forth herein; (7) ensure that public services appropriate to the development of the Property are provided; (8) provide affordable housing; (9) provide for the maintenance of facilities, trails and open space within the development

during construction and after completion; and (10) otherwise achieve the goals and purposes of the County and Developer.

- E. Developer desires to enter into this Agreement to ensure that Developer may proceed with the Project in accordance with the "Applicable Law" (defined below).
- F. The County has undertaken review and planning actions relating to the development of the Property. These actions include, without limitation:

| Concept Approval | Preliminary Approval Planning Commission | Final Approval Planning Commission | Preliminary Approval County Commission | Final Approval County Commission |
|-------------------------|---|---|---|---|
| | Jan. 17, 2002 | May 16, 2002 | Feb. 25, 2002 | June 24, 2002 |

A condition of final approval of the foregoing Plat or Plats is that Developer enter into and abide by the terms of this Agreement. The terms of this Agreement apply to the Plat or Plats listed above. These various review and planning actions are collectively referred to herein as the "Current Approvals."

- G. On June 24, 2002, following a duly noticed public hearing, the County Legislative Body granted final approval to Developer, subject to Developer entering into this Agreement.
- H. By developing the Project in accordance with this Agreement, the Project shall be in compliance with the Wasatch County General Plan and all development ordinances, resolutions, rules, regulations, policies, standards, and directives of the County.
- I. Each Party acknowledges that it is entering into this Agreement voluntarily.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and provisions set forth herein, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

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AGREEMENT

Section 1. EFFECTIVE DATE AND TERM

1.1 Effective Date.

This Agreement shall become effective on the date it is executed by Developer and the County (the "Effective Date"). The Effective Date shall be inserted in the introductory paragraph preceding the Recitals.

1.2 Term.

The term of this Agreement (the "Term") shall commence upon the Effective Date and continue for a period of twenty-five (25) years. Unless otherwise agreed between the County and Developer, Developer's vested interest(s) and right(s) contained in this Agreement expire at the end of the Term, or upon termination of this Agreement.

Upon termination of this Agreement, for any reason, the obligations of the Parties to each other hereunder shall terminate, but none of the 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.

Section 2. DEFINITIONS

Any term or phrase used in this Agreement that has its first letter capitalized shall have that meaning given to it in this section.

"Applicable Law" shall have that meaning set forth in Section 5.2 of this Agreement.

"Approval Date" shall mean the date set forth in Recital G of this Agreement.

"Bond" to secure performance of Developer's or the Association's obligations to the County under this Agreement shall mean a letter of credit, cash escrowed in the County's name, or a security bond reasonably acceptable to the County.

"Changes in the Law" shall have that meaning set forth in Section 5.2 of this Agreement.

"Conditions to Current Approvals" shall have the meaning set forth in Section 3.1(b) of this Agreement.

"County" shall mean Wasatch County and shall include, unless otherwise provided, any and all of the County's agencies, departments, officials, employees or agents.

"County General Plan" or "General Plan" shall mean the General Plan of Wasatch County, adopted December 10, 2001.

"Current Approvals" shall have the meaning set forth in Recital F of this Agreement.

"Developer" shall have that meaning set forth in the preamble, and shall include Developer's successors in interest and assigns.

"Director" shall mean the Director of the Wasatch County Planning Department, or his or her designee.

"Effective Date" shall have that meaning set forth in Section 1.1 of this Agreement.

"Home Owners' Association" means the Cobblestone Home Owners' Association, a non-profit corporation formed in accordance with the state and federal law and authorized to impose fees sufficient to perform the maintenance obligations transferred to it by Developer.

"Planning Commission" shall mean the Wasatch County Planning Commission.

"Project" shall mean the Property and the development on the Property, which is the subject of this Agreement as well as any ancillary and additional improvements or endeavors incident thereto.

"Project Improvements" shall mean the Infrastructure Improvements as defined in Section 3.1 (b)(6) and the Recreational Facilities, including open space and landscaping as described in Section 3.1 (b)(7). "Phase Improvements" shall mean the Project Improvements constructed for each phase.

"Property" shall mean the parcel or parcels of land which are the subject of this Agreement and which are more particularly described in Exhibit A.

Section 3. OBLIGATIONS OF DEVELOPER AND THE COUNTY

3.1 Obligations of Developer

(a) Generally. The Parties acknowledge and agree that the County's agreement to perform and abide by the covenants and obligations of the County set forth herein is material consideration for Developer's agreement to perform and abide by the covenants and obligations of Developer set forth herein.

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(b) Conditions to Current Approvals. Developer shall comply with all of the following Conditions to Current Approvals:

- (1) ***Compliance With Conditions Imposed By County:*** Developer agrees to comply with any and all conditions imposed by the Planning Commission or the County Legislative Body set forth as conditions of approval in the official minutes of the County Planning Commission and County Commission.
- (2) ***Payment of Administrative Fees:*** Developer agrees to pay all Wasatch County fees as a condition of developing each phase of the Project.
- (3) ***Payment of Impact Fees:*** Wasatch County has enacted an impact fee ordinance. Subject to adjustments approved by the Director and/or the County Legislative Body, Developer agrees to pay the Wasatch County impact fees due and payable in connection with any structure built by Developer, or Developer's agent, employee, contractor, or subcontractor.
- (4) ***Affordable Housing:*** To comply with the County Affordable Housing Ordinance, Developer will enter into and agree to be bound by a separate Affordable Housing Agreement, dated as of the Effective Date of this Agreement and recorded in the office of the Wasatch County Recorder. The Affordable Housing Agreement shall be entered into within 60 days of the Effective Date of this Agreement and shall be in a form acceptable to the Parties and to the Wasatch County Housing Authority.
- (5) ***Special Service District Fees, and Charges:*** The following services will be provided to the Project by special service districts, each of which has issued to Developer a "will serve" letter, copies of which are attached hereto as Exhibit B and incorporated by reference herein:

| Service | Entity Providing Service |
|------------------|---|
| Culinary Water | Twin Creeks Special Service District |
| Irrigation Water | Timp Irrigation and Wasatch County Water Efficiency Project |
| Trash Removal | Wasatch County Solid Waste Special Service District |
| | |

For each phase, Developer agrees to pay any and all fees imposed by the District in connection with development of the Project, including (but not limited to) fees for plan check and engineering review.

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(6) **Construction of Infrastructure Improvements:** All infrastructure intended for public use and located within the boundaries of the Project, including but not limited to sewer lines, water lines, roads, electricity, gas, telephone, detention basins, curb and gutter shall be completed for each phase and accepted by the County in writing prior to the issuance of any building permit for individual lots in the completed phase within the Project.

