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**FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT AND PROJECT AREA CONSENT**

25587

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT AND PROJECT AREA CONSENT (the "1st Amendment") is entered into this 15th day of January 2015, by and between Blue Ledge Resort, LLC (herein "Landowner") and its successors and/or assigns and Military Installation Development Authority, a political subdivision of the State of Utah (herein "MIDA") (singularly, a "Party" or collectively, the "Parties") for the land located in the unincorporated area of Wasatch County as more particularly described herein. Except as otherwise defined herein, capitalized terms used in this 1st Amendment shall have the meaning set forth in the Agreement.


RECITALS

WHEREAS, the Parties entered into a Development Agreement and Project Area Consent on June 5, 2012 (the "Agreement") regarding the real property described in Exhibit A attached hereto (the "Property"), which is recorded as Entry No. 384820 in Book 1069 at Page 989, of the official records of Wasatch County, Utah;; and

WHEREAS, in September 2012 MIDA followed all statutory requirements of the Military Installation Development Authority Act, Utah Code Ann. Title 63H Chapter 01 (the "MIDA Act") and properly created the Military Recreation Facility Project Area Part 1 ("Project Area") which includes the Property; and

WHEREAS, on September 11, 2012, MIDA entered into an interlocal cooperation agreement with Wasatch County (the "Wasatch County Interlocal Agreement") which established the "MIDA Control Area" which includes the Property and acknowledges that MIDA retains all land use control over the Property; and

WHEREAS, MIDA has entered into interlocal cooperation agreements with Jordanelle Special Service District, Wasatch County Solid Waste District, and Wasatch County Fire District (collectively with the Wasatch County Interlocal Agreement, the "Interlocal Agreements"). The Interlocal Agreements provide for the provision of governmental services to the Project Area, including the Property; and


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WHEREAS, Landowner has entered into an agreement for a new equity member and new venture entity for development of the Property and has updated its development plans which will involve a higher level of investment in the Project, thus requiring a greater infrastructure cost and MIDA supports the increased investment by the Landowner in the Project; and

WHEREAS, since the adoption of the Agreement, MIDA has worked with the Landowner and the Development Review Committee for the Project Area and adopted Development Standards and Guidelines, defined below, that govern development of the Property; and

WHEREAS, both Parties desire to amend the Agreement, as provided herein;

AMDENDMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Agreement Continues.** Except as expressly amended herein the Agreement and all unchanged provisions remain in full force and effect.

2. **Amendments.** The Agreement is amended as follows:

I. **Section 2 Consent of Landowner** of the Agreement is amended to read:

~~“Landowner hereby irrevocably consents~~ consented ~~to the inclusion of the Property in the Project Area that may be created by MIDA, pursuant to the MIDA Act, for the development and operation of a Recreation Facility prior to its creation. If MIDA has not created the Project Area by November 1, 2012 then the Landowner may withdraw its consent by providing written notice to that affect after November 1, 2012. Once a Project Area is created that includes Landowner's Property, even if it is created after November 1, 2012 and Landowner has not withdrawn its consent in accordance with this Section 2, then Landowner is forever prohibited from withdrawing from the Project Area.”~~

II. **Section 3 Project Area Creation** of the Agreement is amended to read:

~~“In order to create a project area, MIDA must follow a public process, as outlined in the MIDA Act. By entering into this Agreement, MIDA is not~~


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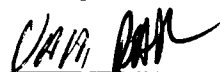
~~committing to creating the Project Area. The MIDA board is not required to create the Project Area and MIDA shall not be required to pay any amount or incur any loss or penalty for the board's failure to create the Project Area. Landowner has no civil cause of action and withdrawal of its consent, pursuant to Section 2 above, is Landowners sole remedy for MIDA's failure to create the Project Area.~~ In September 2012 MIDA created the Project Area and MIDA agrees to never dissolve the Project Area."

III. **Section 4 Vested Rights** of the Agreement is amended to read:

"A. Landowner shall have an irrevocable vested right to develop the Property, as provided in Exhibit B. The Project shall not be subject to any moratorium. Development of the Project on the Property shall be subject to the subdivision and development standards adopted by MIDA after the Project Area is created. Development Standards and Guidelines for the MIDA Control Area in the Military Recreation Facility Project Area, adopted October 1, 2013, as may be amended ("Development Standards and Guidelines"), and Landowner shall have the irrevocable vested right to develop the Property pursuant to the Development Standards and Guidelines.. MIDA intends to adopt standards similar to those found in the current Wasatch County RSPA provisions applicable to the Property. The specific standards adopted Any amendments made to the Development Standards and Guidelines shall be at the sole discretion of MIDA but such provisions shall allow for the Project to be developed with the densities and types of uses described in Exhibit B.

