

PURCHASE AND SALE AGREEMENT

DATE: November __, 2011 (the "**Execution Date**")

SELLER: BOYER PARK CITY JUNCTION, L.C., a Utah limited liability company ("**Boyer**"), as to a fifty percent (50%) undivided interest in and to the Property (as defined below), and PARK CITY MUNICIPAL CORPORATION, a municipal corporation of the State of Utah acting only as an owner of certain interests in land and not in its governmental capacity (the "**City**" and together with Boyer, "**Seller**"), as to a fifty percent (50%) undivided interest in and to the Property.

BUYER: IVORY DEVELOPMENT, LLC, a Utah limited liability company ("**Buyer**").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer (collectively, the "**Parties**" and, individually, a "**Party**") agree as follows:

1. **Definitions.** As used in this Purchase and Sale Agreement, the following capitalized terms shall have the meanings set forth.

"**24 Acre Tract**" means the approximately twenty-four (24) acres of land described as Parcel SS92 at Book 1835, Page 338, in the Official Records of Summit County, Utah.

"**Affordable Housing Land**" means the land depicted and labeled as such on the Site Plan on which the City Affordable Housing Units, the Project Affordable Housing Units and the Burbs Affordable Housing Units are to be located.

"**Affordable Housing Improvements**" means: (a) all Infrastructure Improvements required to be constructed only in connection with and as a result of the development of the Affordable Housing Land in accordance with the Development Agreement; and (b) all upsizing required to accommodate the Market Housing Units.

"**Affordable Housing Units**" means the affordable housing lots or units to be deed restricted and developed on the Affordable Housing Land, and consisting of the City Affordable Housing Units, the Project Affordable Housing Units and the Burbs Affordable Housing Units consistent with Resolution 17-99 of the Park City Council (without taking into account amendments after the date of this Agreement).

"**Agreement**" means this Purchase and Sale Agreement.

“**Annexation Agreement**” means that certain Annexation Agreement dated July 2, 2011 executed by the City, in its capacity as a Governmental Authority.

“**AUE**” means “Affordable Unit Equivalents”, as defined in the Municipal Code of Park City.

“**Bonded Improvements**” means the Infrastructure Improvements for the Affordable Housing Improvements and part of the Market Housing Improvements in the cross-hatched area shown on the Plat attached as to **Exhibit G**.

“**Bonding Agreements**” means one or more agreements executed by the City, acting in its capacity as a Governmental Authority, and Buyer, which provides for the issuance of bonds to finance the Bonded Improvements upon terms substantially similar to the terms summarized in **Exhibit G**.

“**Boyer’s Undivided Interest**” means the fifty percent (50%) undivided interest in the Property currently owned by Boyer as a tenant-in-common with the City.

“**Burbs Affordable Housing Units**” means 44.78 AUEs configured as twenty-eight (28) Affordable Housing Units to be constructed on a portion of the Affordable Housing Land as depicted on the Site Plan.

“**Cash Payment**” is defined in Section 4.3.

“**City Affordable Housing Units**” means up to thirty-five (35) Affordable Housing Units to be constructed on a portion of the Affordable Housing Land as depicted on the Site Plan.

“**City’s Undivided Interest**” means the fifty percent (50%) undivided interest in the Property currently owned by the City as a tenant-in-common with Boyer.

“**Closing**” is defined in Section 7.

“**Closing Date**” is defined in Section 7.

“**Deed**” is defined in Section 6.2.2.

“**Development Agreement**” means that certain Development Agreement which will be executed by Boyer and the City. A copy of the Development Agreement shall be provided to Buyer promptly after the Development Agreement is executed and delivered, but in all events not later than ten (10) business days prior to the end of the Due Diligence Period.

“**Due Diligence Materials**” is defined in Section 5.5.

“**Due Diligence Period**” is defined in Section 5.3.

“**Earnest Money**” is defined in Section 4.1.

“Good Funds” is defined in Section 4.1.

“Governmental Authority” means any federal, state or local governmental or quasi-governmental body or agency having jurisdiction over a specified matter.

“Governmental Requirements” means all laws, ordinances, rules, requirements, resolutions, policy statements and regulations of Governmental Authorities bearing on a specified matter including, without limitation, those relating to land use, subdivision, zoning, environmental, hazardous materials or other toxic substance, occupational health and safety, water, earthquake hazard reduction, and building and fire codes.

“Guarantor” means Ivory Land Corporation, a Utah corporation.

“Guaranty” means the form of Guaranty attached hereto as Exhibit “H”.

