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ALL CHANGES ACCEPTED
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**TO TOWN
01/12/25**

**MASTER DEVELOPMENT AGREEMENT
FOR
GOOSEBERRY PRESERVE AT ZION**

February __, 2025

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NOT DONE YET FOR THIS SPECIFIC PROJECT

**MASTER DEVELOPMENT AGREEMENT
FOR
GOOSEBERRY PRESERVE AT ZION**

MASTER DEVELOPMENT AGREEMENT is made and entered as of the ____ day of February, 2025, by and between the Town of Apple Valley, a political subdivision of the State of Utah; and Gooseberry Preserve at Zion, LLC, a Utah limited liability company.

RECITALS

- A. The capitalized terms used in these Recitals are defined in Section 1.2, below.
- B. Master Developer owns and is developing the Property.
- C. Master Developer and the Town desire that the Property be developed in a unified and consistent fashion pursuant to the Master Plan that is adopted and incorporated into this MDA.
- D. Development of the Property will include the Maximum Residential Dwelling Units defined in this MDA.
- E. Development of the Project as a master planned community pursuant to this MDA is acknowledged by the parties to be consistent with LUDMA and to operate for the benefit of the Town, Master Developer, and the general public.
- F. The Town has reviewed this MDA and determined that it is consistent with LUDMA.
- G. The Parties acknowledge that development of the Property pursuant to this MDA will result in significant planning and economic benefits to the Town and its residents by, among other things, requiring orderly development of the Property as a master planned community and increasing property tax and other revenues to the Town based on improvements to be constructed on the Property.
- H. Development of the Property pursuant to this MDA will also result in significant benefits to Master Developer, by providing assurances to Master Developer that they will have the ability to develop the Property in accordance with this MDA.
- I. Master Developer and the Town have cooperated in the preparation of this MDA.
- J. The Parties desire to enter into this MDA to specify the rights and responsibilities of Master Developer to develop the Property as parts of the Project as expressed in this MDA and the rights and responsibilities of the Town to allow and regulate such development pursuant to the requirements of this MDA.
- K. The Parties understand and intend that this MDA is a “development agreement” within the meaning of, and entered into pursuant to the terms of, Utah Code Ann. §§ 10-9a-102 and 532 (2024).
- L. This MDA and all of its associated “legislative”, “broad, competing policy-considerations” and “generally applicable” decisions regarding the development of the Project as those terms are discussed in *Baker v Carlson*, 2018 UT 59 were considered by the Planning Commission on January ____, 2025 pursuant to Utah Code Ann. § Section 10-9a-532(2)(iii) (2024), in making a recommendation to the Town.
- M. The Town believes that this MDA and the Zoning of the Property constitute the completion

of the “legislative”, “broad, competing policy-considerations” and “generally applicable” decisions by the Town Council regarding the development of the Project as those terms are discussed in *Baker v Carlson*, 2018 UT 59.

N. The Town intends that the implementation of those “legislative”, “broad, competing policy-considerations” and “generally applicable” decisions through the provisions and processes of this MDA relating to “fixed criteria” are “administrative” in nature.

O. This Town’s entry into this MDA is authorized by the adoption of Ordinance # _____ on February ___, 2025.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged, the Town and the Master Developer hereby agree to the following:

TERMS

1. **Incorporation of Recitals and Exhibits/ Definitions.**

1.1. **Incorporation.** The foregoing Recitals and Exhibits A–E are hereby incorporated into this MDA.

1.2. **Definitions.** As used in this MDA, the words and phrases specified below shall have the following meanings:

1.2.1. **Administrative Modifications** means those modifications to this MDA that can be approved by the Administrator pursuant to Section ____.

1.2.2. **Administrator** means the person designated by the Town as the Administrator of this MDA.

1.2.3. **Applicant** means a person or entity submitting a Development Application.

1.2.4. **Buildout** means the completion of all of the development on all of the Project in accordance with the approved plans.

1.2.5. **Cabin** means those types of RDUs as defined in the Town’s Vested Laws.

1.2.6. **Council** means the elected Town Council of the Town.

1.2.7. **Default** means a material breach of this MDA.

1.2.8. **Denial/Denied** means a formal denial issued by the final decision-making body of the Town for a particular type of Development Application but does not include review comments or “redlines” by Town staff.

1.2.9. **Development** means the development of any improvement, whether public or private, on the Project pursuant to an approved Development Application, including, but not limited to, any Public Infrastructure,

Private Improvement, Subdivision, Commercial Site, or any of the Maximum RDUs.

- 1.2.10. **Development Application** means an application to the Town for development of a portion of the Project including a Subdivision, Commercial Site Plan or any other permit, certificate or other authorization from the Town required for development of the Project.
- 1.2.11. **Development Report** means a report containing the information specified in Section 3.8 submitted to the Town by Master Developer for a Development by Master Developer or for the sale of any Parcel to a Subdeveloper or the submittal of a Development Application by a Subdeveloper pursuant to an assignment from Master Developer.
- 1.2.12. **Dispute** means any disagreement between the Parties regarding the administration or implementation of the MDA, including but not limited to Denial or a Default.
- 1.2.13. **Dispute Resolution Process** means the processes for resolving any Dispute as specified in Section 11.
- 1.2.14. **Final Plat** means the recordable map or other graphical representation of land prepared in accordance with Utah Code Ann. § 10-9a-603 (2024), or any successor provision, and approved by the Town, effectuating a Subdivision of any portion of the Project.
- 1.2.15. **LUDMA** means the Land Use, Development, and Management Act, Utah Code Ann. §§ 10-9a-101, et seq. (2024).
- 1.2.16. **Main Street Improvements** means those improvements to Main Street specified in Exhibit “D”.
- 1.2.17. **Master Plan** means the general layout of the types and areas of development of the Project as illustrated on Exhibit “B”.
- 1.2.18. **Maximum Residential Dwelling Units (“Maximum RDUs”)** means the development on the Property of eighty (80) Cabins.
- 1.2.19. **MDA** means this Master Development Agreement including all of its Exhibits.
- 1.2.20. **Notice** means any notice to or from any party to this MDA that is either required or permitted to be given to another party.
- 1.2.21. **Master Developer** means Gooseberry Preserve at Zion, LLC, which owns and is developing the Property.
- 1.2.22. **Outsourcing** means the process of the Town contracting with Town Consultants or paying overtime to Town employees to provide technical support in the review and approval of the various aspects of a Development Application as is more fully set out in this MDA.