(7) **Construction and Maintenance of Recreational Facilities:** Developer shall construct certain recreational facilities in conjunction with the Project in accordance with the following schedule:

| Recreational Facility | Phase in Which Facility Will Be Constructed |
|----------------------------|--|
| Pavilion | 2 |
| Baseball Diamond | 2 |
| Soccer Field | 2 |
| Basketball Court | 3 |
| Volley Ball Court | 3 |
| Tennis Court | 4 |
| Trail System | Concurrent with each phase and to be completed within a reasonable time but not later than 180 days from the County's acceptance of the Infrastructure Improvements on each phase. |
| Skate Park | 5 |
| Fencing on Project Borders | Concurrent with each phase and to be completed not later than 180 days from the County's acceptance of the Infrastructure Improvements on each phase. |
| Landscaped Open Space | Concurrent with each phase and to be completed within a reasonable time but not later than 180 days from the County's acceptance of the Infrastructure Improvements on each phase. |

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Developer shall maintain the above-described recreation facilities in all respects. As provided in Section 9, this obligation may be transferred to the Home Owner's Association. Maintenance provided by Developer or the Home Owners' Association shall meet or exceed a standard of reasonableness and safety as established by the County. In the event Developer or the Home Owners' Association fails to maintain the recreational facilities, the County may (but is not obligated to) maintain them. The cost of this maintenance is hereby agreed to and shall constitute a valid lien on the Property on a parity with and collected at the same time and in the same manner as general County taxes that are a lien on the property.

- (8) ***Maintenance of Open Space and Trails:*** Within 60 days of the date of this Agreement, Developer shall grant to the County an open space easement which shall be attached hereto as Exhibit C and incorporated by reference herein. Developer has also reserved certain portions of the Project as trails. Developer shall be responsible to maintain the open space and trails in all respects, including but not limited landscaping, irrigation, and weed control. As provided in Section 9, this obligation may be transferred by written agreement to the Home Owners' Association. Maintenance provided by Developer or the Home Owners' Association shall meet or exceed a standard of reasonableness and safety as established by the County. In the event Developer or the Home Owners' Association fails to maintain the open space and trails, the County may (but is not obligated to) maintain them. The cost of this maintenance is hereby agreed to and shall constitute a valid lien on the Property on a parity with and collected at the same time and in the same manner as general County taxes that are a lien on the property.
- (9) ***Storm Drain Maintenance:*** During the construction process, Developer shall inspect and clean out, as needed, the silt boxes so as to keep the storm drain system free from obstructions and build-up. After 65 lots have been sold and as provided in Section 9, Developer shall transfer this obligation to the Home Owners' Association by written transfer agreement. If equipment and vehicles necessary for storm drain maintenance are purchased by the County in the future, the County may undertake the responsibility for storm drain maintenance in the Project. Prior to doing so, the Home Owners' Association shall cause the storm drain system to be inspected and cleared of all obstructions, build-up or debris.
- (10) ***Construction Phasing:*** The Project will be constructed in phases which may be developed separately and in any order as long as access and code requirements are met. For each phase, Developer shall post a performance bond in an amount equal to 110% of the estimated cost

of completing the Phase Improvements. Upon Developer's completion and County's acceptance of the Phase Improvements, the County shall release fifty percent of the performance bond. The performance bond will expire two years after the County's acceptance of the Phase Improvements, unless the County timely notifies Developer of a breach of warranty as provided in Section 4, in which case the performance bond shall remain in effect until the warranty issues are resolved. The project is separated into six phases as follows:

| Phase | Number of Lots | Streets |
|-------|----------------|--|
| 1 | 28 | Fieldstone Lane, Fieldstone Circle |
| 2 | 52 | Cobblestone Drive, Red Rock Circle, Shadow Rock Circle |
| 3 | 11 | Ledgestone Lane |
| 4 | 11 | Cornerstone Lane |
| 5 | 9 | Keystone Court |
| 6 | 16 | Graystone Lane |

(11) **Maintenance Bonds:** Upon Developer's completion and the County's acceptance of the Phase Improvements, Developer is obligated to post a Bond in an amount equal to the annual maintenance expense for open space, trails, and recreational facilities for that phase. As provided in Section 9, the County may waive the maintenance bond requirement upon transfer of the maintenance obligation to the Home Owner's Association.

(12) **Land Donations** Within 13 months from the date the Plat is recorded, Developer shall deed to the County Parcels A, B, D, & E shown on the Plat including one share of Timpanogos Irrigation water stock for each acre. County and Developer agree that County, by accepting the Parcels, is not assuming responsibility for construction or installation of roads, utilities or any service necessary for the development of the Parcels. County and Developer further agree that the deeds transferring the Parcels will restrict use to public uses consistent with the open space requirements and use restrictions of the open space easement Current Approvals and Applicable Law. In addition, Developer has voluntarily agreed to transfer to a charitable institution Parcel C to be developed in a manner and consistent with the open space requirements and use restrictions of the open space easement, Current Approvals and Applicable Law. Development on any of the Parcels A, B, C, D, & E would require County approval and, among other improvements, construction of a through road from Cobblestone Drive to Mill Road.

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- (13) **Streetscape Trees:** Two trees with a caliper of at least 2 inches shall be planted within the park strip in front of each house on center each 50'. The developer shall be responsible for ensuring completion of this requirement. Trees shall be planted within one hundred eighty (180) days of occupancy (weather permitting). These will all be the same species for the entire street that the lot is located on and will be as follows:

| | |
|--------------------------|---------------------|
| Cobblestone Drive | Autumn Purple Ash |
| Fieldstone Lane & Circle | Sensation Box Elder |
| Graystone Lane | Redmond Linden |
| Red Rock Circle | Autumn Purple Ash |
| Ledgestone Lane | Sensation Box Elder |
| Shadow Rock Circle | Redmond Linden |

These species have been selected because their root system is such that they should not interfere with the sidewalks.

3.2 Obligations of the County.

(a) **Generally.** The Parties acknowledge and agree that Developer's agreement to perform and abide by the covenants and obligations of Developer set forth herein is material consideration for the County's agreement to perform and abide by the covenants and obligations of the County set forth herein.

(b) **Conditions to Current Approvals.** The County shall not impose any further Conditions to Current Approvals other than those detailed in this Agreement, unless agreed to in writing by the Parties.

(c) **Acceptance of Project Improvements.** The County agrees to accept all Project or Phase Improvements intended for public use and constructed by Developer, or Developer's contractors, subcontractors, agents or employees, provided that (1) the Wasatch County Building, Engineering, and Planning Departments review and approve the plans for any Project or Phase Improvements prior to construction; (2) Developer permits Wasatch County Building, Engineering, and Planning Department representatives to inspect upon request any and all of said Project or Phase Improvements during the course of construction; (3) the Project or Phase Improvements have been inspected by a licensed engineer who certifies that the Project or Phase Improvements have been constructed in accordance with the plans and specifications; (4) Developer has warranted the Project or Phase Improvements as provided in this Agreement ; and (5) the Project Improvements pass a final inspection by the Wasatch County Building, Engineering, and Planning Departments.



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(d) **Additional Obligations of the County.**

1. **Road Maintenance:** The roads in the Project shall be public roads. After the roads have been constructed in accordance with County standards and the County has accepted them, the roads shall be Class B roads and shall be placed on the County Class B road map. The County shall maintain the roads, providing the same level of service provided to other Class B roads in the County. The priority and method of maintenance shall be determined in the sole discretion of the County.
2. **Snow Removal:** The County shall provide snow-removal on the public roads in the Project. The County shall provide the same level of service provided to other Class B roads in the County. The priority and method of snow-removal shall be determined in the sole discretion of the County.

Section 4. DEVELOPER'S WARRANTY.

