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DOC # 20130011088

Trust Deed Page 1 of 22
Russell Shirts Washington County Recorder
03/26/2013 11:10:59 AM Fee \$ 0.00
By, IVINS CITY

WHEN RECORDED MAIL TO:

Kari Jimenez
Ivins City Recorder
55 North Main
Ivins, UT 84738

APN: I-SB-46

TRUST DEED

2-13-29C / accom.

THIS TRUST DEED is made this 22 of March, 2013, between **R.T. Marten and Kayenta Development, Inc., a Utah Corporation** as Trustors, whose address is 800 N. Kayenta Pkwy, Ivins, UT 84738

Dixie Title Company as Trustee, and

Ivins City, a municipality and political subdivision of the State of Utah, as beneficiary.

Trustor hereby CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described property situated in Washington, UT.

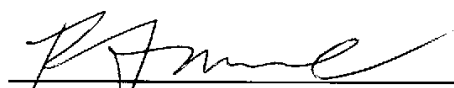
See Attached Exhibit "A" Legal Description and Attached Exhibit "B" Requirements from Ivins City

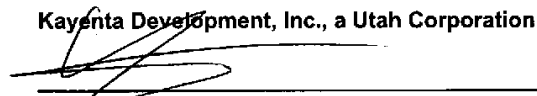
Together with all buildings, fixtures and improvements thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges, and appurtenances thereunto now or hereafter used or enjoyed with said property, or any part thereof;

FOR THE PURPOSE OF SECURING payment of the indebtedness evidenced by the attached agreement, in the principal sum of ~~\$458,708.00~~ ^{64 429,944} payable to the order of the Beneficiary at the times, in the manner and with interest as therein set forth, and payment of any sums expended or advanced by the Beneficiary to protect the security hereof.

Trustor agrees to pay all taxes and assessments on the above property, to pay all charges and assessments on water or water stock used on or with said property, not to commit waste, to maintain adequate fire insurance on improvements on said property to pay all costs and expenses of collection (including Trustee's fees in event of default in payment of the indebtedness secured hereby) and to pay reasonable Trustee's fees for any of the services performed by Trustee hereunder, including a reconveyance hereof.


The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address herein before set forth.

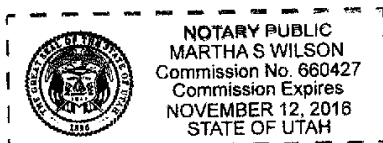

R.T. Marten, Individually

Kayenta Development, Inc., a Utah Corporation

Lance Anderson, President

STATE OF UTAH)
 :SS
COUNTY OF Washington)

ON THE 22 DAY OF MARCH, 2013 PERSONALLY APPEARED BEFORE ME, LANCE ANDERSON, WHO BEING DULY SWORN DID SAY THAT HE IS THE PRESIDENT OF KAYENTA DEVELOPMENT, INC., A UTAH CORPORATION AND THAT THE WITHIN AND FOREGOING INSTRUMENT WAS SIGNED IN BEHALF OF SAID CORPORATION BY AUTHORITY OF A RESOLUTION OF ITS BOARD OF DIRECTORS AND SAID LANCE ANDERSON DULY ACKNOWLEDGED TO ME THAT SAID CORPORATION EXECUTED THE SAME AND THAT THE SEAL AFFIXED IS THE SEAL OF SAID CORPORATION.


NOTARY PUBLIC



STATE OF UTAH)
 :SS
COUNTY OF Washington)

ON MARCH 21, 2013. PERSONALLY APPEARED BEFORE ME, R.T. MARTEN, THE SIGNER OF THE WITHIN INSTRUMENT, WHO DULY ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME.

Martha S. Wilson
NOTARY PUBLIC

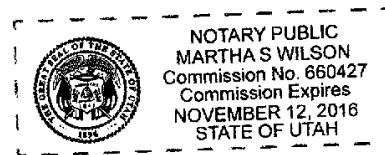


EXHIBIT "A"

Account Number 0244148

Parcel Number I-SB-46

Tax District 04 - Ivins Town

Situs ,

Acres 35.95

Legal Subdivision: ST GEO & SANTA CLARA BICS BLK 18 (I) BEG S 1.98 CHS FM
NW COR LOT 2 BLK 18 SG&SC BENCH IRRIG CO SURVTH N 12.12 CHS TH E
20.14 CHS TH S 20.30 CHS TH W 8.76 CHS TH N 54*30' W 14.20 CHS ALG HWY TO
BEG

WHEN RECORDED, MAIL TO:

KARI JIMENEZ
IVINS CITY
55 NORTH MAIN
IVINS, UT 84738

APN: I-6-1-30-321; I-6-1-30-322; I-6-1-30-325; I-6-1-30-33112; I-6-1-30-33221; I-6-1-30-320; I-6-1-31-4410-1; I-6-1-31-4410-2; I-6-1-31-4421; I-6-1-31-4420; I-6-1-31-412; I-6-1-31-41010

Memorandum of Understanding For Development of Small Diameter Gravity Sewer System in Taviawk

This Memorandum of Understanding ("MOU") is entered into as of this 22nd day of March, 2013, ("Effective Date") by and between **KAYENTA DEVELOPMENT, INC.**, ("Developer"), the developer and owner of certain real property located in Ivins City, Washington County, Utah, and **IVINS CITY**, a municipality and political subdivision of the State of Utah ("City").