- 1.2.23. **Outsourced Work** means any work performed pursuant to Outsourcing.
- 1.2.24. **Parcel** means a portion of the Property that is created by the Master Developer to be sold to a Subdeveloper that is not an individually developable lot and that has not been created as a Subdivision.
- 1.2.25. **Parties** means the Master Developer and the Town.
- 1.2.26. **Party** means either the Master Developer or the Town individually.
- 1.2.27. **Phase** means the development of a portion of the Project at a point in a logical sequence as determined by Master Developer.
- 1.2.28. **Private Improvements** means those elements of infrastructure needed for the completion of a Development which are not planned to be dedicated to the Town.
- 1.2.29. **Project** means the total development to be constructed on the Property pursuant to this MDA with the associated public and private facilities, Maximum RDUs Phases and all of the other aspects approved as part of this MDA.
- 1.2.30. **Property** means the approximately forty (40) acres as illustrated on Exhibit “B” and legally described in Exhibit “A”.
- 1.2.31. **Public Infrastructure** means those elements of infrastructure that are planned to be dedicated to the Town as a condition of the approval of a Development Application including, but not limited to, the roads, overall grading plan and backbone utilities.
- 1.2.32. **Residential Dwelling Unit (“RDU”)** means a Cabin intended to be occupied for residential living purpose.
- 1.2.33. **Subdeveloper** means a person or an entity not “related” (as defined by Internal Revenue Service regulations) to Master Developer which purchases a Parcel for development.
- 1.2.34. **Subdivision** means the division of any portion of the Project into developable lots pursuant to LUDMA.
- 1.2.35. **Subdivision Application** means the application to create a Subdivision.
- 1.2.36. **System Improvements** means those components of the Public Infrastructure that are defined as such under the Utah Impact Fees Act.
- 1.2.37. **Town** means the Town of Apple Valley, a political subdivision of the State of Utah.

- 1.2.38. ***Town Consultants*** means those outside consultants employed by the Town in various specialized disciplines such as traffic, hydrology, or drainage for reviewing certain aspects of the development of the Project.
- 1.2.39. ***Town's Future Laws*** means the ordinances, policies, standards, procedures, and processing fee schedules of the Town which may be in effect as of a particular time in the future when a Development Application is submitted for a part of the Project, and which may or may not be applicable to the Development Application depending upon the provisions of this MDA.
- 1.2.40. ***Town's Vested Laws*** means the ordinances, policies, standards, and procedures of the Town in effect as of the date of the execution of this MDA a digital copy of which is attached as Exhibit "C".
- 1.2.41. ***Zoning*** means the Cabins and Tiny Homes zoning of the Property pursuant to the Town's Vested Laws.

2. **Effect of MDA**. Except as specified herein, this MDA shall be the sole agreement between the Parties related to the Project and the Property.

3. **Development of the Project.**

3.1. **Compliance with this MDA.** Development of the Project shall be in accordance with the Town's Vested Laws, the Town's Future Laws (only to the extent that these are applicable as otherwise specified in this MDA), and this MDA.

3.2. **Land Uses within the Project, Configuration.** The Master Plan reflects the general location and configuration of the Maximum RDUs within the Project. All individual platted lots shall be at least 1 acre in size.

3.3. **Maximum RDUs.** At Buildout of the Project, Master Developer shall be entitled to have developed the Maximum RDUs as specified in and pursuant to this MDA subject to the restrictions on RDUs of Master Developer's Property. Accessory dwelling units as provided by Utah State law, churches, schools, municipal or other institutional/governmental and other similar non-residential uses shall not be counted as a Residential Dwelling Unit for purposes of the Maximum RDUs.

3.4. **Master Developers' Discretion.** Nothing in this MDA shall obligate the Master Developer to construct the Project or any particular Phase therein or portion thereof, and the Master Developer shall have the discretion to determine whether to construct a particular Development or Phase based on Master Developer's business judgment.

- 3.4.1. ***Concurrency Management of Future Development.*** Any phasing shall ensure appropriate access, fire protection utilities, and other infrastructure for future phases and Master Developer shall seek the Town's input on such issues prior to submitting a Development Application for such phasing. Once construction has begun on a specific Development or Phase, the relevant Master Developer or Subdeveloper(s) shall have the obligation to complete the public and private road, storm drain, water, and other improvements that are a condition of the approved Development Application for such Development.

3.5. **Required Process.**

3.5.1. ***Approval Required Before Development.*** A Development Application shall be submitted for any Development. Except as otherwise provided herein, no improvements shall be constructed within the Project without Master Developer or a Subdeveloper first obtaining approval of the Development Application for such Development from the Town. Upon approval by the Town of any Development Application, the Development related to such approval may be improved in accordance with the approved Development Application, subject to the terms, conditions, and provisions of the Development Application.

3.5.2. ***Town and Other Governmental Agency Permits.*** Before commencement of construction or Development of any buildings, structures or other work or improvements upon any portion of the Project, Master Developer or a Subdeveloper shall, at its expense, secure, or cause to be secured, any and all permits which may be required by the Town or any other governmental entity having jurisdiction over the work. The Town shall reasonably cooperate with Master Developer or a Subdeveloper in seeking to secure such permits from other governmental entities.

3.5.3. ***Fees.*** Master Developer or a Subdeveloper shall pay to the Town the standard fees applicable to any submittal of a Development Application under the Town's fee schedule in effect at the time of the application.

3.5.4. ***Outsourcing of Processing of Development Applications.***

3.5.4.1. **Timing.** Within fifteen (15) business days after receipt of a Development Application and upon the request of Master Developer, the Town and Master Developer will confer to determine whether the Town desires to Outsource the review of any aspect of the Development Application to ensure that it is processed on a timely basis.