“Infrastructure Improvements” means all infrastructure improvements servicing a specified area or portion of the Property including, without limitation, roads, the offsite reservoir storage tank and all related lines, equipment and facilities; storm water drainage system; sanitary sewer and utility service lines; laterals and related facilities from the major trunk lines; and all trails, paths, bridges, and related facilities on and connecting to all common areas and green spaces.

“Lender’s Policy” is defined in Section 6.5.3.

“Market Housing Improvements” means all Infrastructure Improvements required to be constructed only in connection with and as a result of development of the Market Housing Land in accordance with the Development Agreement.

“Market Housing Land” means the land generally depicted and labeled as such on the Site Plan on which the Market Housing Units are to be located.

“Market Housing Units” means, as stipulated in the Annexation Agreement, one hundred sixty (160) market value residential lots or units which the Owners have agreed may be developed on the Market Housing Land.

“Note” is defined in Section 4.2.

“Owner’s Policy” is defined in Section 6.5.2.

“Permitted Exceptions” is defined in Section 5.4.

“Phase I Plat” means a plat approving the twenty-eight (28) Burbs Affordable Housing Units and six (6) Market Units, a preliminary copy of which is attached as **Exhibit F**.

“**Property**” means certain tracts of land located in Summit County, State of Utah, and more particularly described on **Exhibit A** attached hereto and incorporated herein by this reference, together with all right, title and interest of Seller in any easement, right or appurtenances pertaining to such land.

“**Purchase Price**” is defined in Section 3.

“**Seller’s Affiliates**” is defined in Section 5.3.3.

“**Seller’s Indemnitees**” is defined in Section 9.4.

“**Survey**” is defined in Section 5.2.

“**Title Commitment**” is defined in Section 5.1.

“**Title Company**” means Landmark Title Company, whose address is 675 East 2100 South, Suite 200, Salt Lake City, Utah 84106, Attention: Jeffrey J. Jensen.

“**Title Objections**” is defined in Section 5.4.

“**Trust Deed**” is defined in Section 4.2.

“**Undivided Interest**” means to the Boyer’s Undivided Interest or the City’s Undivided Interest.

“**Undivided Interests**” means to the Boyer’s Undivided Interest and the City’s Undivided Interest.

“**Water Agreement**” means that certain Water Agreement dated July 2, 2010 between the City, in its capacity as a Governmental Authority, and Boyer.

2. **Agreement to Sell and Buy.** Boyer and the City agree to sell their respective Undivided Interests in the Property, and Buyer agrees to purchase the Property on the terms and conditions set forth in this Agreement. The sale and conveyance of the Property pursuant to this Agreement shall be subject to the Annexation Agreement, the Development Agreement, to any and all applicable Governmental Requirements, and to any and all outstanding rights of record or open and obvious on the ground.

3. **Purchase Price; Assumption of Obligations.**

- 3.1. **Purchase Price.** The purchase price (“**Purchase Price**”) for the Property is Fifteen Million Five Hundred Thousand and 00/100 Dollars (\$15,500,000.00).

- 3.2. **Assumption of Obligations.** In addition to the Purchase Price, Buyer shall assume all of the obligations of the City, in its capacity as owner of the City

Undivided Interest, and Boyer under the Annexation Agreement and the Development Agreement including, without limitation:

- 3.2.1. The obligation to convey the 24 Acre Parcel to the City, but only if the same is conveyed by Boyer to Buyer. Boyer may convey the 24 Acre Parcel directly to the City at Closing, in which case Buyer shall have no obligation with respect to the 24 Acre Parcel.
- 3.2.2. The obligation to convey to the City all open space land as required by the Annexation Agreement and the Development Agreement.
- 3.2.3. The obligation under the Annexation Agreement and the Development Agreement to construct Affordable Housing Improvements and Market Housing Improvements.
- 3.2.4. The obligations of Seller under the Water Agreement.

4. **Payment of the Purchase Price.** The Purchase Price shall be paid by Buyer to Seller as follows:

