WHEN RECORDED, MAIL TO:

KARI JIMENEZ
IVINS CITY
55 NORTH MAIN
IVINS, UT 84738

APN: I-SB-58-A-1

DEVELOPMENT AGREEMENT
FOR THE KANTA VILLAGE SUBDIVISION PROJECT
IVINS CITY, WASHINGTON COUNTY, UTAH

This Development Agreement ("Agreement") is entered into as of this 26th day of May, 2020, by and between **KANTA HOLDINGS, LLC**, a Utah Limited Liability Company (Owner) and **BULL RUN CAPITAL, INC**. a foreign corporation and **KAL MALHI** its President (Developer), the owner and developer (collectively "Developer") of certain real property located in Ivins City, Washington County, Utah, on which they propose to develop a project known as the Kanta Village Subdivision (the "Project"), and **IVINS CITY**, a municipality and political subdivision of the State of Utah, by and through its City Council ("City").

RECITALS

A. Developer desires to develop approximately 9.12 acres of real property located in Ivins City, Washington County, Utah, the legal description of which is set forth on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"), on which it proposes the development of a certain subdivision known as the Kanta Village Subdivision consisting of a total of 80 townhomes and 1 commercial unit, as more fully reflected on Exhibit "B" attached hereto and incorporated herein.

B. The Project shall be developed in five phases, with each phase to begin shortly after receipt of Final Plat approval. The number of units to be developed with each phase is as follows: Phase 1, 25 townhomes and 1 commercial unit; Phase 2, 15 townhomes; Phase 3, 19 townhomes; Phase 4, 13 townhomes; and Phase 5, 8 townhomes.

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

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

E. Ivins City is acting pursuant to authority under The Municipal Land Use, Development, and Management Act (U.C.A. §§10-9a-101 et. seq., as amended from time to time, hereinafter the "Act"), and in furtherance of its land use policies, goals, objectives, ordinances, resolutions, and regulations.

AGREEMENT

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

(1) Recitals; Findings. The foregoing recitals are incorporated and made an integral part of this Agreement by this reference. The City finds that the development of the Property pursuant to this Agreement and applicable City ordinances will result in meaningful planning and economic benefits to, and shall further the health, safety and welfare of the City and its residents by, among other things: (i) requiring development of the Property in a manner consistent with the applicable rules, regulations and policies of the City; (ii) providing for the dedication of infrastructure improvements to be completed as set forth herein and/or as consistent with current State or City regulations; and (iii) preserving the natural beauty and view of the surrounding environment through agreed upon construction materials and building height limitations. The City is entering into and approving this Agreement pursuant to its authority under the Act and City ordinances, policies and regulations and has made certain determinations with respect to the Property and, in the exercise of its legislative discretion, has elected to approve this Agreement as an agreement, compromise, and settlement as to the matters covered by this Agreement.

(2) Project Phasing. The development of the multiple phases of the Project shall be governed as set forth in Exhibit B attached hereto.

(a) The Final Plat for the first Subdivision Phase Final Plat must be recorded within one (1) year from the approval date of this Development Agreement; Final Plats for each subsequent phase shall be recorded within one (1) year from the approval date for the previous Final Plat.

(b) Before a Final Plat for any Subdivision Phase can be recorded, paved fire access roads that comply with City Code, shall either be fully installed or bonded for before the first Certificate of Occupancy can be issued.

(c) For any Subdivision Phase through which there is a right-of-way that is to be vacated, the statutory process for vacating the right-of-way must be completed before that Subdivision Phase can be recorded.

(d) Fitness Way Street improvements shall be constructed with Kanta Village Phase 5 or coincide with Sage Villas Phase 2 Fitness Way Street improvements if constructed before Phase 5.

(3) Project Plans; Development Pursuant to this Agreement.

(a) Project Plans. The Project Plan previously approved for the Project, the Amended Project Preliminary Plan as reflected in Exhibit B and the Final Plats to be approved, as well as any exhibits attached hereto (collectively the "Project Plans"), are integral parts of this Agreement. The City's approval of the Project is based upon the City's reliance that the Project will be developed in accordance with the standard and quality of improvements, unit densities, dedication of easements, roadways, and other improvements, as represented in the Project Plans and this Agreement.