RECITALS

1. Although the City currently prefers a conventional gravity sewer collection system for all subdivisions, including the Taviawk area of Kayenta, the City considers the Small Diameter Gravity Sewer System (SDGS) to be a reasonable alternative for the future wastewater collection system for the Kayenta area west of the Kayenta Wash and north of the Taviawk Wash.
2. Developer believes the SDGS system to be the best alternative for future wastewater collection in the Taviawk area of Kayenta, and perhaps all of the Kayenta developments where a conventional gravity sewer system is not yet located, and is willing to take on the associated risks to install the SDGS system in the Taviawk area and to provide to the City all data necessary to evaluate the performance of such a system over a three year period.
3. Taviawk Phases 8 and 9 are both currently served with a low pressure sewer system with individual pumps on each property to deliver wastewater up the streets to the conventional gravity system in Taviawk Drive and, as per the existing development agreement, this system is temporary and shall be replaced with a conventional gravity sewer system that would connect into the Ivins City system at 200 North and 600 West in accordance with the terms of the development agreement.
4. The purpose of this MOU is to set forth terms for establishing an evaluation period of a SDGS system for existing lots in Taviawk Phases 8 and 9 and for any future phases in the Taviawk area west of Taviawk Drive.
5. The evaluation period will determine whether the performance of the SDGS system is, in fact an acceptable alternative to the conventional gravity sewer collection system for the Taviawk area of Kayenta.

AGREEMENT

The Parties hereby agree as follows:

1. Definitions:
 - a. Septic Tank Effluent: Wastewater that has been processed through an onsite septic tank which removes the majority of solids from the wastewater. This water has a lower potential to cause clogging in a collection system.
 - b. Septic Tank Effluent Gravity (STEG) System: A sewer system where each individual property has a septic tank and filter that provides onsite pretreatment of wastewater which removes most suspended solids prior to discharging into a small diameter sewer collection system that conveys the wastewater to a centralized treatment location.
 - c. Septic Tank Effluent Pumping (STEP) System: Equivalent to the STEG system except that the system is located at an elevation below the hydraulic grades in the sewer collection system such that a pump would be required to push the septic tank effluent into the small diameter sewer collection system.
 - d. Small Diameter Gravity Sewer (SDGS) System: A sewer collection system that conveys septic tank effluent from STEG, STEP or a combination of the systems such that effluent will flow by gravity from the tanks to a centralized treatment system. Cleanouts are used to provide access for flushing and manholes are not required.
 - e. Conventional Gravity Sewer System: A sewer collection system where wastewater is discharged directly to a free flowing gravity sewer system consisting of minimum pipe sizes of 8-inches in diameter, installed on a minimum slope and cleanout manholes placed at a maximum distance of 400 feet. This system is the predominant sewer collection system for Ivins City.
2. Developer will install the SDGS system with all necessary components to accommodate maximum ease of maintenance and odor control connecting to the City collection system at 200 North and 600 West.
3. A note shall be added to all future plats of affected properties indicating that there are special maintenance requirements for the sewer system. Developer will also provide information for the proper operation and maintenance of STEP/STEG systems to all purchasers of affected lots sold by Developer.
4. The City will maintain the SDGS system upon completion and acceptance up to the point of connection of individual laterals.

5. All individual lot laterals, pumps, filters, and septic tanks shall be maintained by the lot owner or assignee.
 - a. Property owners shall install the system with electronic monitoring equipment with an alarm notification system (flashing light and or buzzer) and the ability for electronic messaging via phone, email, fax, text message or equivalent or the ability to add such a feature with minimal additional cost.
 - b. Property owners with a STEP or STEG system shall provide annual documentation to the City demonstrating proper maintenance of septic tanks, filters, pumps and laterals.
 - c. The City may require that a qualified professional take over maintenance of all septic tanks, filters, pumps and laterals to assure proper care.
 - d. All property owners shall pay to the City full amounts for sewer fees and monthly rates.
6. Developer will meet all regular bonding requirements for subdivision development excluding the sanitary sewer improvement portion of the bond which will be covered by a supplementary bond.
7. Requirements for the supplementary bond are set forth as follows:
 - a. The purpose of the supplementary bond is for the case where, after the three year evaluation period, the City rejects the SDGS system and requires installation of a conventional gravity sewer system.
 - b. Ivins City will accept as the supplementary bond for the three year evaluation period an interest in land evidenced by a recorded Deed of Trust naming the City as beneficiary to meet the required bonding. The amount of the Deed of Trust shall be as set forth below and shall be increased, or additional Deeds of Trust recorded, as additional SDGS systems are installed during the three year test period.
 - c. The amount of the bond shall be 100 percent of the cost to abandon the SDGS system and install the conventional system including asphalt repair costs and lateral reconnection costs. The bond does not include the cost to bypass septic tanks which would be done at an option to the property owner.
 - d. The bond shall also include an additional 25 percent amount to cover retention of bonding during the one year warranty period of the improvements.
 - e. Approval of supplementary bonding amounts will follow the same processes for approval of subdivision bonding.