B. MIDA agrees that upon Landowner's request, MIDA will enforce the Interlocal Agreements on Landowner's behalf regarding the Property and other portions of the Project Area and nearby property related to the development of the Project on the Property. Such enforcement shall be at Landowner's expense, and subject to Landowner's reasonable direction.

C. MIDA agrees that upon Landowner's request, MIDA will use reasonable efforts to negotiate an amendment to the Wasatch County Interlocal Agreement


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to bring the UDOT property east of the frontage road adjacent to the Property (the "UDOT Property") into the MIDA Control Area, which is anticipated to be used as surface parking for the Project, or if requested by Landowner, to use reasonable efforts to acquire title, at no cost to MIDA, to the UDOT Property on terms mutually agreeable to Landowner and MIDA so that the UDOT Property becomes part of the MIDA Control Area."

IV. **Section 5 Tax Increment** of the Agreement is amended to read:

"Pursuant to the MIDA Act, the Project will generate tax increment from property taxes, sales taxes, and resort community taxes, as MIDA imposes the resort community tax and follows the requirements for collecting tax increment. ~~If MIDA creates the Project Area, it plans to impose the resort community tax and collect the tax increment from the three taxes ("Tax Increment").~~ MIDA is ~~willing agrees~~ to use 30% of the ~~tax increment~~ Tax Increment generated from the Project towards infrastructure expenditures that assist in the development of the Project. Such expenditures must be justified and shown to MIDA to be needed for the development of the Project. The remaining 70% shall be used as specified in Exhibit C, which provides that 20% of the total Tax Increment generated from the Project shall be used in MIDA's sole discretion to assist in the operation of MIDA and to assist in the development and operation of the Recreation Facility. Specific use of the ~~tax increment~~ Tax Increment generated from the Project is identified in Exhibit C."

V. **Section 7 Development Fees** of the Agreement is amended to read:

"Landowner shall be subject to paying all subdivision, development, and building permit fees ~~that are generally applicable in the Project Area as provided in the Development Standards and Guidelines at the time a subdivision, development, or building permit application is made.~~ Landowner shall also pay MIDA a fee for any tax increment analysis done at the request of Landowner by MIDA's financial advisor."

Unit 6 RAN
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VI. **The Development Concept Plan that is Attachment 1 to Exhibit B** of the Agreement is replaced with the plans attached to this Amendment as Exhibit B Attachment 1 which show two different alternatives. MIDA agrees that the Development Concept Plan (consisting of the two alternative attachments) is conceptual in nature, and that the Landowner is entitled to modify the Development Concept Plan from time to time so long as such modifications are not in violation of the Development Standards and Guidelines.

VII. **Section 2 Density in Exhibit B** of the Agreement is amended to read: "Landowner is entitled to the following density on the following terms and conditions:

A. Residential Uses: ~~54-157~~ Equivalent Residential Units (ERU) configured as desired, with a density value as follows:


RESIDENTIAL USE	NOTES	ERU'S
One (1) Bedroom Unit	not to exceed seven hundred (700) sq. ft. including bathroom areas but not corridors outside of rooms	.33
One (1) or Two (2) Bedroom Unit	not to exceed one thousand (1,000) sq. ft. and not to exceed one and one-half (1 ½) baths	.50
Other Unit under 1,501 sq.ft.	not to exceed fifteen hundred (1,500) sq. ft.	.75
All other residential uses**	up to five thousand (5,000) sq. ft., plus an incremental increase <u>thereafter</u>	1.00

** Incremental increase will be one-tenth (.10) ERU per five hundred (500) square feet.

B. Hotel, Commercial, and Recreation Uses: Hotel, Commercial, and Recreation development is not counted against the total allowed ERUs for the Project and is not calculated as density. All development included as part of a commercial Hotel development (including but not limited to: meeting areas, circulation, support commercial, locker rooms, spas, restaurant/bars, ski and recreation uses, etc) are not calculated as density. Recreational and Commercial uses shall be developed as needed to support the resort (ski lifts, etc)."

