

AGREEMENT
FOR
SUBDIVISION IMPROVEMENTS
(Letter of Credit)

THIS AGREEMENT (the "Agreement") is made and executed this 12th day of February, 2015, by and between SADDLEBACK SR-36, L.C., a Utah limited liability company, ("Subdivider"), whose address is 925 West 100 North, Suite F, P.O. Box 540478, North Salt Lake, UT, 84504, and TOOELE COUNTY, a body politic and corporate of the State of Utah, ("County"), whose address is 47 South Main Street, Room 213, Tooele, Utah, 84074.

WITNESSETH:

THAT, WHEREAS, the Subdivider has laid out and platted a proposed subdivision of land in Tooele County, said Subdivision to be known as *Saddleback SR-36 Planned Unit Development Phase 3* (the "Subdivision").

WHEREAS, the Subdivider is requesting the County to give final approval of the Subdivision prior to the construction and installation of the street and other improvements (collectively, the "Improvements") required by law to be placed in or abutting the Subdivision; and

WHEREAS, under County ordinances, rules and regulations, final approval in the aforesaid circumstances cannot be given unless the Subdivider files with the County a form of financial assurance for the purpose of insuring the actual construction and installation of the required Improvements in a satisfactory manner within a one (1) year period; and

WHEREAS, the Subdivider desires to provide such financial assurance by obtaining a letter of credit (the "Letter of Credit") from a duly chartered state or national bank, savings and loan institution, or federal instrumentality.

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions hereof, the parties agree as follows:

1. The Subdivider agrees to construct, install and pay for the street and other required Improvements in or abutting the Subdivision. The Improvements shall be those required by law and County rules and regulations and as set forth in the "Description of Improvements" attached hereto as Exhibit "A", which Exhibit is made a part of this Agreement by this reference thereto.

2. The Subdivider covenants and agrees to construct and install the required Improvements as aforesaid in accordance with specifications promulgated by the County Engineer and other approving County departments and to complete said construction and installation within a

period of one (1) year from the date of this Agreement. The Subdivider covenants and agrees to pay the full and total cost of the construction and installation called for herein, the amount of which is estimated by the County Engineer to be **Twenty-Four-Thousand-Five-Hundred-Forty-Four and 00/100 Dollars (\$24,544.00)**. In the event of default or non-compliance, the Subdivider agrees that the County shall have the right and be entitled to the specific performance of all covenants and promises contained herein in addition to the other remedies hereinafter set forth.

3. In addition to making the foregoing covenants, the Subdivider has obtained the Letter of Credit for the above-referenced sum as a financial assurance as required by law for the purpose of guaranteeing and assuring the construction, installation and payment of the required street and other Improvements in or abutting the Subdivision. The Letter of Credit is established by Northwest Farm Credit Services, PCA (the "Bank"), entitled "Irrevocable Letter of Credit (Saddleback SR-36, L.C.)", in the amount of \$24,544.00. The Letter of Credit is to be established in favor of the County to the account of SADDLEBACK SR-36, L.C., Subdivider herein, a copy of which is attached hereto and is made a part of this Agreement, as to all of its provisions by this reference thereto.

4. The Subdivider hereby assigns and sets over to the County all of the right, title and interest of the Subdivider in the full proceeds of the Letter of Credit and does hereby also transfer and assign to the County the right to make demand and collect from the Bank the proceeds thereof in the event of any default or non-compliance in the performance for which this Letter of Credit is posted and filed.

5. The County agrees not to make demand for or collect the proceeds of the aforesaid Letter of Credit for a period of one (1) year from the date of this Agreement. The County further agrees that if within the aforesaid one (1) year period the street and other improvements set forth herein have been constructed and installed in accordance with County standards, as determined by the County Engineer, pursuant to inspection thereof, the County may release a portion of the Letter of Credit subject to the provisions of Paragraph 8 herein.

6. In the event of default or non-compliance with the provisions hereof by the Subdivider, it is agreed the County may demand the proceeds of the Letter of Credit and collect the same from the Bank. Upon such collection, the County may use and expend said proceeds for the sole purpose of constructing and/or completing the Improvements required hereunder or causing the same to be done, and, subject to the provisions of Paragraph 8 below, the County shall return to the Subdivider ~~any and all funds which may prove to be in excess of the actual cost to the County to~~ make and/or complete the Improvements.

7. It is expressly understood, covenanted and agreed between the parties that the Letter of Credit and this Agreement and the acceptance thereof by the County shall not constitute a waiver or estoppel against the County and shall not relieve or be interpreted to relieve the Subdivider from the obligation to construct, install and fully pay for the Improvements in or abutting the Subdivision named herein as required. Further, the Subdivider expressly covenants and agrees that in the event the County exercises the default or non-compliance provisions hereof and pursuant thereto collects the proceeds of the Letter of Credit and performs the construction and installation required of the Subdivider hereunder, or causes the same to be done, that any and all costs incurred by the County in so doing will be paid by the Subdivider, including administrative, engineering and legal fees and costs. If the amount collected by the County from the Letter of Credit on a default or non-compliance as aforesaid, is not sufficient to pay the total cost of construction and installation, the Subdivider also hereby expressly covenants and agrees to assume and pay all deficiency amounts that may occur.