3.5.4.2. **Election/Cost Estimate.** If the Town or Master Developer determines in either of their discretion that Outsourcing is appropriate, then the Town shall promptly estimate the reasonably anticipated differential cost of Outsourcing in the manner selected by the Town in good faith consultation with the Master Developer or Subdeveloper (either overtime to Town employees or the hiring of a Town Consultant). If the Master Developer or a Subdeveloper notifies the Town that it desires to proceed with the Outsourcing based on the Town's estimate of costs, then the Master Developer or Subdeveloper shall deposit in advance with the Town the estimated differential cost and the Town shall then promptly proceed with having the work Outsourced.

3.5.4.3. **Selection of Outsources.** If Outsourcing is selected then the Town shall provide to Master Developer at least two qualified

potential Outsourcing reviewers and those reviewers estimates of fees and timing of performance. Master Developer may elect either of those options. Master Developer may also propose a different Outsourcing reviewer and the Town may, in its sole discretion, agree to that proposal.

- 3.5.4.4. Compliance with Applicable Codes. Any Outsourced work shall be performed pursuant to applicable standards including, but not limited to, the Town's Vested Laws, Federal law, State Code, and any adopted uniform standards such as AASHTO, the IBC and the IFC.
- 3.5.4.5. Final Payment. Upon completion of the Outsourcing Work and the provision by the Town of an invoice (with such reasonable supporting documentation as may be requested by Master Developer or Subdeveloper) for the actual differential cost (whether by way of paying a Town Consultant or paying overtime to Town employees) of Outsourcing, Master Developer or the Subdeveloper shall, within ten (10) business days pay or receive credit (as the case may be) for any difference between the estimated differential cost deposited for the Outsourcing and the actual cost differential. Any dispute regarding his section shall be resolved pursuant to the Dispute Resolution Processes.
- 3.5.4.6. Acceptance of Outsourced Work. The Town shall accept the results of any Outsourced Work under this section unless the Town determines that the Outsourced Work has not been performed pursuant to Town standards or is materially incorrect. If the Town does not give Master Developer Notice within ten (10) business days of receiving the Outsourced Work that the Town disputes the acceptability of the Outsourced Work, then the Town shall be deemed to have accepted the Outsourced Work. Any disputes relating to the Outsourced Work shall be subject to the Dispute Resolution Process.
- 3.5.5. ***Acceptance of Certifications Required for Development Applications.*** Any Development Application requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying that the contents of the Development Application comply with the applicable regulatory standards of the Town.
- 3.5.6. ***Independent Technical Analyses for Development Applications.*** If the Town needs technical expertise beyond the Town's internal resources to determine impacts of a Development Application such as for structures, bridges, water tanks, and other similar matters which are not required by the Town's Vested Laws to be certified by such experts as part of a Development Application, the Town may engage such experts as Town Consultants, with the actual and reasonable costs, being the responsibility

of Applicant.

- 3.5.7. ***Intent of One-Time Review.*** The Town should endeavor to make all of its redlines, comments or suggestions at the time of the first review of the Development Application unless any changes to the Development Application raise new issues that need to be addressed.
- 3.5.8. ***Town Denial of a Development Application.*** If the Town denies a Development Application the Town shall provide with the denial a Notice advising the Applicant of the reasons for denial including specifying the reasons the Town believes that the Development Application is not consistent with this MDA, the Master Plan, and/or any applicable Town's Vested Laws (or, if applicable, the Town's Future Laws).
- 3.5.9. ***Dispute Resolution.*** The Town's denial of any Development Application shall be subject to the dispute resolution provisions of Section 14.
- 3.5.10. ***Town Denials of Development Applications Based on Denials from Non-Town Agencies.*** If the Town's denial of a Development Application is based on the denial of the Development Application by a Non-Town Agency, Master Developer shall appeal any such denial through the appropriate procedures for such a decision and not through the processes specified herein.
- 3.5.11. ***Outsourcing of Inspections.***
 - 3.5.11.1. ***Timing.*** Within fifteen (15) business days after receipt of a request from Master Developer to Outsource the inspections of the construction of any Development, the Town and Master Developer will confer to determine whether the Town desires to Outsource the inspections to ensure that they are processed on a timely basis.
 - 3.5.11.2. ***Selection of Outsourcers.*** If Outsourcing is selected then the Town shall provide to Master Developer at least two qualified potential Outsourcing reviewers and those reviewers estimates of fees and timing of performance. Master Developer may elect either of those options. Master Developer may also propose a different Outsourcing reviewer and the Town may, in its sole discretion, agree to that proposal.
 - 3.5.11.3. ***Election/Cost Estimate.*** If the Town or Master Developer determines in either of their discretion that Outsourcing is appropriate, then the Town shall promptly estimate the reasonably anticipated differential cost of Outsourcing in the manner selected by the Town in good faith consultation with the Master Developer or Subdeveloper (either overtime to Town employees or the hiring of a Town Consultant). If the Master Developer or a Subdeveloper notifies the Town that it desires to proceed with the Outsourcing based on the Town's estimate of costs, then the Master Developer or Subdeveloper shall deposit

in advance with the Town the estimated differential cost and the Town shall then promptly precede with having the work Outsourced.

- 3.5.11.4. Compliance with Applicable Codes. Any Outsourced work shall be performed pursuant to applicable standards including, but not limited to, the Town's Vested Laws, Federal law, State Code, and any adopted uniform standards such as AASHTO, the IBC and the IFC.
- 3.5.11.5. Final Payment. Upon completion of the Outsourcing services and the provision by the Town of an invoice (with such reasonable supporting documentation as may be requested by Master Developer or Subdeveloper) for the actual differential cost (whether by way of paying a Town Consultant or paying overtime to Town employees) of Outsourcing, Master Developer or the Subdeveloper shall, within ten (10) business days pay or receive credit (as the case may be) for any difference between the estimated differential cost deposited for the Outsourcing and the actual cost differential. Any dispute regarding his section shall be resolved pursuant to the Dispute Resolution Processes.
- 3.5.11.6. Acceptance of Outsourced Work. The Town shall accept the results of any outsourced decision under this section without any further review by the Town.