- 4.1. **Earnest Money.** Upon the execution of this Agreement by both Parties, Buyer shall deposit the sum of One Hundred Thousand and 00/100 Dollars (\$100,000.00) (the "**Earnest Money**") in cash or by certified or cashier's check drawn on a financial institution acceptable to Seller, or by confirmed wire transfer (such cash, check or confirmed wire transfer being referred to as "**Good Funds**"), with the Title Company. The Earnest Money shall remain fully refundable to Buyer until the expiration of the Due Diligence Period (as defined below). If Buyer terminates this Agreement prior to the end of the Due Diligence Period, the Earnest Money shall be refunded to Buyer by the Title Company. If Buyer does not terminate this Agreement prior to the expiration of the Due Diligence Period, the Earnest Money shall be non-refundable except for Seller's material breach of a condition to Closing as provided in Section 5.6 or condemnation as provided in Section 12.
- 4.2. **Promissory Note.** At Closing (as defined below), Buyer shall deliver to Seller a non-recourse promissory note in an amount equal to Ten Million Five Hundred Thousand and 00/100 Dollars (\$10,500,000.00) payable to Seller in the form attached hereto as **Exhibit B** (the "**A Note**"). The Note shall bear zero percent (0%) interest and shall provide for installment payments on November 30, 2013, November 30, 2014 and November 30, 2015 in the amount of Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00) each. The Note shall be secured by a Deed of Trust in the form attached hereto as **Exhibit C** (the "**Trust Deed**") in favor of Seller, as beneficiary, which Trust Deed shall be recorded at the Closing against the Property as a first priority lien. Payment and performance of

Buyer's obligations under the Note and Trust Deed shall be irrevocably guaranteed by Guarantor pursuant to the form of Guaranty attached as Exhibit "H". Buyer will subdivide the Property into legally subdivided lots, construct the Affordable Housing Improvements and the Market Housing Improvements, and construct or cause to be constructed Affordable Housing Units and Market Housing Units. Upon recordation of the Phase I Plat, the lots created by the Phase I Plat shall be partially reconveyed and released from the lien of the Trust Deed. The Trust Deed shall also provide a procedure for the release and reconveyance of lots contained in future proposed Phases by Phase upon payment by Buyer of each of the three (3) installment payments as provided above, provided each future proposed Phase shall in good faith be reasonably consistent with the subdivision of the Property contemplated herein, with other approved Phases, shall tie in to existing Infrastructure Improvements, and shall as equally as reasonably possible balance acreage, developable lots, trails, paths, bridges and green space with all prior approved Phases. The foregoing release and partial reconveyance provisions shall apply only to the Trust Deed and not to any of the bonds issued by the City as a Governmental Authority, which shall constitute a first lien on the Property and continue of record notwithstanding any payment pursuant to this Agreement. The Bonding Agreements shall provide that Buyer shall have the right, subject to the terms of the bonds for improvements provided by the City pursuant to this Agreement, to have the bonds and any related lien released for any Housing Unit upon the payment to Seller of a release price reasonably approved by Buyer.

- 4.3. Cash Payment. The balance of the Purchase Price in the amount of Four Million Nine Hundred Thousand and 00/100 Dollars (\$4,900,000.00) (the "Cash Payment") shall be paid by Buyer to Seller at the Closing in Good Funds.

5. Inspection.

- 5.1. Title Commitment. Within ten (10) business days after the Execution Date, Seller shall obtain and deliver to Buyer, at Seller's sole cost and expense, an ALTA commitment for standard coverage title insurance covering the Property in the amount of the Purchase Price (the "Title Commitment"), together with all documents evidencing the exceptions shown on Schedule B-II of such Title Commitment.
- 5.2. Survey. Within ten (10) business days after the Execution Date, Buyer may (but shall not be obligated to) order a current survey of the Property (the "Survey") certified by a registered land surveyor licensed in the State of Utah. The Survey shall be certified to the Seller, the Title Company, Buyer and such other persons as Buyer may designate. The cost of the Survey shall be borne

by Buyer. Buyer will provide Seller with a copy of the Survey after receipt of a final completed survey.

- 5.3. Access to Property. Buyer and its authorized representatives shall, upon reasonable notice to Seller and at reasonable times during the period commencing on the Execution Date and expiring on November 15, 2011 (the “**Due Diligence Period**”), shall have the right to enter upon the Property to perform, at Buyer’s sole expense, such test, investigations, inspections and studies of the Property as Buyer deems necessary including, without limitation, engineering, environmental, geological and hydrological studies, soil borings, and land use regulation analysis, as Buyer deems necessary or desirable.
- 5.3.1. If Buyer wishes to perform any environmental sampling during the Due Diligence Period, then Buyer shall: (i) before conducting any sampling, provide Seller with Buyer's work plan for sampling and shall modify the work plan as reasonably requested by Seller; (ii) give Seller reasonable advance notice of the dates when sampling will be conducted so that Seller and/or its consultants have the opportunity to be present; (iii) conduct any sampling in accordance with the work plan referred to under part (i) above and with generally accepted environmental engineering standards; (iv) provide Seller with split samples; and (v) provide Seller with the draft report on such sampling for Seller's review and comments prior to the report being placed in final form, and give reasonable consideration to such comments.
- 5.3.2. Buyer shall provide evidence, satisfactory to Seller, of the availability of adequate public liability and other insurance.
- 5.3.3. Buyer agrees to indemnify, defend and hold harmless Seller and/or Seller’s Affiliates (as defined below) against and from any and all liability, loss, costs and expense of whatsoever nature growing out of personal injury to or death of persons whomsoever, or loss or destruction of or damage to property whatsoever, where such personal injury, death, loss, destruction or damage arises in connection with or incident to the occupation or use of the Property by, or the presence thereon of Buyer, Buyer’s agents, contractors, servants or licensees prior to Closing. For purposes of this Agreement, “**Seller’s Affiliates**” means any entity which directly or indirectly controls or is controlled by or is under common control with Seller, and Seller's officers, members, managers, agents, servants and employees.
- 5.3.4. Buyer covenants and agrees to pay in full for all materials joined or affixed to the Property and to pay in full all persons who perform