4.1 Developer warrants that the Infrastructure Improvements will be constructed in accordance with accepted industry standards and the approved Plans. This warranty shall terminate two years from the date of the County's acceptance of the Infrastructure Improvements for each Phase, and shall only apply to alleged defects identified in a written notice from the County to the Developer delivered prior to the termination of the warranty.

4.2 The warranty in this Section 4 does not include damage due to ordinary wear and tear, or abusive use by third parties not under the control or direction of Developer.

4.3 The County shall notify the Developer, in writing, within a reasonable time after the discovery of any failure, defect, or damage, but not later than two years from the from the date of the County's acceptance of the Infrastructure Improvements.

4.4 The Developer shall remedy at its expense any defects in workmanship included in the warranty. If Developer does not remedy or begin efforts to remedy the alleged defect within a reasonable time, the County may pursue its remedies under the performance bond.

Section 5. VESTED RIGHTS AND APPLICABLE LAW

5.1 Vested Rights.

(a) **Generally.** As of the Effective Date of this Agreement, Developer shall have the vested right to develop the Property in accordance with this Agreement and Applicable Law.

(b) Reserved Legislative Powers. Nothing in this Agreement shall limit the future exercise of the police power by the County in enacting zoning, subdivision, development, transportation, environmental, open space, and related land use plans, policies, ordinances and regulations after the date of this Agreement. Notwithstanding the retained power of the County to enact such legislation under its police power, such legislation shall not modify Developer's vested right as set forth herein unless facts and circumstances are present which meet the exceptions to the vested rights doctrine as set forth in Western Land Equities, Inc. v. City of Logan, 617 P.2d 388 (Utah, 1988), its progeny, or any other exception to the doctrine of vested rights recognized under state or federal law.

5.2 Applicable Law.

(a) Applicable Law. Unless otherwise provided herein, the rules, regulations, official policies, standards and specifications applicable to the development of the Property (the "Applicable Law") shall be those rules, regulations, official policies, standards and specifications, including County ordinances and resolutions, in force and effect on the date the County Legislative Body granted preliminary approval to Developer. However, notwithstanding anything in this Section, applicants for building permits for individual lots in the Project shall be subject to the building, electrical, mechanical, plumbing, and fire codes in place at the time that the applicant submits a completed building application to the County.

(b) State and Federal Law. Notwithstanding any other provision of this Agreement, this Agreement shall not preclude the application of changes in laws, regulations, plans or policies, to the extent that such changes are specifically mandated and required by changes in state or federal laws or regulations ("Changes in the Law") applicable to the Property. In the event the Changes in the Law prevent or preclude compliance with one or more provisions of this Agreement, such provisions of the Agreement shall be modified or suspended, or performance thereof delayed, as may be necessary, to comply with the Changes in the Law.

Section 6. AMENDMENT

6.1 Amendments Generally. Unless otherwise stated in this Agreement, the Parties may amend this Agreement by mutual written consent. No amendment or modification to this Agreement shall require the consent or approval of any person or entity having any interest in any specific lot, unit or other portion of the Project.

Section 7. DEFAULT; TERMINATION; ANNUAL REVIEW

7.1 General Provisions.

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(a) Defaults. Any failure by either Party to perform any term or provision of this Agreement, which failure continues uncured for a period of thirty (30) days following

written notice of such failure from the other Party, unless such period is extended by written mutual consent, shall constitute a default under this Agreement. Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which said failure satisfactorily may be cured. If the nature of the alleged failure is such that it cannot reasonably be cured within such 30-day period, then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, shall be deemed to be a cure within such 30-day period. Upon the occurrence of an uncured default under this Agreement, the non-defaulting Party may institute legal proceedings to enforce the terms of this Agreement or, in the event of a material default, terminate this Agreement. If the default is cured, then no default shall exist and the noticing Party shall take no further action.

(b) Termination. If the County elects to consider terminating this Agreement due to a material default of Developer, then the County shall give to Developer a written notice of intent to terminate this Agreement and the matter shall be scheduled for consideration and review by the County Legislative Body at a duly noticed public meeting. Developer shall have the right to offer written and oral evidence prior to or at the time of said public meeting. If the County Legislative Body determines that a material default has occurred and is continuing and elects to terminate this Agreement, the County Legislative Body shall send written notice of termination of this Agreement to Developer by certified mail and this Agreement shall thereby be terminated. The County may thereafter pursue any and all remedies at law or equity.

7.2 Review by County

(a) Generally. The County may at any time and in its sole discretion request that Developer demonstrate that Developer is in full compliance with the terms and conditions of this Agreement. Developer shall provide any and all information requested by the County within thirty (30) days of the request, or at a later date as agreed between the Parties.

(b) Determination of Non-Compliance. If the County Legislative Body finds and determines that Developer has not complied with the terms of this Agreement, and noncompliance may amount to a default if not cured, then the County may deliver a Default Notice pursuant to Section 7.1(a) of this Agreement. If the default is not cured timely by Developer, the County may terminate this Agreement as provided in Section 7.1(b) of this Agreement.

(c) Notice of Compliance. Within fifteen (15) days following any written request which Developer may make from time to time, the County shall execute and deliver to Developer a written "Notice of Compliance," in recordable form, duly executed and acknowledged by the County, certifying that: (i) this Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modification; (ii) there are no current uncured defaults under this Agreement or specifying the dates and

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nature of any such default; and (iii) any other reasonable information requested by Developer. Developer shall be permitted to record the Notice of Compliance.

7.3 Default by the County.

In the event the County defaults under the terms of this Agreement, Developer shall have all rights and remedies provided in Section 7.1 of this Agreement and provided under Applicable Law.

7.4 Enforced Delay; Extension of Time of Performance.

Notwithstanding anything to the contrary contained herein, neither Party shall be deemed to be in default where delays in performance or failures to perform are due to, and a necessary outcome of, war, insurrection, terrorist acts, strikes or other labor disturbances, walk-outs, riots, floods, earthquakes, fires, casualties, acts of God, restrictions imposed or mandated by other governmental entities, enactment of conflicting state or federal laws or regulations, new or supplemental environmental regulations, or similar basis for excused performance which is not within the reasonable control of the Party to be excused. Upon the request of either Party hereto, an extension of time for such cause shall be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

Section 8. DEFENSE AND INDEMNITY

8.1 Developer's Actions.

Developer shall defend, hold harmless, and indemnify the County and its elected and appointed officers, agents, employees, and representatives from any and all claims, costs, judgments and liabilities (including inverse condemnation) which arise directly or indirectly from the County's approval of the Project, construction of the Project, or operations performed under this Agreement by (a) Developer or by Developer's contractors, subcontractors, agents or employees, or (b) any one or more persons directly or indirectly employed by, or acting as agent for, Developer or any of Developer's contractors or subcontractors.

8.2 Hazardous, Toxic, and/or Contaminating Materials. Developer further agrees to defend and hold harmless the County and its elected and/or appointed boards, officers, employees, and agents from any and all claims, liabilities, damages, costs, fines, penalties and/or charges of any kind whatsoever relating to the existence of hazardous, toxic and/or contaminating materials on the Project solely to the extent caused by the intentional or negligent acts of Developer, or Developer's officers, contractors, subcontractors, employees, or agents.