3.6. **Parcel Sales.** The Town acknowledges that the precise location and details of the public improvements, lot layout and design, and any other similar item regarding the development of a particular Parcel may not be known at the time of the creation of or sale of a Parcel. Master Developer may obtain approval of a Parcel in any manner allowed by law. If, pursuant to Utah Code Ann. § 10-9a-103(66)(c)(v) (2024), there are no individually developable lots in the Parcel, the creation of the Parcel would not be subject to subdivision requirement in the Town's Vested Laws including the requirement to complete or provide security for any Public Infrastructure at the time of the creation of the Parcel. The responsibility for completing and providing security for completion of any Public Infrastructure in the Parcel shall be that of the Master Developer or a Subdeveloper upon a subsequent Subdivision of the Parcel that creates individually developable lots. An instrument shall be recorded specifying the material details of any Parcel sale such as the number of acres, number of units and any other material information regarding what rights and/or obligations are being sold. The recorded instrument shall be signed by Master Developer and the buyer. The City shall also sign acknowledging that it has notice of the sale and that the recorded instrument complies with this subsection.

3.7. **Accounting for RDUs for Developments by Master Developer.** At the recordation of a final plat or other approved and recorded instrument for any Development developed by Master Developer that includes RDUs, Master Developer shall provide the Town a Development Report showing any RDUs used with the Development and the RDUs remaining with Master Developer and Master Developer and for the entire remaining Project.

3.8. **Development Report.** With any Development Application filed by Master Developer shall file a Development Report showing:

- 3.8.1. **Ownership** of the property subject to the Development Application;
- 3.8.2. **Units and Uses Proposed to be Developed.** The portion of the Maximum RDUs intended to be used by the proposed Development;
- 3.8.3. **Units and Uses Transferred or Remaining.** The amount of the Maximum RDUs remaining with Master Developer;
- 3.8.4. **Material Effects.** Any material effects of the sale on the Master Plan.

3.9. **Accounting for RDUs and/or other types of Maximum RDUs for Parcels Sold to Subdevelopers.** Any Parcel sold by Master Developer to a Subdeveloper shall include the transfer of a specified portion of the Maximum RDUs and, for any non-residential Intended Use, shall specify the amount and type of any such other Intended Use sold with the Parcel. At the recordation of the sale of any Parcel, Master Developer shall provide the Town a Development Report showing the Master Developer of the Parcel(s) sold, the portion of the Maximum RDUs and/or other type of Maximum RDUs transferred with the Parcel(s), the amount of the Maximum RDUs and/or other type of Maximum RDUs remaining with Master Developer and Master Developer and any material effects of the sale on the Master Plan.

- 3.9.1. **Return of Unused RDUs.** If any portion of the Maximum RDUs transferred to a Subdeveloper are unused by the Subdeveloper at the time the Parcels transferred with such RDUs receives approval for a Development Application for the final portion of such transferred Parcel, the unused portion of the transferred Maximum RDUs shall automatically revert back to Master Developer and Master Developer, and they shall file with the Town a Development Report updating the remaining portion of the Maximum RDUs and the Maximum RDUs.

3.10. **Phasing.** The Town acknowledges that Master Developer and Master Developer may develop the Project in Phases. No sequential phasing is implied by any numbering in the Master Plan. The Parties acknowledge that the most efficient and economic development of the Project depends on numerous factors, such as market conditions and demand, infrastructure planning, competition, the public interest, and other similar factors. The Development Application for each Phase shall establish that the needs of future phases for Public Infrastructure are properly accounted for. The Development Application for any Phase shall comply with the Master Plan and provide for future Phases access and infrastructure connectivity and compatibility. Except as specified below, the development of the Project in Phases shall be in the sole discretion of Master Developer.

- 3.11. **Nightly Rentals.** Nightly rental shall be allowed for all of the Cabins.

3.12. **Main Street Improvements.** The Main Street Improvements shall be constructed as specified in Exhibit “D”.

3.13. **Package Plant.** Wastewater disposal shall not be accomplished at an individual RDU level. Wastewater disposal shall be accomplished only through the construction of a wastewater package treatment system and plant approved by the Washington County Health Department and the Ash Creek Special Service District, and paid for by the Master Developer or its assigns at their sole expense. wastewater package treatment system and plant must be continuously operated and maintained by the Ash Creek Special Service District acting as the body politic pursuant to Utah State health regulations.

- 3.14.

4. **Zoning and Vested Rights.**

4.1. **Vested Rights Granted by Approval of this MDA.** To the maximum extent permissible under the laws of Utah and the United States and at equity, the Town, and Master Developer intend that this MDA grants and Master Developer all rights to develop the Project in fulfillment of this MDA except as specifically provided herein. The Parties intend that the rights granted to Master Developer under this MDA are contractual and also those rights that exist under statute, common law and at equity. The Parties specifically intend that this MDA grants to Master Developer “vested rights” as that term is construed in Utah’s common law and pursuant to Utah Code Ann. § 10-9a-509 (2024).

4.2. **Exceptions.** The restrictions on the applicability of the Town’s Future Laws to the Project as specified in Section 1.2.9 are subject to only the following exceptions:

- 4.2.1. **Master Developer Agreement.** Town’s Future Laws that Master Developer agrees in writing to the application thereof to the Project;
- 4.2.2. **State and Federal Compliance.** Town’s Future Laws which are generally applicable to all properties in the Town, and which are required to comply with State and Federal laws and regulations affecting the Project;
- 4.2.3. **Codes.** Town’s Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, drainage, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual on Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare
- 4.2.4. **Taxes.** Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the Town to all properties, applications, persons, and entities similarly situated;
- 4.2.5. **Fees.** Changes to the amounts of fees (but not changes to the times provided in the Town’s Vested Laws for the imposition or collection of such fees) for the processing of Development Applications that are generally applicable to all development within the Town (or a portion of the Town as specified in the lawfully adopted fee schedule) and which are adopted pursuant to State law;
- 4.2.6. **Compelling, Countervailing Interest.** Laws, rules or regulations that the Town’s land use authority finds, on the record, are necessary to avoid jeopardizing a compelling, countervailing public interest pursuant to Utah Code Ann. § 10-9a-509(1)(a)(i) (2024).