(b) Development Guidelines. The following development guidelines shall be part of the Project Plans:

(i) Exterior materials shall only be stucco, stone, brick, exposed concrete or concrete block;

(ii) All exterior colors shall be limited to subdued earth tones;

(iii)No metal or vinyl siding shall be allowed, however metal detailing and accent may be on a case by case basis, i.e. copper, rusted steel patina;

(iv) All reflective exterior surfaces or materials shall be treated to reduce reflective glare;

(v) All exterior lighting shall be shielded and in compliance with City Code;

(vi) All fencing within or around the Project shall be constructed of colored masonry, rock, stucco, and/o exposed colored concrete throughout the Project; and

(vii) All roofing material shall be in compliance with City Code.

(c) Development. Upon execution of this Agreement by the City, the Developer is authorized to develop the Property as set forth in this Agreement and in accordance with the types, densities and intents of the land uses set forth in the Project Plans and this Agreement.

(4) Documentation Supporting Provisions Herein. If the City determines that any provision of this Agreement requires a separate (recordable or otherwise) document/agreement to protect or clarify the City's rights pursuant to the intent of the parties under this Agreement, both parties shall cooperate in preparing and completing such documents.

(5) Reserved Legislative Powers. Nothing in this Agreement shall limit the future exercise of the police power by Ivins City in enacting zoning, subdivision, development, transportation, environment, open space, and related land use plans, policies, ordinances, and regulations after the date of this Agreement.

(6) Subdivision Plat Approvals and Compliance with City Design and Construction Standards. Developer expressly acknowledges and agrees that nothing in this Development Agreement shall be deemed to relieve Developer from the obligation to comply with all applicable requirements of Ivins City necessary for approval and recordation of subdivision plats for the Project, including the payment of fees and compliance with all other applicable ordinances, resolutions, regulations, policies and procedures of Ivins City, including but not limited to, the Ivins City Subdivision Ordinance and Standards and Specifications for Design and Construction.

(7)Agreement to Run with the Land. This Agreement shall be recorded against the Property described in Exhibit "A" attached hereto and shall be deemed to run with the land and shall be binding on all successors and assigns of Developer in the ownership or development of any portion of the Property. Additionally, Developer shall provide appropriate notes upon the Final Plat prior to recordation giving notice of the primary provisions of this Agreement.

(8) Assignment. Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned to any other party, individual or entity without assigning the rights as well as the responsibilities under this Agreement and without the prior written consent signed by the Mayor with the approval of the City Council, which consent shall not be unreasonably withheld.

(9) Binding Effect. All of the provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. However, in the event Developer fails to proceed in a timely fashion resulting in the revocation or loss of Final Plat or Preliminary Plan approvals for the Project, the City may terminate this Agreement and require a new Development Agreement as part of any future approval process.

(10) No Joint Venture, Partnership or Third Party Rights. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the Developer and the City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

(11) Integration. This Agreement contains the entire Agreement with respect to the subject matter hereof and integrates all prior conversations, discussions or understanding of whatever kind or nature and may only be modified by a subsequent writing duly executed by the parties hereto.

(12) Severability. If any part or provision of this Agreement shall be determined to be unconstitutional, invalid or unenforceable by a court of competent jurisdiction, then such a decision shall not affect any other part or provision of this Agreement except that specific provision determined to be unconstitutional, invalid or unenforceable. If any condition, covenant or other provision of this Agreement shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

(13) Previous Agreements. Except as otherwise expressly provided herein, this Agreement is the exclusive agreement of the parties and replaces and supersedes all prior agreements between the parties pertaining to this Project.

(14) Miscellaneous.

(a) Legal Fees. Should any party default in any of the covenants or agreements herein contained, that defaulting party shall pay all costs and expenses, including a reasonable attorney's fee, which may arise or accrue from enforcing this Agreement or in pursuing any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise. This obligation of the defaulting party to pay costs and expenses includes, without limitation, all costs and expenses, including a reasonable attorney's fee, incurred on appeal and in bankruptcy proceedings.

(b) Survival. It is expressly agreed that the terms, covenants and conditions of this Agreement shall survive any legal act or conveyance required under this Agreement.

(c) Headings. The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

(d) Plat Notes. Primary provisions of this Agreement, as determined by the City, shall be included as notes on any Final Plat of the Project, as well as incorporated into the Project Restrictive Covenants documents.