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8.3 County's Actions.

Nothing in this Agreement shall be construed to mean that Developer shall defend, indemnify, or hold the County or its elected and appointed representatives, officers, agents and employees harmless from any claims of personal injury, death or property damage or other liabilities arising from (i) the willful misconduct or negligent acts or omissions of the County, or its boards, officers, agents, or employees; and/or (ii) the negligent maintenance or repair by the County of improvements that have been offered for dedication and accepted by the County for maintenance.

Section 9. TRANSFER OF MAINTENANCE OBLIGATIONS.

9.1 Creation of Home Owners' Association. It is anticipated that Developer will transfer the maintenance obligations under Section 3.1 ("maintenance obligations") to the Home Owners' Association. The Association shall be a non-profit corporation formed in accordance with the state and federal law. The Association shall have authority to impose fees sufficient to perform the maintenance obligations transferred to it. The Articles and Bylaws shall provide that the Developer shall retain control of the Association until 65 lots are sold.

9.2 Written Transfer Agreement Required. In the event Developer transfers Developer's maintenance obligations to the Home Owners' Association, Developer shall do so by written transfer agreement approved by the County. The County shall not unreasonably withhold approval of the transfer or the transfer agreement.

9.3 Release of Developer. If Developer, with the County's approval, transfers the maintenance obligations to the Home Owners' Association, the County shall release the Developer from the maintenance obligation transferred and return or release the Developer's maintenance bond.

Section 10. INSURANCE CERTIFICATES.

10.1 Insurance Certificates. Prior to beginning construction on the Project, Developer shall furnish to the County certificates of general liability insurance indicating that the County has been added as an additional named insured with respect to the Project and this Agreement. Until such time as the Project Improvements described in Section 3.1(b) (6) & (7) of this Agreement are completed and approved by the County, such insurance coverage shall not terminate or be canceled or the coverage reduced until after thirty (30) days' written notice is given to the County.

Section 11. NO AGENCY, JOINT VENTURE OR PARTNERSHIP

It is specifically understood and agreed to by and between the Parties that: (1) the subject Project is a private development; (2) the County has no interest or responsibilities for, or due to, third parties concerning any improvements until such time, and only until

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such time, that the County accepts the same pursuant to the provisions of this Agreement; (3) Developer shall have full power over and exclusive control of the Property and Project herein described, subject only to the limitations and obligations of Developer under this Agreement; and (4) the County and Developer hereby renounce the existence of any form of agency relationship, joint venture or partnership express or implied between the County and Developer and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between the County and Developer.

Section 12. MISCELLANEOUS

12.1 Incorporation of Recitals and Introductory Paragraph. The Recitals contained in this Agreement, and the introductory paragraph preceding the Recitals, are hereby incorporated into this Agreement as if fully set forth herein.

12.2 Subjection and Subordination. Each person or entity that holds any beneficial, equitable, or other interest or encumbrances in all or any portion of the Project at any time hereby automatically, and without the need for any further documentation or consent, subjects and subordinates such interests and encumbrances to this Agreement and all amendments thereof that otherwise comply with this Section of this Agreement. Each such person or entity agrees to provide written evidence of that subjection and subordination within 15 days following a written request for the same from, and in a form reasonably satisfactory to the County.

12.3 Severability. If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the Parties.

12.4 Other Necessary Acts. Each Party shall execute and deliver to the other any further instruments and documents as may be reasonably necessary to carry out the objectives and intent of this Agreement.

12.5 Construction. This Agreement has been reviewed and revised by legal counsel for both the County and Developer, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

12.6 Other Miscellaneous Terms. The singular shall include the plural; the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive.

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12.7 Covenants Running with the Land.

The provisions of this Agreement shall constitute real covenants, contract and property rights, and equitable servitudes, which shall run with all of the land subject to this Agreement. The burdens and benefits of this Agreement shall bind and inure to the benefit of each of the Parties, and to their respective successors, heirs, assigns, and transferees. Notwithstanding anything in this Agreement to the contrary, the owners of individual units or lots in the Project shall (1) only be subject to the burdens of this Agreement to the extent applicable to their particular unit or lot; and (2) have no right to bring any action under this Agreement as a third-party beneficiary or otherwise.

12.8 Assignment.

Developer may assign its rights and obligations under this Agreement to a third party upon approval of the County. The County may not unreasonably withhold approval and shall release Developer upon the third party's agreement to assume Developer's rights and obligations under this Agreement.

12.9 Method of Enforcement.

The County may look to Developer, the Home Owners' Association, or collectively to each lot or unit owners in the Project for performance of the provisions of this Agreement relative to the portions of the Project owned or controlled by such party. Any cost incurred by the County to secure performance of the provisions of this Agreement shall constitute a valid lien on the Project, including prorated portions to individual lots or units in the Project, on a parity with and collected at the same time and in the same manner as general County taxes and assessments that are a lien on the Project. The County may pursue any remedies available at law or in equity, including the withholding of building permits or certificates of occupancy, to ensure compliance with this Agreement.

12.10 Waiver. No action taken by any Party shall be deemed to constitute a waiver of compliance by such Party with respect to any representation, warranty, or condition contained in this Agreement. Any waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver by such Party of any subsequent breach.

12.11 Remedies. Either Party may, in addition to any other rights or remedies, institute an equitable action to cure, correct, or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation thereof, enforce by specific performance the obligations and rights of the Parties hereto, or to obtain any remedies consistent with the foregoing and the purpose of this Agreement..

12.12 Utah Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Utah.

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12.13 Covenant of Good Faith and Fair Dealing. Each Party shall use its best efforts and take and employ all necessary actions in good faith consistent with this Agreement and Applicable Law to ensure that the rights secured by the other Party through this Agreement can be enjoyed.

12.14 Requests to Modify Use Restrictions. Developer's successors, heirs, assigns, and transferees shall have the right, without the consent or approval of any other person or entity owning property in any other part of the Project, to request that the County modify any zoning classification, use, density, design, setback, size, height, open space, road design, road dedication, traffic configuration, site plan, or other use restrictions associated with that portion of the Project to which the successor, heir, assign, or transferee holds title. The County shall consider any such request, but is not required to grant it.

12.15 Representations. Each Party hereby represents and warrants to each other Party that the following statements are true, complete and not misleading as regards the representing warranting Party:

- (a) Such Party is duly organized, validly existing and in good standing under the laws of the state of its organization.
- (b) Such Party has full authority to enter into this Agreement and to perform all of its obligations hereunder. The individual(s) executing this Agreement on behalf of such Party do so with the full authority of the Party that those individual(s) represent.
- (c) This Agreement constitutes the legal, valid and binding obligation of such Party enforceable in accordance with its terms, subject to the rules of bankruptcy, moratorium and equitable principles.

12.16 No Third-Party Beneficiaries. This Agreement is between the County and Developer. No other party shall be deemed a third-party beneficiary or have any rights under this Agreement.