labor upon the Property, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be enforced against the Property for any work done or materials furnished thereon at the request or on behalf of Buyer; and Buyer agrees to indemnify, defend and hold harmless Seller against and from any and all liens, claims, demands, costs and expenses of whatsoever nature in any way connected with or growing out of such work done, labor performed or materials furnished prior to Closing.

5.3.5. If the sale and purchase of the Property does not close, Buyer shall, as soon as possible and at Buyer's sole expense, restore the Property to the same condition it was in immediately prior to the time Buyer entered the Property, and if Buyer fails to do so, Seller may perform the work of restoration and Buyer shall reimburse Seller for the cost and expense of the work within thirty (30) days after rendition of bill therefore by Seller. Interest on any such amount not reimbursed by Buyer within such 30-day period shall accrue at a rate of twelve percent (12%) per annum from the date of the bill.

5.3.6. Notwithstanding any provisions in this Agreement to the contrary, the provisions of this Section shall survive the termination of this Agreement.

5.4. Title and Survey Objections. The Parties acknowledge that except for the representations set forth in Section 8, the sale of the Property contemplated by this Agreement shall be "as-is," subject to the Permitted Exceptions (as defined below). If there are exceptions to title set forth in the Title Commitment or Survey which are not acceptable to Buyer (the "**Title Objections**"), Buyer shall notify Seller of such objections within twenty (20) days of its receipt of the Title Commitment or Survey. If Buyer fails to deliver Title Objections within such twenty (20) day period, it shall be conclusively presumed that Buyer approves of the Title Commitment and/or Survey or has waived its right to make a Title Objection to any matters set forth thereon (the "**Permitted Exceptions**"). If Buyer timely delivers Title Objections, Seller shall use commercially reasonable efforts to assist Buyer in curing the same, but, except for Monetary Liens and the Co-Tenancy Agreement, Seller shall not be required to incur any liability or obligation, or to pay any amounts in connection with such cure. If all Title Objections which do not constitute Monetary Liens and the Co-Tenancy Agreement are not cured prior to the end of the Due Diligence Period (or Seller has not committed in writing to cure such Title Objections at Closing), Buyer shall elect either to waive such Title Objections and take the Property subject thereto (in which case such Title Objections shall be deemed Permitted Exceptions), or to terminate this Agreement; provided, however, that in the event such a termination occurs, Buyer shall receive a refund of the Earnest Money and, except as otherwise set forth in this

Agreement, Buyer and Seller shall have no further obligations and liabilities hereunder. For purposes of this Agreement: (i) “**Monetary Liens**” means a lien or encumbrance which secures a dollar amount certain arising in connection with a loan made to Seller; any mechanic’s or materialmen’s lien arising by, through or under Seller; or on account of a judgment against Seller.

5.5. **Due Diligence Testing Materials.** Buyer shall promptly provide to Seller copies of all surveys, test results, inspections, reports and other due diligence materials obtained by Buyer from its consultants or other third parties in connection with its investigations of the Property (the “**Due Diligence Materials**”). The terms of Buyer’s agreements with the engineers or other persons who perform each such study, survey, test, inspection, report or other document shall permit the use of and reliance upon the Due Diligence Materials by Seller without further compensation being paid to the person who created the particular study, survey, test, inspection, report or other document. Buyer makes no representations or warranties regarding the accurateness or completeness of such materials. If this Agreement terminates pursuant to its terms or no closing occurs for any reason, all Due Diligence Materials shall be returned to Seller. The foregoing obligation shall survive the termination of this Agreement.