VIII. **Section 3 Land Use Regulations in Exhibit B** of the Agreement is amended to read: "A. MIDA's ~~standards and guidelines regulating the land uses in the Project Area shall~~ Development Standards and Guidelines allow the Project to include the Permitted Uses described within this Exhibit along with new design and construction criteria that incorporates the terms of this Exhibit.

B. MIDA ~~shall adopt~~ thereby approves the density, design, and construction criteria set forth in the Exhibits as the preliminary density, design, and construction of the Project on the Property and for related purposes under the Development Standards and Guidelines."


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IX. Section 9 Subdivision in Exhibit B of the Agreement is amended to read:

"Subdivision of the Project can take place at any time and shall be completed by the MIDA following ~~State regulation~~ the Development Standards and Guidelines. A subdivision shall not take longer than 60 days from submittal of a complete application to MIDA approval."

X. Section 10 Dimensional Requirements in Exhibit B is amended to read:

"The height of the Hotel may reach ~~eighty (80)~~ 10 stories or one-hundred twenty (120') feet above final grade, as provided in the Development Standards and Guidelines. Front setbacks from the structure to the road right-of-way are a minimum of 10 feet. Side setbacks from the structure (not including windows, decks, and other decorative design elements) shall be a minimum of 8 feet to the Property line. There are no rear setbacks as the development is located at the front of the Project adjacent to the frontage road with no development near rear Property lines. There are no internal setback requirements other than those determined by the International Building Codes ~~adopted by MIDA.~~"

XI. Exhibit C Tax Increment is amended to read:

"30% for Project Infrastructure:

Landowner intends to use ~~all of the 30% tax increment~~ Tax Increment for a "Passenger Ropeway" as defined in Section 72-11-102 UCA connecting the Project to the ~~greater Silver Lake region of Deer Valley Ski Resort (lift terminals and alignment is to be determined and approved by Deer Valley) and/or other Project infrastructure~~. Within the Project Area the ~~tax increment~~ Tax Increment may also be used for ~~a jumper~~ other lifts and people movers, mountain coasters, ski runs, snowmaking, and related ski improvements. Outside of the Project Area it can only be used for the Passenger Ropeway (the Passenger Ropeway, jumper lift, ski runs, snowmaking, grading and site work, pedestrian bridge or access to the parking area and related utility and ski improvements are collectively defined as "Ski Lift"). MIDA approves of ~~this the use for of the tax increment~~ Tax Increment for the Ski Lift and finds that it is justified and needed for the development of the Project. No further approval by MIDA is needed.

If the Ski Lift is not constructed or not all of the 30% is needed for the Ski Lift then the 30% tax increment can be used for other infrastructure that is justified to MIDA's Executive Director as needed for the development of the Project. MIDA understands that Landowner needs prompt determinations regarding the use of Tax Increment for other infrastructure. The Executive Director shall work closely with the Landowner to make such determinations and is authorized to negotiate


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and sign such agreements or other documents deemed necessary or appropriate to evidence approval of its use.

70% for Recreation Facility Fund:

Of the remaining 70% of the ~~tax increment~~ Tax Increment that will be generated from the Project Landowner has requested that MIDA allow an additional 71.428% (which equals 50% of the total ~~tax increment~~ Tax Increment generated from the Project) to be used for the Ski Lift. MIDA finds that the Ski Lift will be of benefit to the recreational experience for the military personnel who will use the Recreation Facility and therefore approves of this use for the ~~tax increment~~ Tax Increment. No further approval by MIDA is needed. ~~If the Ski Lift is not constructed or not all of the 50% of the total Tax Increment is needed for the Ski Lift then it shall may be used at MIDA's sole discretion for operations and/or to benefit the Recreation Facility for other Project infrastructure that is justified to MIDA's Executive Director with a priority for infrastructure that will benefit the larger area such as the construction of the Surface Parking Lot described in Section 5 in Exhibit B, roadway improvements, and utilities. MIDA understands that Landowner needs prompt determinations regarding the use of Tax Increment for other infrastructure. The Executive Director shall work closely with the Landowner to make such determinations and is authorized to negotiate and sign such agreements or other documents deemed necessary or appropriate to evidence approval of its use.~~

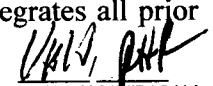
Summary:

In summary, the combination of the 30% ~~tax increment~~ Tax Increment for the Project's infrastructure and the 50% ~~tax increment~~ Tax Increment from the Recreation Facility Fund gives the Landowner a total of 80% of the ~~tax increment~~ Tax Increment generated from the Project towards infrastructure and the Ski Lift. ~~If the Ski Lift is not build-built then only the 30% tax increment for the Project will be available to the Landowner for justified and needed infrastructure. If the Ski Lift is built but not all of the 50% Tax Increment from the Recreation Facility Fund is needed for its construction then the remainder may be used for justified and needed infrastructure with an emphasis on infrastructure that will benefit the larger area.~~

The remaining 20% of the tax increment generated from the Project shall be used at MIDA's sole discretion for operations and/or to benefit the Recreation Facility."

