
**AGREEMENT
FOR
SUBDIVISION IMPROVEMENTS
(Letter of Credit)**

THIS AGREEMENT is made and executed this 23 day of Aug, 2011, by and between IRONWOOD REAL ESTATE, 1392 Pass Canyon Road, Erda UT 84074 (hereinafter called "Subdivider"), and TOOELE COUNTY, a body politic and corporate of the State of Utah, (hereinafter called "County").

WITNESSETH:

THAT, WHEREAS, the Subdivider has laid out and platted a proposed subdivision of land in Tooele County, said Subdivision to be known as ARROWHEAD PUD.

WHEREAS, the Subdivider is requesting the County to give final approval of the aforesaid subdivision prior to the construction and installation of the street and other improvements required by law to be placed in or abutting said 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 two (2) year period; and

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

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 above-named subdivision. Said 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(s) "A", which Exhibits are 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 two (2) 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 \$ 380,000.00. 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 a 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 above-named subdivision. Said Letter of Credit is established by HERITAGE WEST CREDIT UNION, entitled "Irrevocable Letter of Credit, in the amount of \$ 380,000.00. Said Letter of Credit is to be established in favor of the County to the account of IRONWOOD REAL ESTATE, 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 aforesaid 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. Except as provided for in Paragraph 10.

5. The County agrees not to make demand for or collect the proceeds of the aforesaid Letter of Credit for a period of two (2) year from the date of this Agreement. The County further agrees that if within the aforesaid two (2) 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 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

specified herein 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 & 10 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 said 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

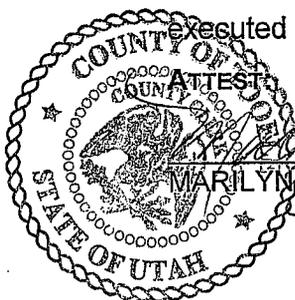
operations. Whenever in the judgment of the County Engineer, said work shall be in need of repairs, maintenance, or rebuilding, he shall cause a written notice to be served the Subdivider, and thereupon the Subdivider shall undertake and complete such repairs, maintenance or rebuilding. If the Subdivider 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.

10. It is expressly understood, covenanted and agreed between the parties that before any default or non-compliance demand against the Subdivider or more expressly the Letter of Credit is made by Tooele County. The Subdivider (Ironwood Real Estate) and Heritage West Credit Union shall have all rights and abilities to vacate the ARROWHEAD PUD in accordance with Chapter 13 section 10 of the Tooele County Development Code.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly

Executed this 6 day of Sept, 2011.



Marilyn Gillette
MARILYN GILLETTE, Clerk

TOOELE COUNTY
Colleen Johnson
COLLEEN JOHNSON, Chairman

(SEAL)

The officers who sign this Agreement hereby certify that this Agreement and the covenants represented thereby was duly authorized under a resolution duly adopted by the Board of Directors of the Subdivider at a lawful meeting duly held and attended by a quorum.

IN WITNESS WHEREOF, the Subdivider has caused its corporate name and seal to be hereunto affixed by its duly authorized officers this 23 day of Aug, 2008.

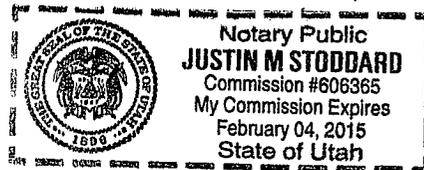
ATTEST:

Secretary *Joseph White* Managing member
Authorized Officer
(SEAL)

State of Utah
County of Tooele

Subscribed and sworn to before me this 23 day of August 2011
by Joseph White, managing member of Ironwood.

Justin Stoddard



IRREVOCABLE LETTER OF CREDIT
(IRONWOOD REAL ESTATE, LLC)

HERITAGEWEST CREDIT UNION
562 N. MAIN
TOOELE, UT 84074

To: TOOELE COUNTY
47 South Main Street
Tooele, Utah 84074

Date: 8/17/10
Letter of Credit Number: 10

Gentlemen:

HERITAGEWEST CREDIT UNION ("HWCU") hereby establishes this irrevocable letter of credit in favor of Tooele County for the account of IRONWOOD REAL ESTATE, LLC, 1392 Pass Canyon Rd., Erda, Utah 84074, up to the aggregate amount of Three Hundred Eighty Thousand and 00/100 US Dollars (\$380,000.00), drawn at sight on HWCU, 562 N. Main, Tooele, Utah 84074. Said Letter of Credit is to guarantee the installation of the site improvements, according to Tooele County's Subdivision Ordinance and any Agreement for Subdivision Improvements between Tooele County and IRONWOOD REAL ESTATE, LLC for all site improvements on the following described tract(s) of land in Tooele County Utah, to-wit:

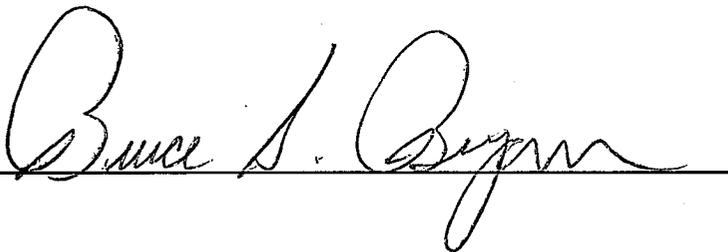
Arrowhead Planned Unit Development

HWCU hereby covenants and agrees that it will not terminate or release the proceeds of said Letter of Credit to any person, firm, or corporation (other than as is hereinafter provided) without the express written consent and direction of Tooele County, and that if said improvements are not satisfactorily installed and completed, according to Ordinance or any Agreement for Subdivision Improvements between Tooele County and IRONWOOD REAL ESTATE, LLC as related specifically to Arrowhead Planned Unit Development, within two years

from the date hereof, that HWCU will, upon demand, deliver up to Three Hundred and Eighty Thousand and 00/100 US Dollars (\$380,000.00) to Tooele County for the sole purpose of making and/or completing all of said improvements, and Tooele County shall return to HWCU any and all funds which may prove to be in excess of the actual cost to Tooele County to make and/or complete said improvements. It is understood that Tooele County requires that 20% of this Letter of Credit remain in place for one year following written acceptance of the improvements by Tooele County, to satisfy the guarantee period.

It is further understood and agreed that HWCU shall have the explicit right to vacate the Arrowhead Planned Unit Development as per Tooele County Ordinance prior to Tooele County demanding payment for any and all such improvements.

Dated: 8/17/11

A handwritten signature in black ink, reading "Bruce S. Bryan", written over a horizontal line.

Bruce S. Bryan, Regional President

HeritageWest Credit Union

A division of Chartway Federal Credit Union

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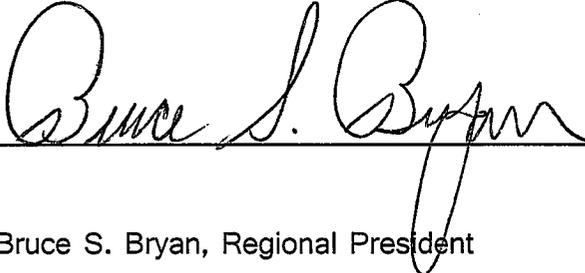
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Dated: 8/17/11



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Bruce S. Bryan, Regional President
HeritageWest Credit Union

A division of Chartway Federal Credit Union