

**DEVELOPMENT IMPROVEMENTS AGREEMENT  
FOR  
GLENWILD SPECIALLY PLANNED AREA  
PHASE I SUBDIVISION CONSTRUCTION  
(INCLUDES GLENWILD - PHASE I AND GLENWILD - PHASE III)**

This Agreement is made this 18<sup>th</sup> day of September 2000, by and between Summit County, a political subdivision of the State of Utah ("County"), and Grayhawk/DMB Park City LLC, an Arizona limited liability Company ("Developer").

RECITALS:

A. Developer is the owner of certain property situated in the County of Summit, State of Utah, more particularly described in Exhibit "A" attached hereto ("Property"), and which is commonly known as "Glenwild".

B. The Development Agreement for Glenwild Specially Planned Area ("SPA") was approved and adopted by the Summit County Board of County Commissioners on May 8, 2000, pursuant to Summit County Ordinance No. 378, and recorded in the Office of the County Recorder on May 9, 2000 ("Development Agreement"). Approval of the Development Agreement constitutes project approval for Glenwild and provides that the Property be developed in accordance with (i) the Development Agreement, (ii) the Snyderville Basin Development Code (the "Code"), and (iii) the Snyderville Basin General Plan.

C. The Developer desires to develop the Property, and has submitted to the County the following subdivision plats: Glenwild - Phase I and Glenwild - Phase III; showing the proposed subdivision layout for said land. (the "Plats"). The Glenwild Phase I Plat has received final approval of the County, as set forth in the Development Agreement.

D. Developer has submitted to the County construction drawings (Glenwild - Phase I Construction Drawings) prepared by Jack Johnson Company, dated May ,2000, for those improvements being constructed by the Developer in connection with Phase I and Phase III of Glenwild. ("Construction Drawings").

E. The Development Agreement requires the Developer to enter into one or more Development Improvements Agreements, which shall set forth various requirements, conditions and warranties regarding the installation and construction of utilities and the improvements shown on the Construction Drawings.

NOW, THEREFORE, in consideration of the premises and the terms and conditions herein stated and for other valuable consideration, the receipt and sufficiency of which are acknowledged by the parties hereto, it is agreed as follows:

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1. Road Improvements

Developer, at its expense, shall construct all private roads and private road improvements within the Property ("Road Improvements"), in accordance with the plans and specifications of the Construction Drawings. The Developer anticipates the construction of the Road Improvements will be completed in accordance with the schedule set forth in Exhibit B hereto. Developer agrees to install any traffic control signs and street name signs as required by the County. The construction of the roadways shall be subject to inspection and approval by the County Engineer and the reasonable cost of such inspection shall be paid by the Developer, from its inspection fees as outlined in the Summit County Development Code. ("Inspection Fees") Approval by the County shall not be unreasonably withheld or delayed.

2. Sanitary Sewer

The Developer, at its expense, shall construct all the sanitary sewer collection main lines and associated improvements (the "Sewer System") shown on the Construction Drawings. At the request of the Developer, the Snyderville Basin Sewer Improvement District ("SBSID") has entered into two (2) Line Extension Agreements ("LEA") dated April 19, 1999, between Developer and the SBSID to provide for the installation of the Sewer System necessary to connect all lots within the Property to existing sewage collection facilities, whether such mains and associated improvements are actually on the Property, bordering the Property or on other lands, all in accordance with the standard specifications of the SBSID. The Developer anticipates that the installation of the Sewer System shall be completed in accordance with the schedule set forth in Exhibit B hereto. The Developer shall provide a guarantee or other surety to the SBSID for the timely completion of the Sewer System.

3. Water

Developer at its expense, shall construct a water line extension to serve the Property as shown on the Construction Drawings and as provided in the Agreement dated August 18, 1999, between DMB Park City Holdings L.L.C., SCSC, Inc., Willow Spring, LLC., and MJMH20, L.C. The water line shall be constructed in accordance with the schedule set forth in Exhibit B hereto. Developer shall provide an appropriate bond or other surety for the timely completion of the water line extension. County and Developer acknowledge that the water service supplier may become part of the Mountain Regional Water Special Services District.