8. At the end of the three year evaluation period:
 - a. If the City fully accepts the SDGS system, the supplementary bond shall be released back to Developer, unless there are portions of sanitary sewer that are still under construction or covered by the one year warranty period with the supplementary bond.
 - b. If the City rejects the SDGS system, Developer will abandon the SDGS system and install a conventional system at no cost to the City. The City will release its interest in the land bond up to 100 percent of the improvement cost while maintaining the 25 percent warranty portion of the bond for one year after initial acceptance of the conventional system.
9. This agreement will initially be used in the Taviawk Phase 9-I subdivision but may be used for any applicable Taviawk subdivision.
10. The purpose of this agreement is to supplant the requirement of a conventional gravity sewer system to allow a three year evaluation period for a SDGS system. The evaluation period shall be used to evaluate whether the system is a viable alternative in our area to a conventional system.
11. At the end of the three year evaluation period, the Developer shall provide the following information to the City to aid in the evaluation of the SDGS system:
 - a. Data for all individual septic tanks effluent systems including the following information:
 - i. Date septic tank was placed in service.
 - ii. Septic tank capacity in gallons
 - iii. Septic tank material and number of chambers
 - iv. Home data including – square footage, number of bed rooms, average number of occupants during service period, and percentage of time occupied (for second homes).
 - v. Type of filter (brand and model)
 - vi. Brand, model number and size of pump (if applicable)
 - vii. Description of electronic alarm system (brand, model and communication features)
 - b. Measured depth of solids retained in the septic tank.
 - c. Survey of residents owning the system whereby:

- i. Developer shall make reasonable attempt to reach all owners with an obligation to reach at least 75 percent.
 - ii. Survey shall at the minimum evaluate the property owners understanding of the operation and maintenance requirements, identify if any problems were encountered during the evaluation period, indicate what was done to cure any problems that may have occurred, and allow the property owner to evaluate his or her satisfaction with the system during the evaluation period.
- 12. The City will accept the SDGS system as a viable alternative if the summation of all operations and maintenance costs are equal to or less than a conventional gravity sewer system and the performance of the SDGS system has been proven to be as viable as or better than a conventional gravity sewer system as determined by:
 - a. The system has adequate capacity to convey waste water.
 - b. The system does not cause an odor control problem in the downstream collection system.
 - c. The system does not increase the generation of sulfide gases and thus decrease the life cycle of concrete manholes in the downstream collection system.
 - d. The system does not place undue burden on the property owner or Ivins City Public Works to keep the system in working conditions.
- 13. Any legal action brought to interpret or enforce this MOU shall be brought in the Fifth Judicial District Court in and for Washington County, State of Utah.
- 14. This MOU constitutes the proposed resolution between the Parties with respect to the use and testing of the SDGS system in the Taviawk area of Kayenta. Each of the Parties hereto acknowledges that no representations or promises not expressly contained in this MOU have been made by any Party or by the agents or representatives of any Party.
- 15. The Parties acknowledge and represent that they have full authority and approval (including City Council approval) to execute this MOU and to bind the Parties and entities represented herein.
- 16. If a court of competent jurisdiction finds any provision of this MOU unenforceable, the remaining portions of the MOU shall remain in full force and effect as though the offending portion were not included.
- 17. The terms and conditions of this MOU shall be binding upon the heirs, successors and assigns of the Parties hereto.
- 18. This agreement shall run with the land for the Taviawk subdivisions and any and all land pledged as security for the three year test period of the SDGS system.

19. This MOU may not be amended except by written agreement signed by the Parties.

IVINS CITY:

By: Chris Hart
Chris Hart, Mayor



Attest:

Kari Jimenez
Kari Jimenez, Ivins City Recorder

DEVELOPER:

[Signature]
KAYENTA DEVELOPMENT, INC.

STATE OF UTAH)

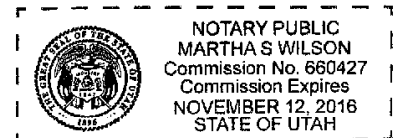
ss.

COUNTY OF WASHINGTON)

On this 22 day of March, 2013, before me personally appeared CHRIS HART and KARI JIMENEZ whose identities are personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that they are respectively the Mayor and Recorder of **Ivins City**, and that the foregoing document was signed by them by authority, and they acknowledged before me that Ivins City executed the document and the document was the act of Ivins City for its stated purpose.

Martha S. Wilson
Notary Public

STATE OF UTAH)
ss.
COUNTY OF)



On the 22 day of March, 2013, personally appeared before me LANCE ANDERSON, PRESIDENT OF KAYENTA DEVELOPMENT, INC., whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that KAYENTA DEVELOPMENT, INC. is an Owner/Developer of the Taviawk XI and XII Subdivisions and that the foregoing document was signed by him/ by authority, and he/she acknowledged before me that he/she executed the document for its stated purpose.