5.6. **Condition to Closing.** As conditions to Buyer’s obligation to close:

5.6.1. The City Council of Park City shall have approved the Phase I Plat.

5.6.2. Buyer and the City, acting as a Governmental Authority, shall have agreed upon and approved the form of Bonding Agreements, which the City and Buyer shall use best efforts to cause to be executed prior to Closing. If not executed prior to Closing, the City and Buyer shall continue to use best efforts to finalize and execute the Bonding Agreements. The Bonding Agreements shall be in a form and contain provisions reasonably acceptable to Buyer. However, notwithstanding the obligation of Seller to use its best efforts pursuant to finalize the Bonding Agreements, should the bonding be unavailable for any reason other than the failure of the City to use its best efforts to finalize the same, the Buyer acknowledges it may need to proceed with commercial financing mechanisms, alone or in combination, and such bond unavailability shall not be cause for release of Buyer’s obligation to close or otherwise perform under this Agreement.

5.6.3. Buyer’s sole recourse for failure of any of the foregoing conditions shall be the right to terminate this Agreement.

6. **Escrow.**

6.1. Opening Escrow. Upon execution of this Agreement by the Parties, an escrow account shall be opened with Title Company, and Buyer shall at that time deposit with Title Company the Earnest Money.

6.2. Deposits at Closing.

6.2.1. On or before the Closing Date, Buyer shall cause to be delivered to the Title Company: (a) the Note and Trust Deed duly executed and acknowledged by Buyer; (b) the Cash Payment and all other amounts required to be paid by Buyer under this Agreement; (c) an assumption of all of Seller's obligations under the Development Agreement; and (d) such other documents, agreements, acceptances and assumptions as may be reasonably required by Seller or the Title Company.

6.2.2. On or before the Closing Date, each of Buyer and the City shall cause to be delivered to the Title Company: (a) a special warranty deed in the form attached to this Agreement as **Exhibit D-1** and **Exhibit D-2** (collectively, the "**Deed**") conveying legal title to the Property to Buyer; (b) an assignment of all of Seller's rights under the Development Agreement (but not including the rights of the City as a Governmental Authority thereunder); and (c) such other documents, agreements and assignments as may be reasonably required by Buyer or the Title Company.

6.3. Delivery of Possession. Seller shall deliver full possession of the Property at the time of recording of the Deed, subject to the Permitted Exceptions and the Trust Deed.

6.4. Seller's Costs and Charges. At Closing, Seller shall pay:

6.4.1. The pro rata share of general real estate taxes and assessments assessed against the Property and due and payable for the year of Closing;

6.4.2. One-half (1/2) of the escrow fee; and

6.4.3. The cost of discharging, releasing or reconveying any Monetary Liens which exist with respect to the Property and the Co-Tenancy Agreement.

6.4.4. The premium for a standard ALTA owner's policy of title insurance in the amount of the Purchase Price issued by the Title Company (the "**Owner's Policy**").

6.5. Buyer's Costs and Charges. At Closing, Buyer shall pay:

6.5.1. One-half (1/2) of the escrow fee;

6.5.2. The premium for any upgrades or endorsements to the Owner's Policy;

6.5.3. The premium for a standard ALTA lender's policy of title insurance in the amount of the Note issued by the Title Company and any endorsements or upgrades to such policy (the "**Lender's Policy**"); and

6.5.4. The cost of recording the Deed.

6.6. Other Charges. From and after the Closing Date, Buyer shall be solely responsible for real estate taxes and assessments for the Property, including any greenbelt roll-back taxes that may become due with respect to the Property, which greenbelt roll-back taxes Buyer shall be solely responsible for paying in their entirety. Any other Closing costs shall be paid by Buyer and Seller according to the usual and customary practice of the Title Company.

6.7. Title Company Obligations at Closing. Title Company shall be instructed that when it is in a position to deliver to Seller the Purchase Price, and to issue the Owner's Policy and the Lender's Policy, Title Company shall:

6.7.1. Record and deliver the Deed to Buyer;

6.7.2. Record and deliver the Trust Deed to Seller;

6.7.3. Deliver the Note, the Earnest Money and the Cash Payment to Seller;

6.7.4. Issue and deliver the Owner's Policy to Buyer; and

6.7.5. Issue and deliver the Lender's Policy to Seller.

6.8. Further Assurances. Each of the Parties hereto agrees to cooperate in good faith with each other, and to execute and deliver the documents, instruments and agreements described above, and all such further documents as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

7. Closing Date. Escrow for the Property shall close ("**Close**" or "**Closing**") on or before that date which is thirty (30) days after the expiration of the Due Diligence

Period (“**Closing Date**”), but in no event later than November 22, 2011. The Closing Date may be extended by mutual written agreement of Seller and Buyer.