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

IVINS CITY:

By: _____
Chris Hart, Mayor

Attest:

_____
Kari Jimenez, Ivins City Recorder

OWNER:

_____
KANTA HOLDINGS, LLC

DEVELOPER:

_____
BULL RUN CAPITAL INC.
KAL MALHI, President

STATE OF UTAH)
ss.
COUNTY OF WASHINGTON)

On this ___ day of May, 2020, before me personally appeared CHRIS HART and KARI JIMENEZ whose identities are personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that they are respectively the Mayor and Recorder of **Ivins City**, and that the foregoing document was signed by them by authority, and they acknowledged before me that Ivins City executed the document and the document was the act of Ivins City for its stated purpose.

_____
Notary Public

STATE OF UTAH)
ss.
COUNTY OF WASHINGTON)

DELTA LAW OFFICE
4873 Delta Street
Delta, BC
V4K 2T9

On the 26th day of May, 2020, personally appeared before me RAUNI MALHI, MANAGING MEMBER OF KANTA HOLDINGS, LLC, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that KANTA HOLDINGS, LLC is the Owner of the Kanta Village Subdivision and that the foregoing document was signed by him by authority, and he acknowledged before me that he executed the document for its stated purpose.

Notary Public

GRAHAM T. BUCHANAN
Barrister & Solicitor
DELTA LAW OFFICE
4873 DELTA STREET
DELTA, B.C. V4K 2T9
604-946-2199

STATE OF UTAH)
ss.
COUNTY OF WASHINGTON)

DELTA LAW OFFICE
4873 Delta Street
Delta, BC
V4K 2T9

On the 26th day of May, 2020, personally appeared before me KAL MALHI, PRESIDENT OF RED BULL CAPITAL, INC, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that RED BULL CAPITAL, INCC is the Developer of the Kanta Village Subdivision and that the foregoing document was signed by him by authority, and he acknowledged before me that he executed the document for its stated purpose.

Notary Public

STATE OF UTAH)
)
COUNTY OF WASHINGTON)

On the 28 day of May 2020, personally appeared before me, RAUNI MALHI, Managing Member of KANTA HOLDINGS , LLC, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by my duly sworn or affirmed, did say that KANTA HOLDINGS, LLTC, is the Owner of the Kanta Village Subdivision and that the foregoing document was signed by her authority, and she acknowledged before me that she executed the document for its stated purpose.

Peter Jordan Singh Ghag
Barrister and Solicitor
McMillan LLP
1500 – 1055 West Georgia Street
PO Box 11117
Vancouver, BC V6E 4N7
t 604.689.9111
f 604.685.7084

Lawyer or Notary Public

STATE OF UTAH)
)
COUNTY OF WASHINGTON)

On the 28 day of May, 2020, personally appeared before me KAL MALHI (aka Kulwant Malhi) President of BULLRUN CAPITAL INC., whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who being by me duly sworn or affirmed, did say that BULLRUN CAPITAL INC., is the Developer of the Kanta Village Subdivision before me that he executed the document for its stated purpose.

Peter Jordan Singh Ghag
Barrister and Solicitor
McMillan LLP
1500 – 1055 West Georgia Street
PO Box 11117
Vancouver, BC V6E 4N7
t 604.689.9111
f 604.685.7084

Lawyer or Notary Public

EXHIBIT "A"

Legal Description for the Property

Beginning at a point on the northerly line of Normandy Road, said point being on the center section line, said point also being North 00°41'25" East 154.57 feet along the center section line from the South Quarter Corner of Section 6, Township 42 South, Range 16 West, Salt Lake Base & Meridian, and running;

thence North 00°41'25" East 214.47 feet along the section line;
thence South 89°18'35" East 24.75 feet to the westerly line of Block 21, St. George and Santa Clara Bench Irrigation Survey;
thence North 88°33'17" East 52.53 feet;
thence North 00°41'20" East 50.24 feet;
thence South 88°33'17" West 52.53 feet to said westerly line of Block 21;
thence North 89°18'35" West 24.75 feet to the section line;
thence North 00°41'25" East 631.28 feet along the section line to the southerly line of Old Highway 91;
thence South 52°31'42" East 631.26 feet along said southerly line of Old Highway 91;
thence South 00°39'07" West 646.96 feet to said northerly line of Normandy Road;
thence Westerly 527.27 feet along an arc of a 1,095.00 feet radius curve to the right (center bears North 01°11'27" East, long chord bears North 75°00'52" West 522.19 feet with a central angle of 27°35'22") along said northerly line of Normandy road to the Point of Beginning.

Containing 397,312 square feet or 9.12 acres.