Martha S. Wilson
Notary Public

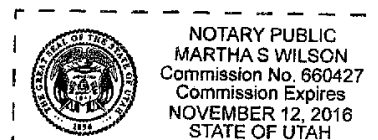


EXHIBIT "A"

Legal Description for the Property

TAVIAWK PHASE 11 AND 12

BEGINNING AT A POINT NORTH 01°22' 24" EAST 137.33 FEET ALONG THE SECTION LINE AND SOUTH 88°44' 09" EAST 2,403.51 FEET ALONG THE SECTION LINE FROM THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 41 SOUTH, RANGE 17 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 81° 14' 35" WEST 127.14 FEET; THENCE SOUTH 63° 26' 54" WEST 139.74 FEET; THENCE SOUTH 57° 54' 47" WEST 156.89 FEET; THENCE SOUTH 60° 51' 57" WEST 163.76 FEET; THENCE SOUTH 66° 32' 53" WEST 167.82 FEET; THENCE SOUTH 72° 04' 11" WEST 179.77 FEET; THENCE SOUTH 86° 32' 06" WEST 242.81 FEET; THENCE SOUTH 02° 21' 27" WEST 42.08 FEET; THENCE NORTH 88° 55' 31" WEST 131.65 FEET; THENCE SOUTH 41° 12' 22" WEST 140.50 FEET; THENCE SOUTH 47° 15' 05" WEST 94.64 FEET; THENCE SOUTH 88° 00' 43" WEST 140.07 FEET; THENCE SOUTH 01° 21' 13" WEST 688.91 FEET; THENCE NORTH 88° 51' 27" WEST 1297.20 FEET; THENCE NORTH 81° 07' 39" WEST 38.00 FEET TO A POINT ON A 2119.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS SOUTH 81° 07' 39" EAST); THENCE ALONG THE ARC OF SAID CURVE 373.49 FEET THROUGH A CENTRAL ANGLE OF 10° 05' 56" TO A POINT ON A 5019.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 640.59 FEET THROUGH A CENTRAL ANGLE OF 07° 18' 46" TO A POINT ON A 1519.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 38.80 FEET THROUGH A CENTRAL ANGLE OF 01° 27' 49"; THENCE SOUTH 62° 15' 08" EAST 38.00 FEET TO A POINT ON A 1481.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS SOUTH 62° 15' 08" EAST); THENCE ALONG THE ARC OF SAID CURVE 853.04 FEET THROUGH A CENTRAL ANGLE OF 33° 00' 07"; THENCE NORTH 60° 44' 58" EAST 155.10 FEET; THENCE NORTH 60° 44' 58" EAST 111.03 FEET TO A POINT ON A 2981.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 302.81 FEET THROUGH A CENTRAL ANGLE OF 05° 49' 12"; THENCE NORTH 66° 34' 11" EAST 338.06 FEET; THENCE NORTH 66° 34' 11" EAST 170.70 FEET; THENCE SOUTH 24° 05' 56" EAST 11.10 FEET TO A POINT ON A 20.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS SOUTH 23° 29' 35" EAST); THENCE ALONG THE ARC OF SAID CURVE 28.65 FEET THROUGH A CENTRAL ANGLE OF 82° 04' 34"; THENCE SOUTH 31° 25' 01" EAST 292.02 FEET TO A POINT ON A 20.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 32.06 FEET THROUGH A CENTRAL ANGLE OF 91° 50' 42"; THENCE SOUTH 29° 30' 25" EAST 35.00 FEET; THENCE NORTH 60° 29' 35" EAST 174.29 FEET TO A POINT ON A 20.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 30.85 FEET THROUGH A CENTRAL ANGLE OF 88° 22' 43"; THENCE SOUTH 31° 06' 56" EAST 53.49 FEET TO A POINT ON A 20.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 16.41 FEET THROUGH A CENTRAL ANGLE OF 47° 00' 40" TO A POINT ON A 35.00 FOOT RADIUS CURVE TO THE LEFT; THENCE ALONG THE ARC OF SAID CURVE 93.76 FEET THROUGH A CENTRAL ANGLE OF 153° 29' 14"; THENCE SOUTH 15° 42' 49" EAST 113.89 FEET; THENCE SOUTH 12° 22' 42" EAST

141.94 FEET; THENCE SOUTH 01° 16' 02" WEST 196.31 FEET TO THE POINT OF
BEGINNING.

CONTAINING 58.6965 ACRES

TOGETHER WITH PARCELS I-6-1-30-321 AND I-6-1-30-322

TOTAL AREA = 59.9595 ACRES

EXHIBIT "B"

WHEN RECORDED, MAIL TO:

KARI JIMENEZ
IVINS CITY
55 NORTH MAIN
IVINS, UT 84738

APN: I-6-1-30-321; I-6-1-30-322; I-6-1-30-325; I-6-1-30-33112; I-6-1-30-33221; I-6-1-30-320; I-6-1-31-4410-1; I-6-1-31-4410-2; I-6-1-31-4421; I-6-1-31-4420; I-6-1-31-412; I-6-1-31-41010

**MASTER PLAN / DEVELOPMENT AGREEMENT
FOR THE TAVIAWK XI & XII SUBDIVISION PROJECTS
IVINS CITY, WASHINGTON COUNTY, UTAH**

This Development Agreement ("Agreement") is entered into as of this 22nd day of March, 2013, by and between **KAYENTA DEVELOPMENT, INC.**, ("Owner / Developer"), the developer and owner of certain real property located in Ivins City, Washington County, Utah, on which they propose to develop a project known as the Taviawk XI and XII Subdivisions (the "Project"), and **IVINS CITY**, a municipality and political subdivision of the State of Utah, by and through its City Council ("City").