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4. Electric Power

At the request of the Developer, Utah Power shall engineer and provide for the

installation of all electric distribution lines and facilities required for the Property, and Developer shall pay for such work in accordance with the established charges of Utah Power. The installation of lines and facilities shall be conducted in accordance with the schedule set forth in Exhibit B hereto.

5. Telephone

At the request of Developer, U.S. West Communications shall engineer and provide for the installation of all required telephone lines and facilities required for the Property, and Developer shall pay for such work in accordance with the established charges of U.S. West Communications. The installation of lines and facilities shall be conducted in accordance with the schedule set forth in Exhibit B hereto.

6. Storm Drainage Improvements

Developer, at its expense, shall install all storm sewer lines, detention basins and facilities as described in the Construction Drawings. The installation of such improvements shall be conducted in accordance with the schedule set forth in Exhibit B hereto. All storm drainage improvements shall be subject to inspection and approval by the County Engineer, and the cost of such inspection shall be paid by the Developer from its Inspection Fees.

7. Trails

Developer, at its expense, shall construct those public trails as shown in the Development Agreement. The construction of public trails shall be conducted in accordance with the schedule set forth in Exhibit B attached hereto.

8. Landscaping

Developer, at its expense, shall install landscaping in accordance with the Development Agreement. The installation of such improvements shall be conducted in accordance with the schedule set forth in Exhibit B hereto. All such landscaping is subject to approval by the Community Development Director and such approval shall not be unreasonably withheld or delayed.

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9. Traffic Control

During the construction of any utilities or improvements described herein, Developer shall be responsible for controlling and expediting the movement of vehicular and pedestrian traffic through and around all construction sites and activity.

10. Maintenance and Repair

- (a) Developer agrees that it shall repair or pay for any damage to any existing public improvements damaged during the construction of new improvements. The County shall notify Developer within a reasonable time after discovery of any claim hereunder, and Developer shall have a reasonable period of time within which to repair same.
- (b) At such time as the Developer records the Declaration of Covenants, Conditions and Restrictions in the office of the Recorder of Summit County, Utah, which obligate Glenwild Community Association, Inc. to maintain any private roads within the Property, the Developer shall be released from the obligation and liability to maintain such private roads and to be responsible for the cost of such maintenance.

11. Financial Assurances

To insure Developer's performance under this Agreement, except as otherwise stated in Paragraphs 1 – 10 above, the Developer shall, prior to the commencement of construction of any improvements, provide the County with sufficient security, to ensure completion of the required improvements, in the amount of \$4,437,658.00, as determined in accordance with the Cost Estimates set forth in Exhibit C hereto. The security shall be in the form of either:

- (a) A Letter of Credit drawn upon a state or national bank, which shall: (a) be irrevocable, (b) be of a term sufficient to cover the completion and warranty periods, and, (c) require only that the County present the issuer with a signed draft and a certificate signed by an authorized representative of the County certifying to the County's right to draw funds under the Letter of Credit.
- (b) Establishment of an Escrow Account or Completion Bond with the guarantee that all improvements shall be installed within two (2) years or the account or bond may be called by the County to complete the improvements. Acceptable escrow agents shall be the Summit County Treasurer's Office or other banks or savings institutions which are federally insured.

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This two (2) year deadline may be extended by the County upon showing of sufficient cause. As portions of the improvements are completed in accordance with this Development Improvements Agreement, County regulations, and the approved Site Improvements Plan, the Developer may make application to the County Engineer to reduce the amount of the original letter of credit, cash escrow or completion bond. If the

County is reasonably satisfied that such portion of the improvements has been completed in accordance with County standards, the County shall cause the amount of the letter of credit, cash escrow or completion bond to be reduced by the appropriate amount, so that the remaining amount of the letter of credit, cash escrow or completion bond adequately insures the completion of the remaining improvements while also releasing the funds needed to pay for the completed improvements.