3. **Amendment to Run With the Land.** This Amendment shall be recorded in the Office of the Wasatch County Recorder, shall be deemed to be a covenant running with the Property, shall encumber the same, and shall be binding on and inure to the benefit of all successors and assigns of Landowner in the ownership or development of any portion of the Property in perpetuity.

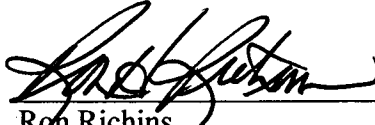
4. **Integration.** This Amendment together with the Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and integrates all prior


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conversations, discussions or understandings of whatever kind or nature and may only be modified by a subsequent writing duly executed and approved by the Parties hereto.

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

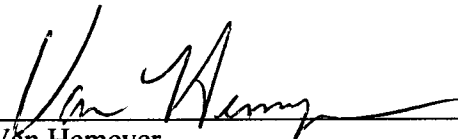
MIDA


 Ron Richins
 Acting Executive Director

ATTEST:

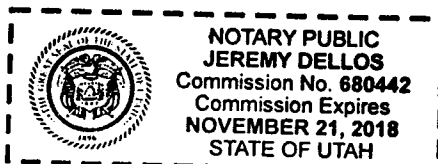

 MIDA Staff

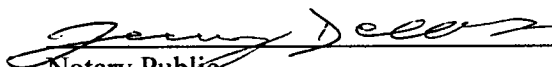
LANDOWNER
Blue Ledge Resort, LLC


 Van Hemeyer
 Manager

State of Utah)
) :SS
 County of Wasatch)

On this 21st day of January, 200²⁰¹⁵, personally appeared before me Jeremy Dellos, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who affirmed that he is the Landowner/Manager of Blue Ledge Resort, LLC, by authority of its members or its articles of organization, and he acknowledged to me that said entity executed the same. Van Hemeyer




 Notary Public


 Blue Ledge Initial / MIDA Initial

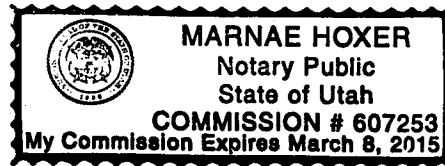
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Acknowledgement

STATE OF UTAH)

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COUNTY OF DAVIS)



On this day 21st of January, 2015, personally appeared before me Ron Richins, the Acting Executive Director of the Military Installation Development Authority, personally known to, or whose identity has been satisfactorily established to me, who duly acknowledged to me that he had voluntarily executed the foregoing First Amendment to Development Agreement and Project Area Consent, dated January 21, 2015 for the purposes stated therein.

Marnae Hoxer

Notary Public

EXHIBIT A
Property Description

THE FOLLOWING PATENTED LODE MINING CLAIMS LOCATED IN THE BLUE LEDGE AND SNAKE CREEK MINING DISTRICTS AND SITUATED IN WASATCH COUNTY, UTAH AS THE SAME ARE DESCRIBED AND DELINEATED IN THEIR RESPECTIVE PATENTS AND MINERAL SURVEYS:

PIOCHE LOT 210

PIOCHE NO. 6 LOT 210

ALSO EXCEPTING ANY PORTION LYING WITHIN THE LANDS DESCRIBED IN THE AMENDED COMPLAINT IN CONDEMNATION RECORDED JULY 18, 1996, AS ENTRY NO. 188229, IN BOOK 327, AT PAGE 270, WASATCH COUNTY RECORDER'S OFFICE.

ALSO EXCEPTING ANY PORTION LYING WITHIN THE TRACTS CONVEYED TO USA BY WARRANTY DEED DATED SEPTEMBER 25, 1991, AS ENTRY NO. 157498, IN BOOK 233, AT PAGE 645, WASATCH COUNTY RECORDER'S OFFICE.