4.3. **Reserved Legislative Powers.** The Parties acknowledge that under the laws of the State of Utah (including Utah Code Ann. § 10-9a-532 (2024)) and the United States, the Town’s authority to limit its police power by contract has certain restrictions. As such, the limitations, reservations, and exceptions set forth herein are intended to reserve for the Town those police powers that cannot be so limited. Notwithstanding the retained power of the Town to enact such legislation under the Town’s police

powers, such legislation shall only be applied to modify the vested rights of the Master Developer under the terms of this MDA based upon the policies, facts, and circumstances meeting the compelling, countervailing public interest exception to the vested rights doctrine in the State of Utah. Any such proposed legislative changes affecting the vested rights of the Master Developer under this MDA shall be of general application to all development activity in the Town and, unless the Town declares an emergency, Master Developer shall be entitled to prior written notice and an opportunity to be heard with respect to any proposed change and its applicability to the Project under the compelling, countervailing public interest exception to the vested rights doctrine.

5. **Term of Agreement.** The initial term of this MDA shall be until December 31, 2040. If as of that date Master Developer is in compliance of this MDA and have not been declared to be in default as provided in Section 13, and if any such declared default is not being cured as provided therein, then this MDA shall be automatically extended until December 31, 2045, and, thereafter, for two (2) additional period of five (5) years. This MDA shall also terminate automatically at Buildout.

5.1. **Commencement of Development.** If Master Developer has not obtained approval of a Development Application for the Project and substantially completed the Public Improvements necessary for the recordation of a final plat for the Development Application on or before December 31, 2032 then this MDA shall automatically terminate.

6. **Application Under Town's Future Laws.** Without waiving any rights granted by this MDA, Master Developer may at any time, and from time-to-time, choose to submit a Development Application for some or all of the Project under the Town's Future Laws in effect at the time of the Development Application so long as Master Developer is not in current breach of this Agreement. Any Development Application filed for consideration under the Town's Future Laws shall be governed by all portions of the Town's Future Laws related to the Development Application. The election by Master Developer at any time to submit a Development Application under the Town's Future Laws shall not be construed to prevent Master Developer from applying for other Development Applications on the Town's Vested Laws. Subdevelopers may not submit a Development Application under the Town's Future Laws without the consent of the Master Developer.

7. **Public Infrastructure.**

7.1. **Construction by Master Developer.** Master Developer shall have the right and the obligation to construct or cause to be constructed and installed, all Public Infrastructure reasonably and lawfully required as a condition of approval of the Development Application.

7.1.1. **Security for Public Infrastructure.** If, and to the extent required by the Town's Vested Laws, unless otherwise provided by LUDMA, security for any Public Infrastructure is required by the Town it shall be provided in a form acceptable to the Town (which may include security based on real property) as specified in the Town's Vested Laws. Partial releases of any such required security shall be made as work progresses based on LUDMA.

7.1.2. **Bonding for Landscaping.** Security for the completion of those items of landscaping that are weather or water dependent shall be provided as required by the Town's Vested Laws in conformance with LUDMA.

7.2. **Dedication of Public Improvements.** All of the infrastructure and improvements dedicated to the Town pursuant hereto shall be constructed to the Town's standard specifications unless

otherwise agreed in this MDA or otherwise and shall be subject to Town requirements for the payment of property taxes, inspections, and approval before acceptance by the Town. The Town shall accept such dedication after payment of all taxes and fees and inspection and correction of any deficiency or failure to meet Town standards.

8. **Upsizing/Reimbursements to Master Developer.**

8.1. **“Upsizing”.** The Town shall not require Master Developer to “upsized” any future Public Infrastructure (i.e., to construct the infrastructure to a size larger than required to service the Project) unless financial arrangements reasonably acceptable to Master Developer are made to compensate Master Developer for the incremental or additive costs of such upsizing. For example, if an upsized to a water pipe size increases Master Developer’s costs by 10% but adds 50% more capacity, the Town shall only be responsible to compensate Master Developer for the 10% cost increase. Acceptable financial arrangements for upsizing of improvements include reimbursement agreements, payback agreements, pioneering agreements, and impact fee credits and reimbursements. Any decision by the Town to limit access to any roads built by Master Developer shall be considered an “upsizing” and shall not be required of Master Developer unless financial arrangements reasonably acceptable to Master Developer are made to compensate Master Developer for the loss of value and additive costs of such upsizing.

8.1.1. **Dispute Resolution.** Any dispute regarding this section shall be resolved pursuant to the Dispute Resolution Processes.

9. **On-Site Processing of Natural Materials.** Master Developer may use the natural materials located on the Property such as sand, gravel, and rock, and may process such natural materials into fill for the Project. If the proposed excavation for the use of the natural materials as contemplated in this section is consistent with the final uses in the area as illustrated on the Master Plan, then it shall be approved by the Administrator irrespective of whether the proposed grading is in conjunction with a Subdivision or just the grading by itself. Master Developer shall mitigate fugitive dust control as required by the State of Utah and shall establish the maximum grade/depth from which the natural materials may be extracted. If Master Developer extracts or processes beyond the final development grade, Master Developer shall be required to backfill the site and return it to final development grades.. Any dispute regarding this section shall be resolved pursuant to the Dispute Resolution Processes.

10. **Default.**

10.1. **Notice.** If Master Developer or a Subdeveloper or the Town fails to perform their respective obligations hereunder or to comply with the terms hereof, the party believing that a Default has occurred shall provide Notice to the other party. If the Town believes that the Default has been committed by a Subdeveloper then the Town shall also provide a courtesy copy of the Notice to Master Developer.

10.2. **Contents of the Notice of Default.** The Notice of Default shall:

10.2.1. ***Specific Claim.*** Specify the claimed event of Default;

10.2.2. ***Applicable Provisions.*** Identify with particularity the provisions of any applicable law, rule, regulation, or provision of this MDA that is claimed to be in Default;

10.2.3. ***Materiality.*** Identify why the Default is claimed to be material; and

10.2.4. ***Optional Cure.*** If the Town chooses, in its discretion, it may propose a

method and time for curing the Default which shall be of no less than thirty (30) days duration.

10.2.5. **Dispute Resolution.** Upon the issuance of a Notice of Default the parties shall engage in the Dispute Resolution Processes.

10.3. **Remedies.** If the parties are not able to resolve the Default by the Dispute Resolution Processes, then the parties may have the following remedies:

10.3.1. **Law and Equity.** All rights and remedies available in equity including, but not limited to, injunctive relief and/or specific performance.