8. **Agreements of Seller.** Each Seller represents for itself only that:

8.1. **Pending/Potential Litigation.** Seller has not been served with process in any legal action, nor does Seller have actual knowledge of any threatened legal action, that has an effect on its right to sell the Property to Buyer.

8.2. **Violations or Defects.** Subject to the Permitted Exceptions, Seller has no notice or actual knowledge of any violations of any applicable code, statute, regulation, ordinance, judicial order, or judicial holding pertaining to the Property where such violation would materially and adversely affect Buyer’s proposed use of the Property as a residential development.

9. **Agreements of Buyer.** Buyer irrevocably agrees as follows:

9.1. **No Warranties.** Buyer is purchasing the Property, and the Property shall be conveyed and transferred to Buyer, “AS IS, WHERE IS, AND WITH ALL FAULTS” and specifically and expressly without any warranties, representations or guarantees, either express or implied, other than those agreements and/or representations and warranties of Seller expressly stated in this Agreement. Except as otherwise expressly stated in this Agreement, Seller has not made, and does not and will not make, with respect to the Property, any warranties or representations, express or implied, or arising by operation of law, including, but in no way limited to, any warranty of condition or merchantability, or with respect to the value, profitability, developability or marketability of the property. Without limiting the foregoing:

9.1.1. Seller makes no representations regarding the existence, location or usability of any utility lines or easements on the Property.

9.1.2. Other than those agreements and/or warranties of Seller regarding insurable title (subject in all events to the Permitted Exceptions), assurances given separately from this Agreement by the City, acting as a Governmental Authority, and as otherwise stated in Section 8 of this Agreement, Buyer shall not be entitled to, and shall not rely on, Seller or Seller’s agents as to: (1) the quality, nature, adequacy or physical condition of the Property including, but not limited to, the quality, nature, adequacy or physical condition of soils or the existence of ground water at the Property; (2) the existence, quality, nature, adequacy or physical condition of any utilities serving the Property; (3) the development potential of the Property, its merchantability or fitness, or the suitability or adequacy of the Property for any particular purpose; (4) compliance of the Property

generally or in connection with any particular use with any Governmental Requirements other than Governmental Requirements imposed by the City acting as a Governmental Authority; (5) the compliance of the Property with applicable environmental laws and ordinances; (6) the condition of title to the Property, or the nature, status and extent of any right-of-way, lease, right of redemption, possession, lien, encumbrance, license, reservation, covenant, condition, restriction or any other matter affecting title to the Property; (7) the susceptibility of the Property to seismic hazards; or (8) any other matter relating to the Property.

9.2. Express Disclosure Regarding Environmental Issues. Seller shall make available to Buyer for Buyer's review and analysis, and shall disclose to Buyer any information in Seller's current possession or control, or otherwise within Seller's actual knowledge, related to compliance with any environmental protection, remediation, pollution or land use laws, rules, regulations, orders or requirements including, but not limited to, those pertaining to the handling, generation, treatment, storage, remediation or disposal of any hazardous substances, materials, waste or other environmental contaminants. Except as disclosed, Seller has not, does not and will not make any representation or warranty regarding any of the foregoing environmental matters.

9.3. Opportunity of Buyer to Inspect. Buyer has had pursuant to this Agreement, an adequate opportunity to make such legal, factual and other inquiries and investigations as Buyer deems necessary, desirable or appropriate with respect to the Property. Such inquiries and investigations of Buyer shall be deemed to include, but shall not be limited to, the physical components of all portions of the Property, the condition of the Property, such state of facts as an inspection would show, the present and future zoning ordinances, permits, resolutions and regulations of the city, county and state where the Property is located, and the value and marketability of the Property.

9.4. Buyer Release of Seller. Without in any way limiting the generality of the preceding Sections 9.1 through 9.3 and without waiving, releasing or discharging Seller from any statutory rights to contribution under federal or state environmental laws, Buyer specifically acknowledges and agrees that Buyer hereby waives, releases and discharges any claim Buyer has, might have had or may have against Seller or Seller's Affiliates or agents (collectively the "**Seller's Indemnitees**") with respect to: (1) the condition of the Property, whether such condition is patent or, except as otherwise required to be disclosed by this Agreement, latent, including, without limitation, the susceptibility of the Property to seismic hazards and the presence of environmental contaminants on the Property; (2) Buyer's ability or inability to obtain or maintain building permits, either temporary or final certificates of occupancy, or other licenses for the use or operation