RECITALS

A. Developer is the owner of approximately 59.96 acres of real property located in Ivins City, Washington County, Utah, the legal description of which is set forth on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"), on which it proposes the development of a certain subdivision known as the Taviawk XI and XII Subdivisions consisting of 82 single family residential lots, as more fully reflected on Exhibit "B" attached hereto and incorporated herein.

B. The Project shall be developed in multiple phases, with each phase to begin shortly after receipt of all necessary approvals. Phasing for the Project is set forth herein.

C. Developer acknowledges that it must comply with all City development standards and ordinances, including applicable zoning and subdivision ordinances, fencing regulations, design guidelines, and design & construction standards, as well as the standards and specifications set forth and/or incorporated herein.

D. This Development Agreement is intended to set forth the entire agreement between the Developer and the City regarding the development of the Project.

E. Ivins City, acting pursuant to authority under The Municipal Land Use, Development, and Management Act (U.C.A. §§10-9a-101 et. seq., as amended from time to time, hereinafter the "Act"), and in furtherance of its land use policies, goals, objectives, ordinances, resolutions, and regulations has made certain determinations with respect to the proposed Project and, in the exercise of its legislative discretion, has elected to approve this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, Developer and Ivins City hereby agree as follows:

- (1) Recitals; Findings. The foregoing recitals are incorporated and made an integral part of this Agreement by this reference. The City finds that the development of the Property pursuant to this Agreement and applicable City ordinances will result in meaningful planning and economic benefits to, and shall further the health, safety and welfare of, the City and its residents by, among other things: (i) requiring development of the Property in a manner consistent with the applicable

rules, regulations and policies of the City; (ii) providing for the dedication of infrastructure improvements to be completed as set forth herein and/or as consistent with current State or City regulations; and (iii) preserving the natural beauty and view of the surrounding environment through agreed upon construction materials and building height limitations. The City is entering into and approving this Agreement pursuant to its authority under the Act and City ordinances, policies and regulations and has made certain determinations with respect to the Property and, in the exercise of its legislative discretion, has elected to approve this Agreement as an agreement, compromise, and settlement as to the matters covered by this Agreement.

- (2) Project Phasing. The development of the multiple phases of the Project shall be governed as follows:
- (a) The final plat for at least one Subdivision Phase shall be recorded every two (2) years, with the first Subdivision Phase final plat to be recorded within two (2) years from the approval date of this Development Agreement and all of the Subdivision Phase final plats shall be recorded within twenty (20) years from the approval date of this Development Agreement.
 - (b) Before a final plat for any Subdivision Phase can be recorded, paved dual access roads shall either be fully installed or bonded for, except for lots served by cul-de-sacs in which case the entrance to the cul-de-sac shall have paved dual access; before the first Certificate of Occupancy can be issued for a home in any Subdivision Phase, the required paved dual access roads must be fully installed and all improvements completed for that Phase.
 - (c) Also for any Subdivision Phase through which there is a right-of-way that is to be vacated, the statutory process for vacating the right-of-way must be completed before that Subdivision Phase can be recorded.
- (3) Project Plans; Development Pursuant to this Agreement.
- (a) Project Plans. The Project Preliminary Plans previously approved and the Final Plats to be approved, as well as any exhibits attached hereto (collectively the "Project Plans"), are integral parts of this Agreement. The City's approval of the Project is based upon the City's reliance that the Project will be developed in accordance with the standard and quality of improvements, unit densities, dedication of easements, roadways, and other improvements, as represented in the Project Plans and this Agreement.
 - (b) Development Guidelines. The following development guidelines shall be part of the Project Plans:
 - (i) Exterior materials shall only be stucco, stone, brick, exposed concrete or concrete block;
 - (ii) All exterior colors shall be limited to subdued earth tones, similar to those colors found in existing Taviawk homes;
 - (iii) No metal or vinyl siding shall be allowed, however metal detailing and accent may be on a case by case basis, i.e. copper, rusted steel patina;
 - (iv) All reflective exterior surfaces or materials shall be treated to reduce reflective glare;
 - (v) All exterior lighting shall be shielded and low level;
 - (vi) All fencing within or around the Project shall be colored masonry, rock stucco finish and exposed colored concrete throughout the Project; and
 - (vii) All roofing shall be such material as those familiar to roof currently found in Taviawk.
 - (c) Development. Upon execution of this Agreement by the City, the Developer is authorized to develop the Property as set forth in this Agreement and in accordance with the types, densities and intents of the land uses set forth in the Project Plans and this Agreement.