Section 13. NOTICES

Any notice or communication required hereunder between the County and Developer must be in writing, and may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Any Party may at any time, by giving ten (10) days written notice to the other Party, designate any other address to which notices or communications shall be given. Such notices or communications shall

E 253060 B 0600 P 0720

be given to the Parties at their addresses set forth below:

If to the County:

**AL MICKELSEN
Director
Wasatch County Administration Building
25 North Main Street
Heber City, UT 84032**

With Copies to:

**DEREK P. PULLAN
Wasatch County Attorney
805 West 100 South
Heber City, UT 84032**

If to Developer:

**Mike Petersen
Cobblestone Development, L.L.C.
345 North 600 East
Heber City, UT 84032**

Section 14. ENTIRE AGREEMENT, COUNTERPARTS AND EXHIBITS

Unless otherwise noted herein, this Agreement is the final and exclusive understanding and agreement of the Parties and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof. All waivers of the provisions of this Agreement shall be in writing and signed by the appropriate authorities of the County and Developer. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

Exhibit A - Legal Description of the Property

Exhibit B - Will Serve Letters

Exhibit C - Open Space Easement

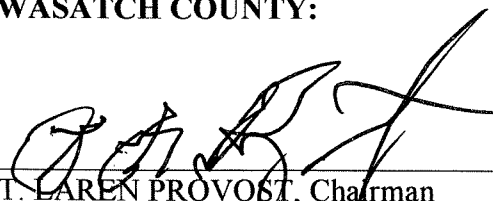
|| E 253060 B 0600 P 0721

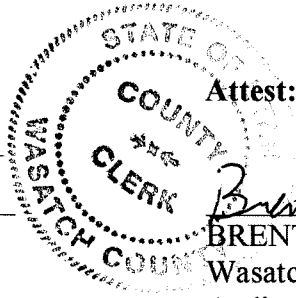
Section 15. RECORDATION OF DEVELOPMENT AGREEMENT

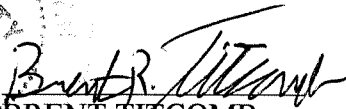
No later than ten (10) days after the County enters into this Agreement, the County Clerk shall cause to be recorded, at Developer's expense, an executed copy of this Agreement in the Official Records of the County of Wasatch.

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and the County as of the date and year first above written.

WASATCH COUNTY:

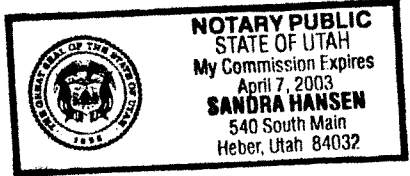

T. LAREN PROVOST, Chairman
County Legislative Body

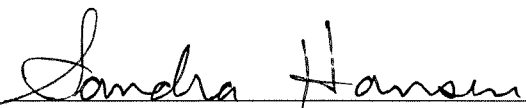


Attest:

BRENT TITCOMB,
Wasatch County Clerk
Auditor

STATE OF UTAH)
 SS:
COUNTY OF WASATCH)

The foregoing instrument was acknowledged before me this 3rd day of January, 2003, by T. LaRen Provost, who executed the foregoing instrument in his capacity as the Chairman of the County Legislative Body of Wasatch County, Utah, and by Brent Titcomb, who executed the foregoing instrument in his capacity as the Wasatch County Clerk Auditor.




NOTARY PUBLIC
Residing at: Heber city

My Commission Expires:
April 7, 2003

|| E 253060 B 0600 P 0722

Cobblestone Development, L.L.C.

By: Mike Petersen

Mike Petersen

Mike Petersen, Acting Associate

STATE OF UTAH)
 :SS
COUNTY OF Wasatch)

The foregoing instrument was acknowledged before me this 6 day of January, 2002³, by Mike Petersen, who executed the foregoing instrument in his capacity as the Acting Associate of Cobblestone Development, L.L.C., a Utah limited liability company.

Margaret A. Stephens

NOTARY PUBLIC
Residing at: 25 North Main Street

My Commission Expires:

November 19, 2003

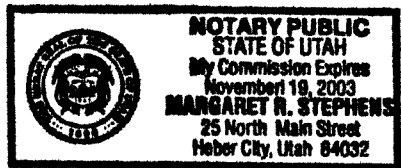


EXHIBIT A

COBBLESTONE DEVELOPMENT AGREEMENT

[Legal Description of Property]



E 253060 B 0600 P 0723

EXHIBIT B

COBBLESTONE DEVELOPMENT AGREEMENT

[Will Serve Letters]

1

E 253060 B 0600 P 0724

EXHIBIT C

COBBLESTONE DEVELOPMENT AGREEMENT

[Open Space Easement]

|| E 253060 B 0600 P 0725

Exhibit A

Survey Legal Description

A parcel of land situate in the Southwest Quarter and Southeast Quarter of Section 4, Township 4 South, Range 5 East, Salt Lake Base and Meridian, for which the Basis of Bearing is South 89 Degrees 51 Minutes 12 Seconds West 2641.39 feet between the found 4" Wasatch County Land Survey Brass Caps monumentalizing the South line of the Southeast Quarter of said Section 4 as shown on this map, comprising 98.03 acres of land described in the following four (4) deeds: (1) Affidavit from Warley/McLachlan Development LLC to Premier Custom Homes Inc recorded 8/18/99 as Entry 216990 in Book 433 at page 803 Official Records of Wasatch County, (2) Warranty Deed from Siebert Family Limited Partnership to Premier Custom Homes, Inc. recorded 9/8/00 as Entry 227056 in Book 475 at page 13 Official Records of Wasatch County, (3) Warranty Deed from Anita M. Hyde to Premier Custom Homes, Inc. recorded 9/26/00 as Entry 227502 in Book 476 at page 737 Official Records of Wasatch County, (4) Warranty Deed from Jerry L. Clegg to Premier Custom Homes, Inc. recorded 10/24/00 as Entry 228106 in Book 479 at Page 618 Official Records of Wasatch County; being more particularly described as follows:

Beginning at a point being North 37.59 feet and East 16.31 feet from the South one quarter corner of Section 4, Township 4 South, Range 5 East, Salt Lake Base and Meridian as monumentalized by a found Wasatch County Land Survey 4" Brass Cap monument set in concrete in valve box in 1200 South Road and stamped with the date of 3-27-2001, said point accepted as a point in the Northerly Right of Way line of 1200 South as shown on this Record of Survey map for dedication to Wasatch County on the Cobblestone Subdivision Plat Map;

THENCE along a fence line evidencing the boundary line by acquiescence between the Jerry L. Clegg property (recorded August 28, 1987 as Entry No. 143354 in Book 193 at Page 876, Official Records of Wasatch County) and Premier Custom Homes property (recorded August 18, 1999 as Entry No. 216990 in Book 433 at Page 803, Official Records of Wasatch County), North 00 Degrees 46 Minutes 51 Seconds East a distance of 484.05 feet more or less to an angle point.