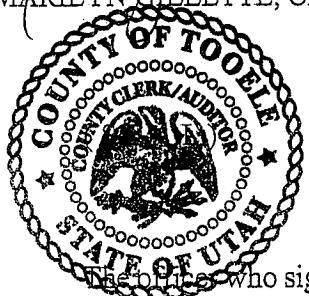
8. The Subdivider agrees that the Improvements provided for herein, and every part thereof, will remain in good condition for a period of one (1) year after the date of conditional acceptance by the Tooele County Commission, and agrees to make all repairs to and maintain the improvements, and every part thereof, in good condition during that one year period at no cost to Tooele County. It is further agreed and understood that the identifying necessity for repairs and maintenance of the work rests with the County Engineer, whose decision upon the matter shall be final and binding upon the Subdivider, and the guarantee hereby stipulated shall extend to and include, but shall not be limited to the entire street, subgrade, base, and surface and all backfill and compacting as well as the working surface, gutters, horse paths, culverts, driveway access and other accessories that are or may be affected by the construction operations. Whenever in the judgment of the County Engineer, said work shall be in need of repairs, maintenance, or rebuilding, he shall cause a written notice to be served the Subdivider, and thereupon the Subdivider shall undertake and complete such repairs, maintenance or rebuilding. If the Subdivider fails to timely complete the repairs, maintenance or rebuilding, Tooele County shall have such repairs made and the cost of such repairs shall be reimbursed to the County from the Letter of Credit, or if the Letter of Credit is insufficient to pay for said work, by the Subdivider. The Tooele County Commission may, upon completion of the subdivision improvements, release such portions of the Letter of Credit as it deems appropriate but shall retain sufficient amounts to ensure that the Subdivision Improvements shall remain in good condition for the specified one year period.

9. Conditional acceptance of all Subdivision Improvements shall be in writing from Tooele County, after written approval has been received from the County Engineer. Final inspection by the County Engineer shall be made one year after all work has been completed and before release of the Letter of Credit. All defects shall be corrected before acceptance by Tooele County. Final acceptance shall be in writing by Tooele County after written approval is provided by the County Engineer. Upon final acceptance, the County shall release the Letter of Credit and/or refund to the Subdivider any funds drawn from the Letter of Credit in excess of the actual costs paid or incurred by the County pursuant to this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed this 3 day of Sept, 2015.

ATTEST: TOOELE COUNTY

Marilyn Gillette Wade B. Pitman
MARILYN GILLETTE, Clerk / Auditor Commissioner, Chairman



The officer who signs this Agreement hereby certify that this Agreement and the covenants represented thereby was duly authorized under the Certificate of Organization and Operating Agreement of the Subdivider.

IN WITNESS WHEREOF, the Subdivider has caused its name to be hereunto affixed by its duly authorized officer this 12th day of February, 2015

SADDLEBACK SR-36, L.C., a limited liability company

BY: Christopher F. Robinson
CHRISTOPHER F. ROBINSON, MANAGER

EXHIBIT "A"

"DESCRIPTION OF IMPROVEMENTS"

[SEE ATTACHED]

TOOELE COUNTY CORPORATION
CONTRACT # 15-03-08

TOOELE COUNTY
47 South Main Street
Tooele, UT 84074

To: Northwest Farm Credit Services, PCA
Attention: Mark Dvarishkis
3021 Palmer Street, Suite B
P.O. Box 16166
Missoula, MT 59808-6166

Wade B. Bitner, an authorized agent of Tooele County, Utah ("Beneficiary") hereby certify to Northwest Farm Credit Services, PCA, with reference to the account of Saddleback SR-36, L.C., a Utah limited liability company, whose address is 925 West 100 North, Suite F, P.O. Box 540478, North Salt Lake, UT, 84054 (the "Account Party"), pursuant to that certain Letter of Credit No. _____, with a Commitment Amount of **Twenty-Four-Thousand-Five-Hundred-Forty-Four and 00/100 Dollars (\$24,544.00)**, or as amended, issued in favor of Beneficiary, that under the terms specified in that certain Agreement For Subdivision Improvements for the *Saddleback Planned Unit Development Phase 3* between Beneficiary and the Account Party, that

_____ dollars
(\$ _____) are now due, which amount you are hereby directed to send to Beneficiary by wire transfer pursuant to the following wiring instructions:

IN WITNESS WHEREOF, Beneficiary has executed and delivered this Certificate on this 3 day of Feb, 2015.

TOOELE COUNTY, a body corporate and
politic of the State of Utah

ATTEST:

By: Wade B. Bitner
Print Name: WADE B BITNER
Title: COUNTY COMMISSIONER

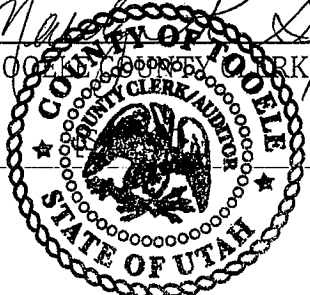
Mark Dvarishkis
TOOELE COUNTY CLERK/AUDITOR


EXHIBIT "2"

AGREEMENT FOR SUBDIVISION IMPROVEMENTS

[SEE ATTACHED]