- (4) Construction Standards on Project. All improvements in the Project shall be installed in accordance and consistent with the Project Preliminary Plans, approved Final Plats, approved construction drawings, exhibits referred to herein, and with Ivins City Design and Construction Standards and all other governmental and regulatory standards. All fencing in the Project must comply with the City fencing ordinances and regulations. Lighting in the Project shall be in accordance with current City lighting ordinances and regulations or with the lighting plan included with the Project Plans, whichever is more strict.
- (5) Developer Provided Municipal/Public Improvements.
- (a) Improvements. The Developer shall install, construct, and complete the following municipal/public improvements as set forth in and contemplated by the Project Plans (the "Developer's Municipal Improvements"), all such improvements to be constructed in a good and workmanlike manner and in accordance with applicable regulations and governmental standards and within the time periods for development set forth herein or as otherwise agreed to by the City:
- (i) Water Distribution System. All pipes, valves, fittings, pressure reducing valve stations, air release valves, and other distribution facilities within the Property for the purpose of distributing water within the Property.
- (ii) Sewer System. A conventional gravity sewer system shall be required and bonded for to service all lots within the Project and sized to accommodate potential future sewer flows from adjacent properties; however, in lieu thereof, an alternative sewer system may be installed pursuant to the Memorandum of Understanding for Development of Small Diameter Gravity Sewer System in Taviawk.
- (iii) Water Drainage. Developer shall install all necessary water drainage improvements per drainage study. Roadside treatments must be armored unless drainage study shows low erosive conditions (velocities less than 2f.p.s.) in a 10 year flood event.
- (iv) Roads. Developer shall install roads per approved plans in accordance with the City's 2008 Transportation Master Plan as currently amended. Developer shall be allowed to cut roads to grade and then submit construction plans for approval prior to construction. Developer shall have the flexibility to build roads after approval of construction plans but prior to Final Plat approval so long as: a) the road alignments have been determined by an approved Preliminary Plan; and b) an approved Development Agreement allows this flexibility.
- (v) Landscaping. Landscaping in all open space areas that are to be dedicated to the City (excluding those sensitive lands that are to remain unimproved) shall be installed in accordance with plans approved by, and consistent with the requirements of, the Parks and Recreation Department and all plants shall be of the type on the City's approved plant list.
- (vi) Erosion Controls. Developer shall not start grading roads without a storm water pollution prevention plan including the site specific erosion control plan as required by federal, state, and local laws. Developer shall also procure a Notice of Intent to discharge storm water associated with construction activities under the UPDES General Permit No. UTR300000. Developer shall satisfy all requirements of the permit including performance of documented periodic inspections. The permit shall remain open and renewed on an annual basis until the project site is stabilized.
- (b) Warranty Period. Pursuant to Section 16.05.906 of the Ivins City Subdivision Ordinance, the warranty period for public improvements shall commence on the date that all city required improvements associated with the development have been completed to the satisfaction of the

City and a final inspection thereof has been made approving the same. The warranty period shall commence at that date and shall continue for one (1) year thereafter for all improvements. If any deficiencies are found by the City during the warranty period in materials or workmanship, the developer shall promptly resolve such defects or deficiencies and request the City Engineer to re-inspect the improvements. If the defective or deficient improvements are not corrected, the City will give notice to the developer of the action to file on the security agreement for completion of the improvements. At the end of the one (1) year period, as applicable, the developer shall request the City staff to make a final warranty period inspection of all improvements. If the City Engineer verifies that the improvements are acceptable, the remaining security posted by the developer under the security agreement shall be released.

(c) Costs Associated with the Developer's Municipal/Public Improvements.

(i) Construction Costs. The Developer will pay all costs and all associated expenses to install, construct, and complete the Developer's Municipal/Public Improvements. If this Agreement makes no provisions for the City to provide, pay or reimburse Developer for any Municipal Improvements installed by Developer as anticipated in the construction drawings or in this Agreement, the City is not responsible for any such costs and Developer specifically waives any claims against the City therefor.

(ii) Maintenance Costs. Until such time as a particular component of Developer's Municipal/Public Improvements is dedicated to and accepted by the City, and standard maintenance thereof is assumed by the City, the Developer shall maintain, at its cost, such component of Developer's Municipal/Public Improvements.

(d) Inspection and Dedication of Developer's Municipal/Public Improvements. Upon completion of the Developer's Municipal/Public Improvements ("Offered Improvements"), the City shall inspect the Offered Improvements within a reasonable time after receipt of written notice from the Developer that such Offered Improvements are complete. The City shall approve and accept for dedication the Offered Improvements so long as they are constructed in accordance with the City's adopted standards therefor, as verified by the City's inspection. Following completion of the Offered Improvements, and the City's inspection and acceptance thereof, the City shall thereafter own, operate and maintain the Offered Improvements without charge or cost to the Developer, excepting that usual warranty bonding shall be provided to the City by the Developer.

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

(f) Fencing and Lighting. All fencing in the Project must comply with City fencing ordinances and regulations. Lighting in the Project shall be in accordance with current City lighting ordinances and regulations or with the lighting plan included with the Project Plans, whichever is more strict.

(g) Washington County HCP Land Use Restrictions. Developer acknowledges that a portion of the project is located within the Red Cliff Desert Reserve and Developer agrees to the following land use restrictions: a maximum overall density of one unit per acre; minimized surface disturbance during development; retention of native vegetation and restrictions on exotic plant materials; firefighting will be allowed; and no grazing will be allowed in desert

tortoise habitat. Developer also acknowledges that a portion of the project is located within the incidental take area of the HCP, thus at least seven days prior to any land clearing activities commence, the HCP administrator shall be notified to provide the HCP administration the ability to remove any tortoises or burrows.