ALSO EXCEPTING THEREFROM ANY PORTION OF THE HEREIN DESCRIBED LAND LYING WITHIN THE PARCEL DESCRIBED AS THE POCATELLO GULCH SITE IN THE SPECIAL WARRANTY DEED FROM UNITED PARK CITY MINES CO. TO JORDANELLE SPECIAL SERVICE DISTRICT RECORDED AUGUST 27, 2002 AS ENTRY NO. 248029, IN BOOK 573 AT PAGE 720.

(Tax Serial No. STA-0283-0 and Parcel No. 90-0000-3008)

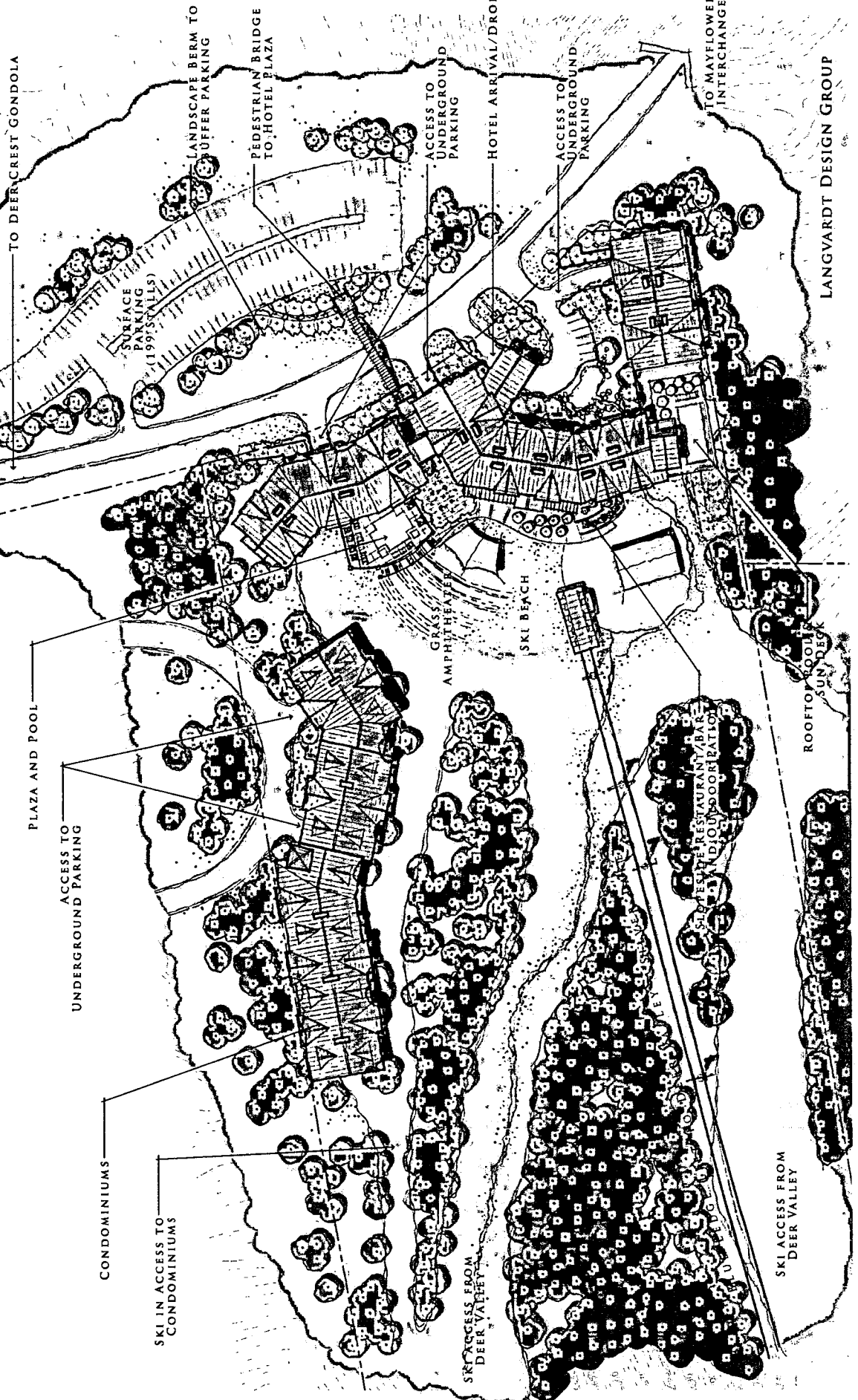
**EXHIBIT B
ATTACHMENT 1
DEVELOPMENT CONCEPT PLAN**



BLUE LEDGE

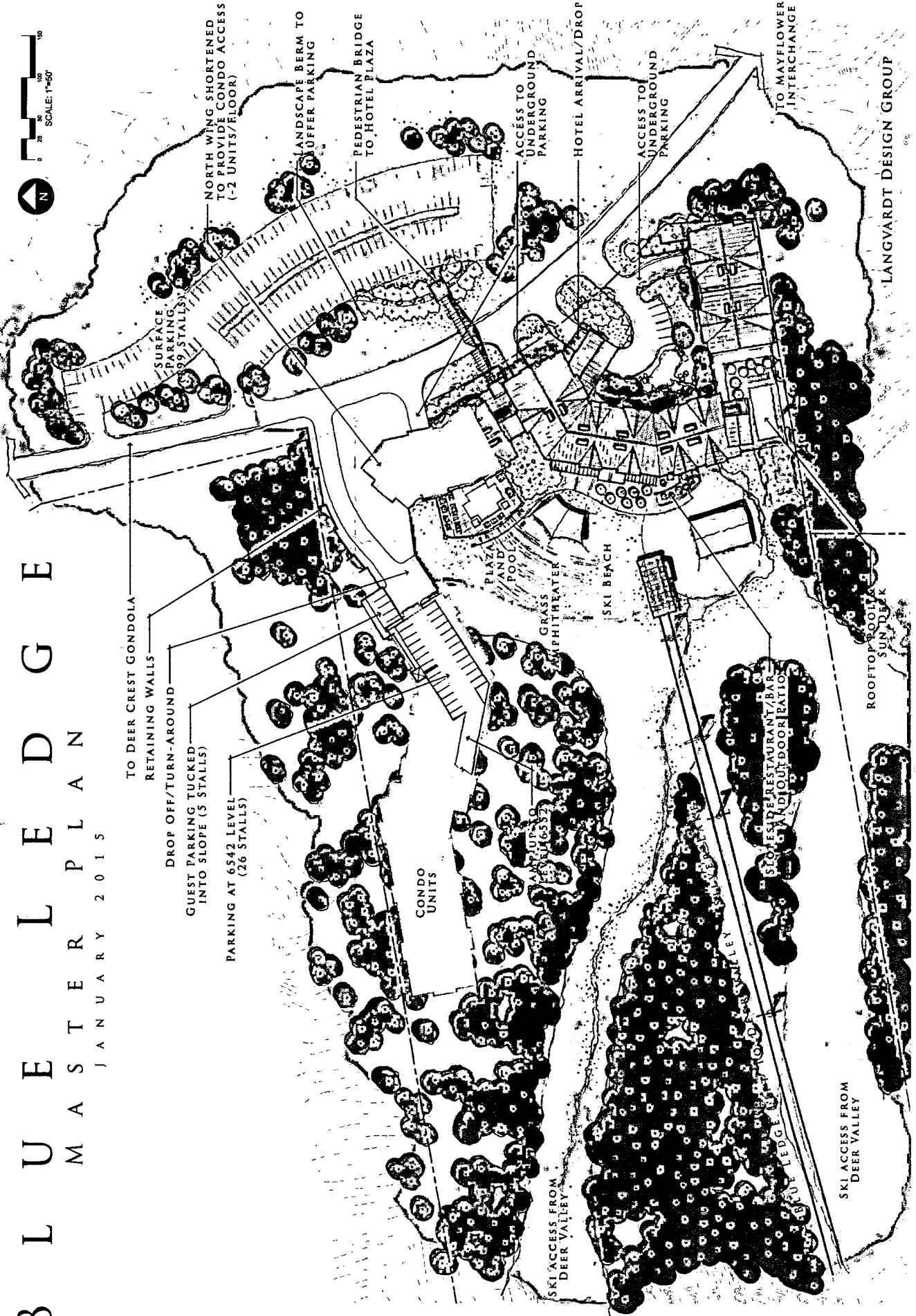
MASTER PLAN

JANUARY 2015



BLUE LEDGE MASTER PLAN

JANUARY 2015



LANGVARDT DESIGN GROUP

BLUE LEDGE

MASTER PLAN

JANUARY 2015