THENCE continuing along said fence line, South 89 Degrees 57 Minutes 52 Seconds West a distance of 1468.40 feet more or less to a point on the boundary of Roman Catholic Bishop property (recorded November 3, 2000 as Entry No. 228424 in Book 481 at Page 182 Official Records of Wasatch County)

THENCE coincident with the boundary of the Roman Catholic Bishop Property as established by Record of Survey OWC-045-004-4-0543 (three parcels: recorded April 24, 1996 as Entry No. 186451 in Book 320 at Page 759, recorded November 3, 2000 as Entry No. 228422 in Book 481 at Page 180, and recorded August 18, 1999 as Entry No. 216990 in Book 433 at Page 803, Official Records of Wasatch County) the following five (5) courses

- (1) North 00 Degrees 02 Minutes 37 Seconds West a distance of 400 feet
- (2) THENCE South 89 Degrees 57 Minutes 23 Seconds West a distance of 435.60 feet

- (3) THENCE South 89 Degrees 57 Minutes 23 Seconds West a distance of 108.90 feet
- (4) THENCE South 89 Degrees 57 Minutes 23 Seconds West a distance of 604.47 feet more or less to a point in a fence line and accepted as point in the Easterly Right of Way line of Mill Road as shown on this Record of Survey map for dedication to Wasatch County on the Cobblestone Subdivision Plat Map.
- (5) THENCE South 89 Degrees 57 Minutes 23 Seconds West a distance of 50.59 feet more or less to a point on the West line of the Southwest Quarter of Section 4, Township 4 South, Range 5 East, Salt Lake Base and Meridian, said point being distant coincident with the said section line North 00 Degrees 15 Minutes 55 Seconds West a distance of 925.90 feet from the Southwest Corner of said Section 4 as monumentalized by the Wasatch County Land Survey 4" Brass Cap monument set in concrete flush with the surface of Mill Road and stamped with the date of 10-20-99.

THENCE coincident with said West line of the Southwest Quarter of Section 4, North 00 Degrees 15 Minutes 55 Seconds West a distance of 95.39 feet.

THENCE South 89 Degrees 54 Minutes 03 Seconds East a distance of 51.69 feet more or less to a point in a fence line and accepted as a point in the Easterly Right of Way line of Mill Road as shown on this Record of Survey map for dedication to Wasatch County on the Cobblestone Subdivision Plat Map.

THENCE along a fence line evidencing the boundary line by acquiescence between the Dan A. and Rosemary Giles property (recorded February 28, 1994 as Entry No. 171408 in Book 273 at Page 752, Official Records of Wasatch County) and Premier Custom Homes property (recorded August 18, 1999 as Entry No. 216990 in Book 433 at Page 803, Official Records of Wasatch County) South 89 Degrees 54 Minutes 03 Seconds East a distance of 1274.22 feet.

THENCE continuing along a fence line evidencing the boundary line by acquiescence between the aforesaid Dan A. And Rosemary Giles property and the Ben H. and Virginia Giles property (recorded February 28, 1994 as Entry No. 171407 in Book 273 at Page 750 Official Records of Wasatch County) and the Premier Custom Homes property (recorded October 24, 2000 as Entry No. 228106 in Book 479 at Page 618 Official Records of Wasatch County), North 00 Degrees 12 Minutes 03 Seconds East a distance of 629.07 feet more or less to an angle point in the fence

THENCE along a fence line evidencing the boundary line by acquiescence between Mark and Shauna Fishler property (recorded February 22, 1993 as Entry No. 164602 in Book 253 at Page 819 Official Records of Wasatch County) and Premier Custom Homes property (recorded October 24, 2000 as Entry No. 228106 in Book 479 at Page 618 Official Records of Wasatch County and also recorded 9/26/00 as Entry 227502 in Book 476 at page 737 Official Records of Wasatch County), South 89 Degrees 53 Minutes 38 Seconds East a distance of 1400.61 feet

THENCE along a fence line evidencing the boundary line by acquiescence between aforesaid Mark and Shauna Fishler property and the Premier Custom Homes property

(recorded 9/8/00 as Entry 227056 in Book 475 at page 13 Official Records of Wasatch County), North 01 Degrees 45 Minutes 45 Seconds West a distance of 370.40 feet

THENCE along a fence line evidencing the boundary line by acquiescence between Shauna E. Fishler property (recorded 1/30/97 as Entry No 192181 in Book 341 at Page 367 Official Records of Wasatch County) and the Premier Custom Homes property (recorded 9/8/00 as Entry 227056 in Book 475 at page 13 Official Records of Wasatch County), South 89 Degrees 39 Minutes 20 Seconds East a distance of 338.58 feet.

THENCE along a fence line evidencing the boundary line by acquiescence between Merendino Family Partnership property (recorded 2/3/95 as Entry No. 177581 in Book 292 at Page 610 Official Records of Wasatch County) and Premier Custom Homes property (recorded 9/8/00 as Entry 227056 in Book 475 at page 13 Official Records of Wasatch County), South 89 Degrees 39 Minutes 36 Seconds East a distance of 875.15 feet

THENCE along a fence line evidencing the boundary line by acquiescence between aforesaid Merendino property and the aforesaid Premier Custom Homes property, North 89 Degrees 40 Minutes 32 Seconds East a distance of 38.51 feet

THENCE along a fence line evidencing the boundary line by acquiescence between the Garold H. Christensen property (recorded 5/23/94 as Entry No 173001 in Book 278 at Page 550 Official Records of Wasatch County) and the Premier Custom Homes property (recorded 9/8/00 as Entry 227056 in Book 475 at page 13 Official Records of Wasatch County), South 00 Degrees 03 Minutes 26 Seconds East a distance of 666.30 feet

THENCE along a fence line evidencing the boundary line by acquiescence between the Robert W. and Valrie Q. Griffith property (recorded 11/29/96 as Entry No. 191019 in Book 337 at Page 413 Official Records of Wasatch County) and the Premier Custom Homes property (recorded 8/18/99 as Entry 216990 in Book 433 at page 803 Official Records of Wasatch County), South 00 Degrees 06 Minutes 34 Seconds East a distance of 623.99 feet

THENCE along a fence line evidencing the boundary line by acquiescence between the Karl McDonald property (recorded 6/19/85 as Entry No. 135723 in Book 172 at Page 500 Official Records of Wasatch County and also recorded 9/29/77 as Entry No. 111159 in Book 114 at Page 319 Official Records of Wasatch County) and Premier Custom Homes property (recorded 8/18/99 as Entry 216990 in Book 433 at page 803 Official Records of Wasatch County), South 00 Degrees 22 Minutes 16 Seconds East a distance of 676.73 feet more or less to a point on the projection of a fence line accepted as the Northerly Right of Way line of 1200 South Road

THENCE South 00 Degrees 22 Minutes 16 Seconds East a distance of 32.13 feet more or less to a point in the South line of the Southeast Quarter of said Section 4. Said point being distant coincident with said South line of the Southeast Quarter South 89 Degrees

!!

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51 Minutes 12 Seconds West a distance of 1311.20 feet from the Southeast Corner of said Section 4.

THENCE coincident with said South line of the Southeast Quarter of said Section 4, South 89 Degrees 51 Minutes 12 Seconds West a distance of 1314.40z feet to a point being distant coincident with said South line, North 89 Degrees 51 Minutes 12 Seconds East a distance of 15.83 feet from the Southwest Corner of the Southeast Quarter of said Section 4.

THENCE North 00 Degrees 46 Minutes 51 Seconds East a distance of 37.55 feet to the point of beginning of this description.

The above describe parcel contains 98.03 acres more or less.