- (h) Documentation Supporting Provisions Herein. If the City determines that any provision of this Agreement requires a separate (recordable or otherwise) document/agreement to protect or clarify the City's rights pursuant to the intent of the parties under this Agreement, both parties shall cooperate in preparing and completing such documents.
- (6) Reserved Legislative Powers. Nothing in this Agreement shall limit the future exercise of the police power by Ivins City in enacting zoning, subdivision, development, transportation, environment, open space, and related land use plans, policies, ordinances, and regulations after the date of this Agreement.
- (7) Subdivision Plat Approvals and Compliance with City Design and Construction Standards. Developer expressly acknowledges and agrees that nothing in this Development Agreement shall be deemed to relieve Developer from the obligation to comply with all applicable requirements of Ivins City necessary for approval and recordation of subdivision plats for the Project, including the payment of fees and compliance with all other applicable ordinances, resolutions, regulations, policies and procedures of Ivins City, including but not limited to, the Ivins City Subdivision Ordinance and Standards and Specifications for Design and Construction.
- (8) Bonding for Improvements. Developer shall comply with all bonding for completion, restoration and guarantee of improvements requirements of Ivins City. Specifically, as a condition of recording of any Final Plat for the Project, Developer shall provide the following bonds, or equivalent security as allowed by Ivins City ordinances:
- (a) Completion of all Improvements or Completion Security. If the Developer does not complete all improvements prior to recordation of the Final Plat for any phase of the Project, a completion bond shall be provided to the City as required by the Ivins City Subdivision Ordinance. Such completion bond will be in the amount of 125% of the City engineer's estimated cost for applicable construction costs of the improvements. The security must be in a form acceptable to the City.
- (b) Restoration Bond. If the Developer intends to install improvements rather than provide a completion bond, the Developer must provide a restoration bond to the City as required by the Ivins City Subdivision Ordinance. (If a completion bond is not provided, plat recording may not occur until all improvements are installed and approved by the City.)
- (c) Warranty Security. At the completion of the improvements for which completion security is required, Developer shall provide the City with a warranty bond or other form of security, as required by the Ivins City Subdivision Ordinance, in the amount of 25% of the estimated construction costs referred to above. The security must be in a form acceptable to the City.
- (d) Application. In case of any discrepancy between the bonding/security provisions in this Agreement and the City's subdivision ordinance provisions regarding bonding/security, the provision providing greater protection to the City (as such is determined by the City) shall be applicable.
- (9) Agreement to Run with the Land. This Agreement shall be recorded against the Property described in Exhibit "A" attached hereto and shall be deemed to run with the land and shall be binding on all successors and assigns of Developer in the ownership or development of any portion of the Property. Additionally, Developer shall provide appropriate notes upon the Final Plat prior to recordation giving notice of the primary provisions of this Agreement.
- (10) Assignment. Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned to any other party, individual or entity without assigning the rights as well as the

responsibilities under this Agreement and without the prior written consent signed by the Mayor with the approval of the City Council, which consent shall not be unreasonably withheld.

- (11) Binding Effect. All of the provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. However, in the event Developer fails to proceed in a timely fashion resulting in the revocation or loss of Final Plat or Preliminary Plan approvals for the Project, the City may terminate this Agreement and require a new Development Agreement as part of any future approval process.
- (12) No Joint Venture, Partnership or Third Party Rights. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the Developer and the City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.
- (13) Integration. This Agreement contains the entire Agreement with respect to the subject matter hereof and integrates all prior conversations, discussions or understanding of whatever kind or nature and may only be modified by a subsequent writing duly executed by the parties hereto.
- (14) Severability. If any part or provision of this Agreement shall be determined to be unconstitutional, invalid or unenforceable by a court of competent jurisdiction, then such a decision shall not affect any other part or provision of this Agreement except that specific provision determined to be unconstitutional, invalid or unenforceable. If any condition, covenant or other provision of this Agreement shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.
- (15) Previous Agreements. Except as otherwise expressly provided herein, this Agreement is the exclusive agreement of the parties and replaces and supersedes all prior agreements between the parties pertaining to this Project.
- (16) Miscellaneous.
 - (a) Legal Fees. Should any party default in any of the covenants or agreements herein contained, that defaulting party shall pay all costs and expenses, including a reasonable attorney's fee, which may arise or accrue from enforcing this Agreement or in pursuing any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise. This obligation of the defaulting party to pay costs and expenses includes, without limitation, all costs and expenses, including a reasonable attorney's fee, incurred on appeal and in bankruptcy proceedings.
 - (b) Survival. It is expressly agreed that the terms, covenants and conditions of this Agreement shall survive any legal act or conveyance required under this Agreement.
 - (c) Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.
 - (d) Plat Notes. Primary provisions of this Agreement, as determined by the City, shall be included as notes on any Final Plat of the Project, as well as incorporated into the Project Restrictive Covenants documents.

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

//

IVINS CITY:

By: Chris Hart
Chris Hart, Mayor



Attest:

Kari Jimenez
Kari Jimenez, Ivins City Recorder

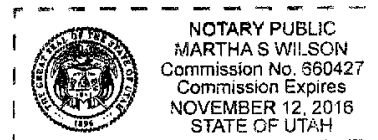
DEVELOPER/OWNER:

Kayenta Development, Inc.
KAYENTA DEVELOPMENT, INC.

STATE OF UTAH)
ss.
COUNTY OF WASHINGTON)

On this 22 day of March, 2013, before me personally appeared CHRIS HART and KARI JIMENEZ whose identities are personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that they are respectively the Mayor and Recorder of **Ivins City**, and that the foregoing document was signed by them by authority, and they acknowledged before me that Ivins City executed the document and the document was the act of Ivins City for its stated purpose.

