

Second Development Agreement Addendum

This Development Agreement Addendum ("Agreement") is made and entered into as of 7/1/25, by and between Hidden Rock Development Group ("Developer") and Town of Apple Valley ("Town").

Recitals:

Developer owns or controls certain parcels of property located in Town, totaling 204 acres, and having the following parcel ID numbers ("**Property**"): AV-2194-D

AV-2194-B

AV-2-2-27-432

Developer desires to develop on the Property an 84-key horizontal cabin rental development with amenities plus 18 residential lots, all to be known as Oculita Roca ("**Project**").

WHEREAS the developer and Town have entered into a Development Agreement, dated June 26, 2024, in which developer and town agreed on terms regarding Developer's Project located in Town. This agreement amends and is supplemental to the Development Agreement.

WHEREAS the developer wishes to make an addendum to the original Development Agreement date June 26, 2024.

WHEREAS, the Developer wishes to add parcel numbers AV-2-2-27-430, AV-2-2-27-431, AV-2-2-28-110, AV-2-2-28-120, AV-2-2-28-220, AV-2-2-28-221, AV-2-2-28-230, AV-2-2-28-240, AV-2169-A-1, AV-2169-B, AV-2194-C, AV-2195-B, AV-2196-A-1, AV-2196-B, AV-2196-C, AV-2196-D, AV-2196-E, AV-2196-F, AV-2196-G, AV-2196-H, AV-2196-I to be included into the original development agreement dated June 26, 2024.

WHEREAS the developer wishes to change the number of residential lots from 18 to 57. The 57 residential lots will be a minimum of five (5) acres. The developer acknowledges this will require a zone change and the developer agrees to apply for a zone change with the town and pay all applicable fees.

WHEREAS the developer wishes to change the total acreage from 204 acres to a total of 727.872 acres.

WHEREAS the developer wishes to delete items 7.1 Infrastructure Built by the Developer and Item number 7.2 Reimbursement for "Upsizing" from the original Development agreement dated June 26, 2024.

WHEREAS the developer wishes to increase the 10% of the residential lots in the short term residential rental pool as stated the original development agreement date June 26, 2024 up to 100% of the residential lots in the short term residential rental pool.

WHEREAS the developer would like to add that if the town and the developer mutually agree at a future date the developer may gate the residential lots area. This may require all interior residential lot roads to become privately owned by a property owners association. If this option is mutually agreed to by both the developer and the town, the developer understands they will be solely responsible for the maintenance of said private roads at their sole cost and expense.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Infrastructure and Improvements

- a. The Recitals above are incorporated as binding provisions of this Agreement.
- b. The developer understands and agrees that any required infrastructure improvements will be made at the developer's sole cost/expense and will not be deducted from any impact fees due to the town.
- c. The town agrees to waive any permit cost or town fees associated with the developer's design/construction/installation of the previously agreed upon million-gallon water tank and any other infrastructure improvements that will be dedicated to the town or Big Plains Water.
- d. The developer agrees to coordinate the reimbursement by the PID's of a maximum of \$300,000.00 to the town's funding of resurfacing the roads in town and construction of new roads within town limits. The developer understands that this reimbursement will not be deducted from any impact fees due to the town.

2. Indemnification

The Developer agrees to indemnify and hold harmless the Town from any and all claims, liabilities, losses, damages, or expenses arising from the construction and installation of the water tank.

3. Default

Default of This Agreement shall be handled in the same manner as the default provision in paragraph 10 of the Development Agreement.

4. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

5. Entire Agreement

This Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and except for the Development Agreement, supersedes all prior negotiations, discussions, and agreements.

IN WITNESS WHEREOF, the parties hereto have executed this Developer Agreement Addendum as of the date first above written.

Hidden Rock Development Group

By: _____

Name: _____

Title: _____

Date: _____

Town of Apple Valley

By: _____

Name: _____

Title: _____

Date: _____