Together with the following described Right-of-way and Easement as recorded October 24, 2000 in Entry No 228106 in Book 479 at Page 618, Official Records of Wasatch County:

Commencing at a point having State Plane Rectangular coordinates of X:2030627.89 and Y:789263.61 (Based on the Lambert Conformal Projection, Utah Central Zone), said point also being North 38.6 feet and East 1331.54 feet from the West one-quarter corner of Section 4, Township 4 South, Range 5 East, Salt Lake Base and Meridian; THENCE North 89°36'18" East 16.5 feet; THENCE South 00°01'06" East 1027.42 feet; THENCE West 16.5 feet; THENCE North 00°10'06" West along a fence line 1027.32 feet to the point of beginning.

Together with the following described Right-of-way and Easement as recorded October 24, 2000 in Entry No 228106 in Book 479 at Page 618, Official Records of Wasatch County:

Commencing at a point having State Plane Rectangular coordinates of X:2029296.66 and Y:789237.94 (Based on the Lambert Conformal Projection, Utah Central Zone), said point also being North 12.92 feet and West 0.08 feet from the West one-quarter corner of Section 4, Township 4 South, Range 5 East, Salt Lake Base and Meridian; THENCE North 00°19'59" West 16.5 feet; THENCE North 89°36'18" East along a fence line 1331.75 feet; THENCE South 00°10'06" East 16.4 feet; THENCE South 89°36'03" West along a fence line 1331.7 feet to the point of beginning.

Exhibit B



25 North Main Street, Heber City, Utah 84032 • (435) 654-3211

BOARD OF COUNTY COMMISSIONERS

Michael L. Kohler

T. LaRen Provost, Chairman

Ralph L Duke

April 3, 2002

To Whom It May Concern:

I met with Mike Peterson, Wednesday, April 3, 2002, concerning the development of his property on Mill Lane.

I feel it is to early in the year to develop a weed plan. Most of the vegetation has just started and it would be impossible to know what weeds he has, if any.

Mike assured me he would take care of any noxious weed problem that is present now and also any caused by the development.

I will monitor this site as the season progresses and inform Mike of any problems he may have. As far as the weed board is concerned, we feel he has met his obligation to our satisfaction.

Sincerely,

Dick Jones
Wasatch County Weed Supervisor

11 E 253060 B 0600 P 0730

Received FRANCIS SMITH ENGINEERING, INC. APR - 3 2002



CLERK/AUDITOR
Brent R. Titcomb

RECORDER
Elizabeth M. Parcell

SHERIFF
Mike Spanos

ASSESSOR
Glen C. Burgener

TREASURER
Karilyn Wall

ATTORNEY
Derek P. Pullen

JUSTICE COURT JUDGE
Blain Hyllton

Wasatch County

Water Resource Department

25 North Main
Heber City, Utah 84032
Phone: 435-654-3211
Fax: 435-654-3218

October 18, 2001

Premier Custom Homes, Mike Petersen

Dear Mike:

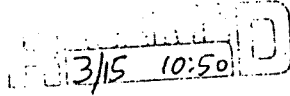
This is a letter of intent to provide sewer and culinary water service for your proposed subdivision near Mill Road and 1200 south. This letter of intent does not in any way set quantities of water necessary, imply approval of water contracts such as M&I water, or approve of proposed densities. Details of water rights, quantities, and contracts will be needed before final approval.

Sincerely,



Michael K. Davis
Vice Chair, Twin Creeks Special Service District
Director Water Resource Department

E 253060 B 0600 P 0731



Questar Gas Company
167 West Center Street
P.O. Box 38
Heber, UT 84032-0039
Tel 435 654 2800

March 15, 2000

Ross Hansen
MCM Engineering
575 N Main St.
Heber, Utah 84032

RE: Cobble Creek Subdivision

To Whom It May Concern:

Questar Gas Company is presently accepting applications for commercial and residential gas use renderable under the Company's firm rate schedule. Availability of gas and acceptance of applications are subject to the Questar Gas Tariff, on file with the Public Service Commission of the State of Utah, as the same may be amended from time to time.

Your application specifying the exact requirements for the above referenced project will be considered according to the applicable tariffs in the "Conditions of Service", a section of the Utah Natural Gas Tariff.

We are delighted that you are considering natural gas for your development and look forward to serving your energy needs. For your convenience, I have attached my business card. If I can be of further assistance or answer any questions you may have, please don't hesitate to call me.

Sincerely,

J. Wayne King
Contract Specialist
801 324-3150

E 253060 B 0600 P 0732

1425 West 3100 South
Salt Lake City, Utah 84119



13 March, 2000
To whom it may concern:

RE: Availability of U S West Facilities.

This letter concerns the provision of telephone facilities for.
Development: COBBLE CREEK ESTATES
Location: 1200 SOUTH 1200 EAST, HEBER
Represented by: MCM ENGINEERING

Site plans for the above development have not been presented to U S West for review. U S West Communications is a regulated public utility. If the developer elects to establish U S West facilities within said development then service will be provided to the proposed development in accordance with the applicable tariffs on file with the Utah Public Service Commission.

If you have any questions regarding this matter, please contact me at (801) 974-8145.

Yours Truly,

James T. Bradbury
Capacity Provisioning
Field Engineer

E 253060 B 0600 P 0733

| | | | | | |
|-------------------|--------------|---------|--------------|------------|---|
| Post-it® Fax Note | 7671 | Date | 3-13-00 | # of pages | 1 |
| To | ROSS HANSEN | From | JIM BRADBURY | | |
| Co./Dept. | MCM ENG. | Co. | USWEST | | |
| Phone # | 435-654-0939 | Phone # | 801-974-8145 | | |
| Fax # | 435-654-3850 | Fax # | 801-974-8192 | | |

Heber Light & Power
31 South 100 West
Heber City, Utah 84032



(435) 654-1581 Phone
(435) 654-1682 Fax

A Public-Owned Electric Utility
Founded 1909

UTILITY - WILL SERVICE LETTER

March 9, 2000

Wasatch County Planning Commission
25 North Main
Heber City, UT 84032

Heber Light & Power will provide electrical service to the proposed subdivision currently known as Cobblecreek Estates, located approximately at 1200 South and 1200 East, Heber City, Utah.

Should you have any questions, or require additional information, please contact Brent Davis 654-1581 or Troy Klungervik 654-0884.

Sincerely,


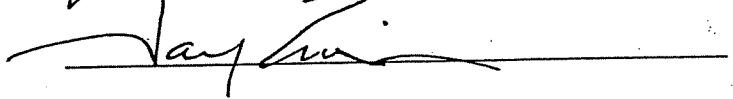
A handwritten signature in cursive script that reads "Brent Davis".

Brent Davis
General Manager

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TO WHOM IT MAY CONCERN:

I/We MIKE PETERSEN - Jay Erwin, the undersigned, by my/our signature, agree that I/we will comply with all the codes and standards of the Wasatch County Fire District and the Wasatch County Code and ordinances which apply to the Cobble Creek subdivision.





The Wasatch County Fire District will furnish fire protection to this area only when the infrastructure of the subject subdivision has been completed in accordance with the Uniform Fire Code and all other Wasatch County ordinances adopted to date.

No construction of any structure will be permitted until all the requirements of the Uniform Fire Code have been met.

DATED this 10 day of March, 1999.