Martha S Wilson
Notary Public



STATE OF UTAH)
ss.
COUNTY OF)

On the 22 day of March, 2013, personally appeared before me LANCE ANDERSON, PRESIDENT OF KAYENTA DEVELOPMENT, INC., whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that KAYENTA DEVELOPMENT, INC. is an Owner/Developer of the Taviawk XI and XII Subdivisions and that the foregoing document was signed by him/ by authority, and he/she acknowledged before me that he/she executed the document for its stated purpose.

Martha S Wilson
Notary Public

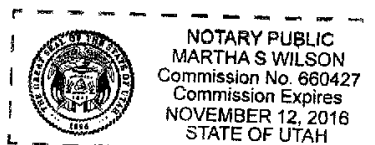


EXHIBIT "A"

Legal Description for the Property

TAVIAWK PHASE 11 AND 12

BEGINNING AT A POINT NORTH 01°22' 24" EAST 137.33 FEET ALONG THE SECTION LINE AND SOUTH 88°44' 09" EAST 2,403.51 FEET ALONG THE SECTION LINE FROM THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 41 SOUTH, RANGE 17 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 81° 14' 35" WEST 127.14 FEET; THENCE SOUTH 63° 26' 54" WEST 139.74 FEET; THENCE SOUTH 57° 54' 47" WEST 156.89 FEET; THENCE SOUTH 60° 51' 57" WEST 163.76 FEET; THENCE SOUTH 66° 32' 53" WEST 167.82 FEET; THENCE SOUTH 72° 04' 11" WEST 179.77 FEET; THENCE SOUTH 86° 32' 06" WEST 242.81 FEET; THENCE SOUTH 02° 21' 27" WEST 42.08 FEET; THENCE NORTH 88° 55' 31" WEST 131.65 FEET; THENCE SOUTH 41° 12' 22" WEST 140.50 FEET; THENCE SOUTH 47° 15' 05" WEST 94.64 FEET; THENCE SOUTH 88° 00' 43" WEST 140.07 FEET; THENCE SOUTH 01° 21' 13" WEST 688.91 FEET; THENCE NORTH 88° 51' 27" WEST 1297.20 FEET; THENCE NORTH 81° 07' 39" WEST 38.00 FEET TO A POINT ON A 2119.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS SOUTH 81° 07' 39" EAST); THENCE ALONG THE ARC OF SAID CURVE 373.49 FEET THROUGH A CENTRAL ANGLE OF 10° 05' 56" TO A POINT ON A 5019.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 640.59 FEET THROUGH A CENTRAL ANGLE OF 07° 18' 46" TO A POINT ON A 1519.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 38.80 FEET THROUGH A CENTRAL ANGLE OF 01° 27' 49"; THENCE SOUTH 62° 15' 08" EAST 38.00 FEET TO A POINT ON A 1481.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS SOUTH 62° 15' 08" EAST); THENCE ALONG THE ARC OF SAID CURVE 853.04 FEET THROUGH A CENTRAL ANGLE OF 33° 00' 07"; THENCE NORTH 60° 44' 58" EAST 155.10 FEET; THENCE NORTH 60° 44' 58" EAST 111.03 FEET TO A POINT ON A 2981.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 302.81 FEET THROUGH A CENTRAL ANGLE OF 05° 49' 12"; THENCE NORTH 66° 34' 11" EAST 338.06 FEET; THENCE NORTH 66° 34' 11" EAST 170.70 FEET; THENCE SOUTH 24° 05' 56" EAST 11.10 FEET TO A POINT ON A 20.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (RADIUS POINT BEARS SOUTH 23° 29' 35" EAST); THENCE ALONG THE ARC OF SAID CURVE 28.65 FEET THROUGH A CENTRAL ANGLE OF 82° 04' 34"; THENCE SOUTH 31° 25' 01" EAST 292.02 FEET TO A POINT ON A 20.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 32.06 FEET THROUGH A CENTRAL ANGLE OF 91° 50' 42"; THENCE SOUTH 29° 30' 25" EAST 35.00 FEET; THENCE NORTH 60° 29' 35" EAST 174.29 FEET TO A POINT ON A 20.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 30.85 FEET THROUGH A CENTRAL ANGLE OF 88° 22' 43"; THENCE SOUTH 31° 06' 56" EAST 53.49 FEET TO A POINT ON A 20.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE 16.41 FEET THROUGH A CENTRAL ANGLE OF 47° 00' 40" TO A POINT ON A 35.00 FOOT RADIUS CURVE TO THE LEFT; THENCE ALONG THE ARC OF SAID CURVE 93.76 FEET THROUGH A CENTRAL ANGLE OF 153° 29' 14"; THENCE SOUTH 15° 42' 49" EAST 113.89 FEET; THENCE SOUTH 12° 22' 42" EAST

141.94 FEET; THENCE SOUTH 01° 16' 02" WEST 196.31 FEET TO THE POINT OF
BEGINNING.

CONTAINING 58.6965 ACRES

TOGETHER WITH PARCELS I-6-1-30-321 AND I-6-1-30-322

TOTAL AREA = 59.9595 ACRES