10.3.2. **Security.** The right to draw on any security posted or provided in connection with the Project and relating to remedying of the particular Default.

10.3.3. **Future Approvals.** The right to withhold all further reviews, approvals, licenses, building permits and/or other permits for development of the Project in the case of a default by Master Developer, or in the case of a default by a Subdeveloper, development of those Parcels owned by the Subdeveloper until the Default has been cured. No approvals, licenses, building permits, or other permits may be withheld from any Subdeveloper for a Default of Master Developer.

10.4. **Public Meeting.** Before any remedy in Section 10.3 may be imposed by the Town, the party allegedly in Default shall have the right to attend a public meeting before the Town Council and address the claimed Default.

10.5. **Emergency Defaults.** Anything in this MDA notwithstanding, if the Town Council finds on the record that a default materially impairs a compelling, countervailing interest of the Town and that any delays in imposing such a default would also impair a compelling, countervailing interest of the Town then the Town may impose the remedies of Section 10.3 without the requirements of Sections 10.4. The Town shall give Notice to the Developer and/or any applicable Subdeveloper of any public meeting at which an emergency default is to be considered and the Developer and/or any applicable Subdeveloper shall be allowed to address the Town Council at that meeting regarding the claimed emergency Default.

10.6. **Extended Cure Period.** If any Default cannot be reasonably cured within thirty (30) days, then such cure period shall be extended so long as the defaulting party is pursuing a cure with reasonable diligence.

10.7. **Default of Assignee.** A default of any obligations assumed by an assignee shall not be deemed a default of Master Developer.

11. **Dispute Resolution.** Unless otherwise provided in the MDA, any Dispute shall be resolved as follows.

11.1. **Meet and Confer regarding Development Application Denials.** The Town and Applicant shall meet within fifteen (15) business days of any Dispute to resolve the issues specified in the Dispute.

11.2. **Mediation of Disputes.**

11.2.1. **Issues Subject to Mediation.** Disputes that are not subject to arbitration provided in Section 11.3 shall be mediated.

11.2.2. **Mediation Process.** If the Town and Applicant are unable to resolve a Dispute that is subject to mediation, the parties shall attempt within ten (10) business days to appoint a mutually acceptable mediator with knowledge of the legal or factual issue of the Dispute. If the Parties are unable to agree on a single acceptable mediator, they shall each within ten (10) business days, appoint their own representative. These two representatives shall, between them, choose the single mediator. Applicant shall pay the fees of the chosen mediator. The chosen mediator shall within fifteen (15) business days, review the positions of the parties regarding the Dispute and promptly attempt to mediate the Dispute between the parties. If the parties are unable to reach agreement, the mediator shall notify the parties in writing of the resolution that the mediator deems appropriate. The mediator's opinion shall not be binding on the parties.

11.3. **Arbitration of Disputes.**

11.3.1. **Issues Subject to Arbitration.** Issues regarding a Dispute that are subject to resolution by scientific or technical experts such as traffic impacts, water quality impacts, pollution impacts, etc. are subject to arbitration.

11.3.2. **Mediation Required Before Arbitration.** Prior to any arbitration the parties shall first attempt mediation as specified in Section 11.2.

11.3.3. **Arbitration Process.** If the Town and Applicant are unable to resolve an issue through mediation, the parties shall attempt within ten (10) business days to appoint a mutually acceptable expert in the professional discipline(s) of the Dispute. If the parties are unable to agree on a single acceptable arbitrator, they shall each, within ten (10) business days, appoint their own individual appropriate expert. These two experts shall, between them, choose the single arbitrator. Applicant shall pay the fees of the chosen arbitrator. The chosen arbitrator shall within fifteen (15) business days, review the positions of the parties regarding the arbitration issue and render a decision. The arbitrator shall ask the prevailing party to draft a proposed order for consideration and objection by the other side. Upon adoption by the arbitrator, and consideration of such objections, the arbitrator's decision shall be final and binding upon both parties. If the arbitrator determines as a part of the decision that the Town's or Applicant's position was not only incorrect but was also maintained unreasonably and not in good faith, then the arbitrator may order the Town or Applicant to pay the arbitrator's fees.

11.4. **District Court.** If the Dispute is not subject to arbitration then, after exhausting the Meet and Confer and Mediation processes above the Parties may seek relief in the Fifth District Court.

12. **Notices.** All notices required or permitted under this Amended Development Agreement shall, in addition to any other means of transmission, be given in writing by certified mail and regular mail

to the following address:

To Master Developer: Gooseberry Preserve at Zion, LLC
2120 S Cottonwood Canyon Road #125
Holm, UT 84718

With a Copy to: Bruce R. Baird, Esq.
Bruce R. Baird PLLC
2150 South 1300 East, Fifth Floor
Salt Lake Town, UT 84106
bbaird@difficultdirt.com

To Town:

Attn: Town Mayor
1777 North Meadowlark Drive
Apple Valley, UT 84737

With a Copy to: Heath H. Snow, Esq.
Snow Caldwell Beckstrom & Wilbanks, PLLC
253 W. St. George Blvd. # 100
St. George, UT 84770

14.1. **Effectiveness of Notice.** Except as otherwise provided in this MDA, each Notice shall be effective and shall be deemed delivered on the earlier of:

14.1.1. **Hand Delivery.** The day it is delivered personally or by courier service.

14.1.2. **Electronic Delivery.** Its actual receipt if delivered electronically by email provided that a copy of the email is printed out in physical form and mailed or personally delivered as set forth herein on the same day and the sending party has an electronic receipt of the delivery of the Notice. If the copy is not sent on the same day, then notice shall be deemed effective the date that the mailing or personal delivery occurs.

14.1.3. **Mailing.** On the day the Notice is postmarked for mailing, postage prepaid, by First Class or Certified United States Mail and actually deposited in or delivered to the United States Mail. Any party may change its address for Notice under this MDA by giving written Notice to the other party in accordance with the provisions of this Section.

15. **Administrative Modifications.**

15.1. **Allowable Administrative Applications:** The following modifications to this MDA may be considered and approved by the Administrator.

15.1.1. **Infrastructure.** Modification of the location and/or sizing of the infrastructure for the Project that does not materially change the functionality of the infrastructure.