WASATCH COUNTY FIRE INSPECTOR



Wasatch County Housing Authority



Al Mickelsen
Wasatch County Planner
25 North Main
Heber City, Utah 84032

January 7, 2003

Dear Mr. Mickelsen,

This letter is written at your request to confirm the Housing Authority's review of the Affordable Housing Agreement between Mike Peterson and Wasatch County dated January 3rd, 2003. The Housing Authority has reviewed the agreement and staff has been working with Mr. Peterson to implement initial phases. We are delighted with the flexibility and creativity that has been exhibited to help create affordable housing opportunities for low-income families with these approaches. We will continue to monitor the success of this contract. If we can be of further assistance, please don't hesitate to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Robyn R. Pearson".

Robyn R. Pearson
Executive Director, Wasatch County Housing Authority



E 253060 B 0600 P 0736

Exhibit C

Open Space Common Area - The Cobblestone Subdivision includes Open Space Common Areas as shown on the recorded subdivision plat as Common Space and/or Open Space. These Open Space Common Areas:

- permit the construction and use of Home Owner Association trails, recreation and playing facilities, pressurized irrigation system, and recreation buildings & facilities,
- include blanket easements for the construction, operation, and maintenance of Twin Creeks Sewer Systems , Twin Creeks Water Systems, Wasatch County Storm Drain & Water Quality Systems facilities, and Public Utilities,

E 253060 B 0600 P 0737

AFFORDABLE HOUSING AGREEMENT

This Affordable Housing Agreement is entered into this 3 day of JANUARY, 2002³ by and between Wasatch County, a political subdivision of the State of Utah (hereinafter "the County") and Cobblestone Development L.L.C., a limited liability company (hereinafter "the Developer").

RECITALS

WHEREAS, the Developer is the owner of certain real property in Wasatch County, State of Utah, which property is more particularly described in Exhibit A, attached hereto and incorporated by reference herein; and

WHEREAS, the Developer has applied to the County to subdivide said real property and for approval of a clustered development on said property consisting of 127 single family residential units equaling 127 Equivalent Residential Units (hereinafter "the Project"); and

WHEREAS, the Project is more fully described in a Plat entitled " " on file at the Wasatch County Recorder's Office (hereinafter "the Plat"), which Plat is incorporated by reference herein.

WHEREAS, the Wasatch County Code requires that the Developer enter into an Affordable Housing Agreement with Wasatch County as a condition of approval of the Project;

NOW THEREFORE, in consideration of the mutual covenants and promises described above and otherwise contained herein, the sufficiency of which is expressly acknowledged by the parties to this agreement, the parties now enter into the following:

AGREEMENT

1. **Incorporation of Recitals:** The Recitals set forth above are incorporated into the body of this Agreement.
2. **Affordable Housing Requirements:** The Wasatch County Code requires that 10% of the Equivalent Residential Units in the Project be affordable housing units, or that the Developer pay to the County a fee-in-lieu to be used to promote affordable housing in Wasatch County. Accordingly, the affordable housing requirement for the Project is 13 affordable housing units, or an equivalent fee-in-lieu.

E 253060 B 0600 P 0738

3. **Developer's Obligations:** Developer agrees to meet the foregoing affordable housing requirement as follows:

- a. **Conversion of Existing Market Rate Units:** Developer shall convert four existing market rate units to affordable housing units and sell said units to qualified buyers as determined by the Wasatch County Housing Authority. These units are located at 211-237 South 600 West in Heber City, Utah. As of the date of this Agreement, these units are available and being marketed to qualified buyers.
- b. **Construction of Off-Site Affordable Housing Units:** Developer shall (1) construct nine affordable housing units on in-fill lots in Heber City located in the area between 600 East and 600 West, and 500 North and 500 and 600 South, which units shall be constructed as Cottage-style homes as defined and regulated by Heber City Ordinance; or (2) acquire, renovate, and convert nine existing market rate residential units in Wasatch County to affordable housing units. Three of these affordable housing units shall be constructed or renovated annually in accordance with the following schedule:

| Number of Affordable Housing Units Renovated or Constructed | Substantial Completion Date |
|---|-----------------------------|
| 3 | January 1, 2003 |
| 3 | January 1, 2004 |
| 3 | January 1, 2005 |

These nine affordable housing units shall range in price from \$110,000.00 to \$160,000.00.

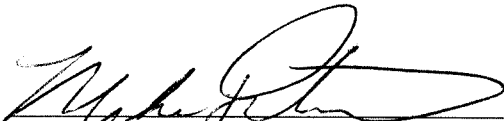
- 4. **Satisfaction of Affordable Housing Requirements:** Performance of the Developer's obligations under this Agreement satisfies the Developer's obligation for affordable housing under the Wasatch County Code as applied to the development of the land described in Exhibit A, and the Project as described above and in the Plat.
- 5. **Remedies:** Failure by the Developer to perform in accordance with this Agreement will constitute failure to satisfy the affordable housing requirements of the Wasatch County Code. In the event of default by the Developer, the County shall have authority to exercise any and all remedies available at law or in equity, including the withholding of building permits for the lots shown on the Plat, to enforce the terms and conditions of this Agreement.
- 6. **Hold Harmless:** Developer agrees to indemnify, defend, and hold harmless (without limit as to amount) the County and its elected officials, officers, employees, and agents acting in their official capacity, from and against all loss, risk of loss, or damage, including reasonable attorney's fees, sustained or incurred because of or by reason of any claim, demand, suit, or cause of action

arising out of or in any manner pertaining to Developer's actions or defaults under this Agreement.

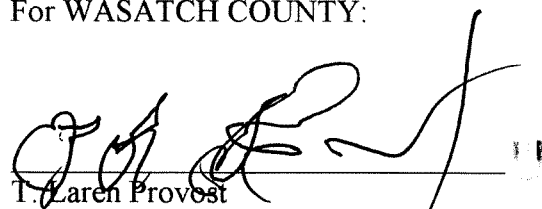
7. **Entire Agreement:** This Agreement constitutes the entire Agreement between the parties, and no modification shall be binding unless reduced to writing and signed by the parties hereto.
8. **Duration of Agreement:** This Agreement shall terminate and become null and void upon the substantial completion of all affordable housing units to be constructed or renovated by the Developer.
9. **Successors:** This Agreement shall run with the land on which the Developer constructs or renovates the required affordable housing units. The Agreement shall be binding upon all successive owners of said land.
10. **Severability:** In the event any provision of this Agreement is held invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall nevertheless remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands this 3 day of January, 2007.

For the DEVELOPER:
Cobblestone Development L.L.C., a
Utah Limited Liability Company:

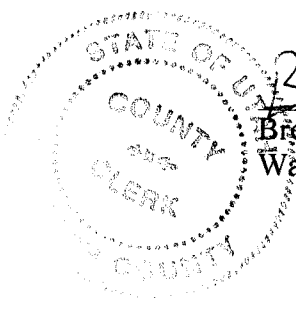

By: Mike Petersen

For WASATCH COUNTY:


T. Laren Provost
Chairman, Wasatch County Board of
County Commissioners.

E 253060 B 0600 P 0740

Attest:



Brent R. Titcomb
Brent Titcomb
Wasatch County Clerk-Auditor

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E 253060 B 0600 P 0741