of the Property or certificates of compliance for the Property; (3) the actual or potential income or profits to be derived from the Property; (4) the future ability of Buyer or any other person to comply with any environmental protection, pollution or land use laws, rules, regulations or requirements; and (5) any other state of facts which exist with respect to the Property. Without limiting the provisions above, but subject to those agreements and/or warranties of Seller regarding insurable title (subject to the Permitted Exceptions) and as otherwise stated in Section 8 of this Agreement, Buyer waives against Seller and Seller's Indemnitees, any and all actual or potential rights Buyer might have against Seller or Seller's Indemnitees regarding any form of warranty, express or implied, of any type or kind relating to the Property, including, without limitation, implied warranties, warranties of fitness for a particular use, warranties of merchantability and strict liability rights. As part of the provisions of this Section, but not as a limitation thereon, Buyer hereby agrees, represents and warrants that the matters released herein are not limited to matters which are known or disclosed.

10. **Buyer's Default; Liquidated Damages.** Buyer shall use its best efforts and good faith to accomplish the purposes of this Agreement. If Buyer shall fail to perform its obligations at Closing, or if Buyer shall default under any of its obligations in this Agreement prior to Closing, the Earnest Money and all interest earned thereon shall be disbursed to Seller, which shall constitute full and complete liquidated damages, and Seller shall have no further remedy at law or equity for any breach by Buyer under this Agreement, including any claim for lost sales, lost profits or any other type of consequential damages; provided, Buyer shall continue to be obligated with respect to all indemnification or reimbursement obligations set forth in this Agreement which, by the terms of this Agreement, expressly survive the Closing. Seller's actual damages in the event of such default by Buyer would be difficult or impossible to ascertain, and further, Buyer desires to limit its liability to Seller in the event the sale and purchase of the Property shall fail to close because of any default of Buyer hereunder.
11. **Seller's Default.** If Closing does not occur solely because of Seller's material breach of any condition to Closing, Buyer may terminate this Agreement by written notice to Seller and the Earnest Money and all interest earned thereon shall be returned to Buyer by Seller within ten (10) business days. Seller shall use its best efforts and good faith to accomplish the purposes of this Agreement and intentions of the parties hereunder. If Seller shall fail to perform its obligations at Closing or if Buyer shall default in any of its obligations under this Agreement prior to Closing, Buyer shall have all rights and remedies available at law or equity. Notwithstanding the foregoing, Buyer acknowledges and agrees that it shall have no remedy at law or in equity under this Agreement, and hereby waives, any right or claim to punitive damages or Buyer's consequential damages.

12. **Eminent Domain.** In the event of any condemnation or eminent domain proceeding with respect to any portion of the Property prior to Closing (other than an incidental taking to widen roads or provide for utility lines), Buyer shall have the right to (a) terminate this Agreement and receive a return of the Earnest Money or (b) proceed to close subject to such condemnation or eminent domain proceeding or taking and receive an assignment of Seller's rights to any award. Buyer shall exercise such right, if at all, not later than ten (10) business days after being notified that a Governmental Authority is contemplating condemnation. If Buyer does not timely exercise such right, the right shall expire and shall no longer be exercisable.
13. **Broker.** Seller and Buyer each hereby warrant and represent to each other that they have dealt with no broker in connection with the transaction contemplated by this Agreement. Seller and Buyer hereby agree to exonerate, indemnify, hold harmless and defend (with counsel of indemnitee's choice) each other of and from all loss, cost, damage or expense sustained by such other Party as a result of any claims of any person with respect to this transaction claiming through the indemnifying Party or attributable to the conduct of the indemnifying Party. The provisions of this Section shall survive the Closing or termination of this Agreement, as the case may be.
14. **Assignment.** Buyer shall not transfer or assign this Agreement or any interest therein, without the consent in writing of Seller, and it is agreed that any such transfer or assignment, whether voluntary, by operation of law or otherwise, without such consent in writing, shall be absolutely void and shall, at the option of Seller, terminate this Agreement. Notwithstanding the foregoing, Buyer may assign all, but not part of its interest in this Agreement, with prior notice, to a legal entity of which Buyer (or one of the persons comprising Buyer) holds an equity interest at the time of Closing. Such assignment shall not relieve Buyer of its obligations under this Agreement.
15. **Notices.**
 - 15.1. **Requirement of a Writing; Permitted Methods of Delivery.** Each Party giving or making any notice, request, demand or other communication (each, a "**Notice**") pursuant to this Agreement shall: give the Notice in writing; cause the Notice to be signed by an authorized officer, member, partner, employee or agent; and use one of the following methods of delivery, each of which for purposes of this Agreement is a writing: (1) personal delivery; (2) registered or certified United States mail, in each case, return receipt requested and postage prepaid; (3) a nationally recognized overnight courier, including, without limitation, FEDEX, with all fees prepaid; or (4) facsimile.
 - 15.2. **Addressees and Addresses.** Each Party giving a Notice shall address the Notice to the receiving Party at the address listed on **Exhibit E** or to another

address designated by a receiving Party in a Notice delivered pursuant to this Section.