15.1.2. **Minor Amendment.** Any other modifications deemed to be minor modifications by the Administrator.

15.2. **Application to Administrator.** Applications for Administrative Modifications shall be filed with the Administrator.

15.3. **Administrator's Review of Administrative Modification.** The Administrator shall consider and decide upon the Administrative Modification within a reasonable time not to exceed forty-five (45) days from the date of submission of a complete application for an Administrative Modification. If the Administrator approves the Administrative Modification, the Administrator shall record notice of such approval shall be against the applicable portion of the Property in the official Town records.

15.3.1. **Referral as Amendment.** The Administrator may determine that any proposed Administrative Modification should be processed as an Amendment pursuant to Section 16.

15.4. **Appeal of Administrator's Denial of Administrative Modification.** If the Administrator denies any proposed Administrative Modification, the Applicant may process the proposed Administrative Modification as a Modification Application.

16. **Amendment.** Except for Administrative Modifications, any future amendments to this MDA shall be considered as Modification Applications subject to the following processes.

16.1. **Who May Submit Modification Applications.** Only the Town and Master Developer with the consent of the Master Developer or an assignee that succeeds to all of the rights and obligations of the and Master Developer under this MDA (and not including a Subdeveloper) may submit a Modification Application.

16.2. **Modification Application Contents.** Modification Applications shall:

16.2.1. **Identification of Property.** Identify the property or properties affected by the Modification Application.

16.2.2. **Description of Effect.** Describe the effect of the Modification Application on the affected portions of the Project.

16.2.3. **Identification of Non-Town Agencies.** Identify any Non-Town agencies potentially having jurisdiction over the Modification Application.

16.2.4. **Map.** Provide a map of any affected property and all property within three hundred feet (300') showing the present or Maximum RDUs of all such properties.

16.3. **Fee.** Modification Applications shall be accompanied by a fee in an amount reasonably estimated by the Town to cover the costs of processing the Modification Application.

16.4. **Town Cooperation in Processing Modification Applications.** The Town shall cooperate reasonably in promptly and fairly processing Modification Applications.

16.5. **Planning Commission Review of Modification Applications.**

16.5.1. **Review.** All aspects of a Modification Application required by law to be reviewed by the Planning Commission shall be considered by the

Planning Commission as soon as reasonably possible in accordance with the Town's Vested Laws in light of the nature and/or complexity of the Modification Application.

- 16.5.2. **Recommendation.** The Planning Commission's vote on the Modification Application shall be only a recommendation and shall not have any binding or evidentiary effect on the consideration of the Modification Application by the Commission.

16.6. **Town Council Review of Modification Application.** After the Planning Commission, if required by law, has made or been deemed to have made its recommendation of the Modification Application, the Town Council shall consider the Modification Application.

16.7. **Town Council's Objections to Modification Applications.** If the Town Council objects to the Modification Application, the Town Council shall provide a written determination advising the Applicant of the reasons for denial, including specifying the reasons the Town Council believes that the Modification Application is not consistent with the intent of this MDA and/or the Town's Vested Laws (or, only to the extent permissible under this MDA, the Town's Future Laws).

16.8. **Disputes.** Any dispute regarding this section shall be resolved pursuant to the Dispute Resolution Processes.

17. **Estoppel Certificate.** Upon twenty (20) days prior written request by Master Developer or a Subdeveloper, the Town will execute an estoppel certificate to any third party certifying that Master Developer or a Subdeveloper, as the case may be, at that time is not in default of the terms of this Agreement.

18. **Attorney's Fees.** In addition to any other relief, the prevailing party in any action, whether at law, in equity or by arbitration, to enforce any provision of this MDA shall be entitled to its costs of action including a reasonable attorneys' fee. This shall not apply to mediation in accordance with Section 14.2.

19. **Headings.** The captions used in this MDA are for convenience only and are not intended to be substantive provisions or evidence of intent.

20. **No Third-Party Rights/No Joint Venture.** This MDA does not create a joint venture relationship, partnership or agency relationship between the Town, and Master Developer. Further, the Parties do not intend this MDA to create any third-party beneficiary rights. The Parties acknowledge that this MDA refers to a private development and that the Town has no interest in, responsibility for or duty to any third parties concerning any improvements to the Property unless the Town has accepted the dedication of such improvements at which time all rights and responsibilities, except for warranty bond requirements under Town's Vested Laws and as allowed by State law, for the dedicated public improvement shall be the Town's.

21. **Assignability.** The rights and responsibilities of Master Developer under this MDA may be assigned in whole or in part by Master Developer with the consent of the Town as provided herein.

21.1. **Sale of Lots.** Master Developer's selling or conveying lots in any approved Subdivision or Parcels to builders, users, or Subdevelopers, shall not be deemed to be an "assignment" subject to the above-referenced approval by the Town unless specifically designated as such an assignment by Master Developer.

21.2. **Related Entity.** Master Developer's transfer of all or any part of the Property to any entity "related" to any Master Developer (as defined by regulations of the Internal Revenue Service), Master Developer's entry into a joint venture for the development of the Project or Master Developer's pledging of part or all of the Project as security for financing shall also not be deemed to be an "assignment" subject to the above-referenced approval by the Town unless specifically designated as such an assignment by Master Developer. Master Developer shall give the Town Notice of any event specified in this subsection within ten (10) days after the event has occurred. Such Notice shall include providing the Town with all necessary contact information for the newly responsible party.

21.3. **Notice.** Master Developer shall give Notice to the Town of any proposed assignment and provide such information regarding the proposed assignee that the Town may reasonably request in making the evaluation permitted under this Section. Such Notice shall include providing the Town with all necessary contact information for the proposed assignee.

21.4. **Time for Objection.** Unless the Town objects in writing within ten (10) business days of notice, the Town shall be deemed to have approved of and consented to the assignment.

21.5. **Partial Assignment.** If any proposed assignment is for less than all of Master Developer's rights and responsibilities, then the assignee shall be responsible for the performance of each of the obligations contained in this MDA to which the assignee succeeds. Upon any such approved partial assignment, Master Developer shall be released from any future obligations as to those obligations which are assigned but shall remain responsible for the performance of any obligations that were not assigned. If a partial assignment is a result of the sale of a Parcel then the requirements of Section 3.6 for the recordation of a notice of the partial assignment shall be complied with.