12. Default

If Developer shall default in the performance of Developer's obligation hereunder and shall fail to cure such default within thirty (30) days after receipt of written notice from the County specifying the nature of such default (or if such default cannot be cured within the aforesaid period of time, if the Developer shall fail to promptly commence to cure the same and to thereafter diligently proceed with such cure), then the County shall be entitled to undertake such work as may be necessary and appropriate, to cure such default and the County shall be reimbursed for the reasonable costs thereof either by payment of such costs to cure the default within a reasonable time upon delivery of an invoice to Developer or by obtaining funds under the security.

13. Limitation of Liability

No recourse shall be had for any obligation of or default by Developer under this Agreement or for any claim with respect to this Agreement against any partner, member, owner, manager, employee or joint venturer of Developer or any other creditor or lender of Developer under any rule of law (including, without limitation, the rule of law that general partners and joint venturers are jointly and severally liable for the indebtedness of a partnership or joint venture, as applicable), contractual provision, statute or constitution or otherwise, it being understood that all such liabilities of the partners members, owners, managers, employees or joint ventureres of Developer are to be, by the execution of this Agreement by the County, expressly waived and released as a condition of, and in consideration for, the execution and delivery of this Agreement. Nothing contained herein shall constitute a waiver of any obligation of Developer to the County under this Agreement or shall be taken to prevent recourse to or of the enforcement of any rights of the County as against the security posted by the Developer pursuant to this Development Improvements Agreement.

14. Amendment

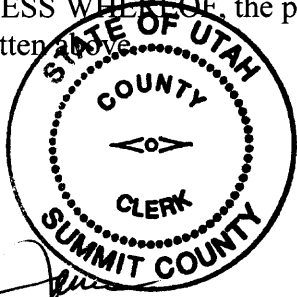
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This Agreement, Exhibit B hereto, and the Construction Drawings referred to herein, may only be amended by written instrument signed by the County and the Developer.

15. Binding Effect

This Agreement and the covenants contained therein shall run with the land and shall be binding upon and shall inure to the benefit of the parties hereto and their successors, heirs and assigns of the property owners; provided that, except as provided in Paragraph 10(b) above, purchasers of residential lots within the Property or any homeowner's association that receives title to any portion of the Property shall not incur any liability hereunder and no person or entity, including any homeowner's association that receives title to any portion of the Property, may claim to be a third party beneficiary of the terms, conditions, or covenants of this Agreement. All existing lien holders shall be required to subordinate their liens to the covenants contained in the Development Improvements Agreement.

IN WITNESS WHEREOF the parties have caused this Agreement to be signed the date and year first written above.



ATTEST:

*[Handwritten Signature]*  
Summit County Clerk

APPROVED:

COUNTY OF SUMMIT, UTAH

By: *[Handwritten Signature]*  
Board of Summit County Commissioners

APPROVED AS TO FORM:

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*[Handwritten Signature: David L Thomas]*  
Deputy County Attorney

ACCEPTED:

By: *[Handwritten Signature]*  
Grayhawk/DMB Park City LLC  
By its *[Handwritten Signature]*

STATE OF UTAH            )  
                                  ss.  
COUNTY OF SUMMIT    )

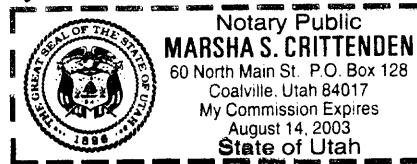
The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of Sept., 2000, by Patrick Cones Chairman of the Board of County Commissioners of Summit County, Utah and by Kent Jones as Clerk of the County of Summit, Utah.

WITNESS my hand and official seal.

Marsha S. Crittenden  
Notary Public

My Commission expires:

STATE OF UTAH            )  
  SS.  
COUNTY OF SUMMIT    )



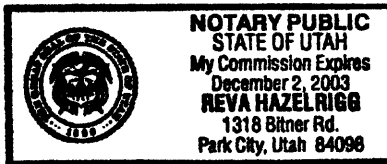
The foregoing instrument was acknowledged before me this 18 day of September, 2000, by John O'Connell the Vice President of Grayhawk/DMB Park City, L.L.C..

WITNESS my hand and official seal.

Reva Hazelrigg  
Notary Public

My Commission expires:

12/02/03



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