21.6. **Denial.** The Town may only withhold its consent if the Town is not reasonably satisfied of the assignee's financial ability to perform the obligations of Master Developer proposed to be assigned or there is an existing breach of a development obligation owed to the Town by the proposed assignee or a related entity that has not either been cured or in the process of being cured in a manner acceptable to the Town. The Town may also withhold consent if the proposed assignee or related entity has a documented history of noncompliance with applicable laws or has engaged in conduct detrimental to the Town's interests.

21.7. **Dispute Resolution.** Any dispute regarding this section shall be resolved pursuant to the Dispute Resolution Processes.

21.8. **Assignees Bound by MDA.** Any assignee shall consent in writing to be bound by the assigned terms and conditions of this MDA as a condition precedent to the effectiveness of the assignment.

22. **Binding Effect.** If Master Developer sells or conveys Parcels of lands to Subdevelopers or related parties, the lands so sold and conveyed shall bear the same rights, privileges, Maximum RDUs, configurations, and Density as applicable to such Parcel and be subject to the same limitations and rights of the Town when owned by Master Developer and as set forth in this MDA without any required approval, review, or consent by the Town except as otherwise provided herein.

23. **No Waiver.** No waiver of any of the terms of this Agreement shall be valid unless in writing and expressly designated as such. Any forbearance or delay on the part of either party in enforcing any of its rights as set forth in this Agreement shall not be construed as a waiver of such right for such occurrence or any other occurrence. Any waiver by either party of any breach of any kind or character whatsoever by the other shall not be construed as a continuing waiver of, or consent

to any subsequent breach of this Agreement.

24. **Further Documentation.** This MDA is entered into by the Parties with the recognition and anticipation that subsequent agreements implementing and carrying out the provisions of this MDA may be necessary. The Parties shall negotiate in good faith with respect to all such future agreements.

25. **Severability.** If any provision of this MDA is held by a court of competent jurisdiction to be invalid for any reason, the Parties consider and intend that this MDA shall be deemed amended to the extent necessary to make it consistent with such decision and the balance of this MDA shall remain in full force and affect.

26. **Force Majeure.** Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature, governmental restrictions, regulations or controls, judicial orders, enemy or hostile government actions, wars, civil commotions, fires or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by that Party for a period equal to the duration of that prevention, delay or stoppage.

27. **Time is of the Essence.** Time is of the essence to this MDA, and every right or responsibility shall be performed within the times specified.

28. **Appointment of Representatives.** To further the commitment of the parties to cooperate in the implementation of this MDA, the Town and Master Developer each shall designate and appoint a representative to act as a liaison between the Town and its various departments and Master Developer. The initial representative for the Town shall be the Mayor of the Town. The initial representative for Master Developer shall be Scout Holm. The Parties may change their designated representatives by Notice. The representatives shall be available at all reasonable times to discuss and review the performance of the Parties to this MDA and the development of the Project.

29. **Rights of Access.** The Town Engineer and other representatives of the Town shall have a reasonable right of access to the Property, and all areas of development or construction done pursuant to this MDA during development and construction, to inspect or observe the work on the improvements and to make such inspections and tests as are allowed or required under the Town regulations.

30. **Mutual Drafting.** Each party has participated in negotiating and drafting this MDA and therefore no provision of this MDA shall be construed for or against either party based on which party drafted any particular portion of this MDA.

31. **Applicable Law.** This MDA is entered into in Washington County in the State of Utah and shall be construed in accordance with the laws of the State of Utah irrespective of Utah's choice of law rules.

32. **Venue.** Any action to enforce this MDA shall be brought only in the Fifth District Court for the State of Utah, Washington County.

33. **Entire Agreement.** This MDA, and all Exhibits thereto, is the entire agreement between the Parties and may not be amended or modified except either as provided herein or by a subsequent written amendment signed by all Parties.

34. **Conflicts.** The Town's Vested Laws shall apply to each Development Application except as the Town's Vested Laws are modified by this MDA (including all exhibits thereto).

35. **Recordation and Running with the Land.** This MDA shall be recorded in the chain of title for the Property. This MDA shall be deemed to run with the land.

36. **Authority.** The Parties to this MDA each warrant that they have all of the necessary authority to execute this MDA. Specifically, on behalf of the Town, the signature of the Mayor of the Town is affixed to this MDA lawfully binding the Town pursuant to Ordinance No. _____ adopted by the Town Council on February ___, 2025.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first herein above written.

TABLE OF EXHIBITS

Exhibit “A”	Legal Description of the Property
Exhibit “B”	Master Plan
Exhibit “C”	Town’s Vested Laws
Exhibit “D”	Main Street Improvements

[signatures on following pages]

Town

TOWN OF APPLE VALLEY

_____, Mayor

ATTEST

_____, Town Recorder

Office of the Town Attorney
Approved as to form and legality

TOWN ACKNOWLEDGEMENT

STATE OF UTAH)
 :ss
COUNTY OF _____)

On the ____ day of February, 2025, personally appeared before me Mike Farrar, who being by me duly sworn, did say that he is the Mayor of the Town of Apple Valley, a political subdivision of the State of Utah, and that said instrument was signed in behalf of the Town by authority of its Town Council and said Mayor acknowledged to me that the Town executed the same.

NOTARY PUBLIC

MASTER DEVELOPER

Gooseberry Preserve at Zion, LLC

A Utah limited liability company

_____, Manager

MASTER DEVELOPER ACKNOWLEDGMENT

STATE OF UTAH)
 :SS
COUNTY OF _____)

On the ____ day of February, 2025, personally appeared before me _____ duly sworn, did say that he is the Manager of **Gooseberry Preserve at Zion, LLC**, a Utah limited liability company and that the foregoing instrument was duly authorized by the company at a lawful meeting held by authority of its operating agreement and signed in behalf of said company.

NOTARY PUBLIC

EXHIBIT A
Legal Description of the Project

EXHIBIT B

MASTER PLAN

EXHIBIT C

TOWN'S VESTED LAWS

(ON FILE WITH THE TOWN RECORDER IN A DIGITAL FORMAT)

EXHIBIT D

MAIN STREET IMPROVEMENTS