- 15.3. **Effectiveness of a Notice.** A Notice is effective only if the Party giving or making the Notice has complied with Sections 15.1 and 15.2 and if the addressee has received the Notice. A Notice is deemed to have been received as follows: if a Notice is delivered in person, or sent by registered or certified mail, or nationally or internationally recognized overnight courier, upon receipt as indicated by the date on the signed receipt. If a Notice is sent by facsimile, the second (2nd) business day following receipt by the Party giving the Notice of an acknowledgment or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the addressee's facsimile number. If the addressee rejects or otherwise refuses to accept the Notice, or if the Notice cannot be delivered because of a change in address for which no Notice was given, then upon the rejection, refusal or inability to deliver.
16. **Confidentiality.** Seller and Buyer will not publish or disclose the terms and conditions set forth in this Agreement to anyone at any time. After the Closing, Buyer may disclose that the transaction contemplated by this Agreement has occurred but shall not disclose the Purchase Price except as is necessary to a lender or appraiser to obtain financing or to the extent necessary to comply with law.
17. **Amendments.** The Parties may not amend this Agreement orally, but only by an agreement in writing signed by the Party against whom enforcement of the amendment is sought that identifies itself as an amendment to this Agreement.
18. **Waiver.** No provision in this Agreement may be waived, except pursuant to a writing executed by the Party against whom the waiver is sought to be enforced.
19. **Severability.** If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement remain in full force and effect, if the essential terms and conditions of this Agreement for both Parties remain valid, legal and enforceable. Any provision of this Agreement held invalid, illegal or unenforceable only in part or degree remains in full force to the extent not held invalid, illegal or unenforceable. If any court determines that any provision of this Agreement is unenforceable because of the duration or geographic scope of that provision, the court has the power to reduce the duration or geographic scope of that provision, as the case may be, so that in its reduced form the provision is enforceable. In addition, if any court determines that any provision of this Agreement is invalid, illegal or unenforceable, the court has the power to fashion and enforce another provision (instead of the provision held to be invalid, illegal or unenforceable) that is valid, legal and enforceable and carries out the Parties' intentions under this Agreement.

20. **Merger.** This Agreement constitutes the final agreement between the Parties. It is the complete and exclusive expression of the Parties' agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. The provisions of this Agreement may not be explained, supplemented, or qualified through evidence of trade usage or a prior course of dealings. In entering into this Agreement, neither Party has relied upon any statement, representation, warranty, nor agreement of the other Party except for those expressly contained in this Agreement. There are no conditions precedent to the effectiveness of this Agreement other than those expressly stated in this Agreement.
21. **Third Party Beneficiaries.** This Agreement does not and is not intended to confer any rights or remedies upon any person other than the signatories.
22. **Number and Gender.** Any reference in this Agreement to the singular includes the plural where appropriate, and any reference in this Agreement to the masculine gender includes the feminine and neuter genders where appropriate.
23. **Captions.** The descriptive headings of the sections and subsections of this Agreement are for convenience only, do not constitute a part of this Agreement, and do not affect this Agreement's construction or interpretation.
24. **Transaction Costs.** Except as expressly provided in this Agreement, each Party shall pay its own fees and expenses (including, without limitation, the fees and expenses of its agents, representatives, attorneys, and accountants) incurred in connection with the negotiation, drafting, execution, delivery, and performance of this Agreement and the transactions it contemplates.
25. **Counterparts.** The Parties may execute this Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one Agreement. The signatures of all of the Parties need not appear on the same counterpart, and delivery of an executed counterpart signature page by facsimile or by imaged e-mail is as effective as executing and delivering this Agreement in the presence of the other Parties to this Agreement. This Agreement is effective upon delivery of one executed counterpart from each Party to the other Party. In proving the existence of this Agreement, a Party must produce or account only for the executed counterpart of the Party to be charged.
26. **Waiver of Breach.** A waiver by either Party of a breach by the other Party of any provision of this Agreement shall not impair the right of the Party not in default to avail itself of any subsequent breach thereof. Leniency, delay or failure of either Party to insist upon strict performance of any provision of this Agreement, or to exercise any right under this Agreement, shall not be construed as a waiver or relinquishment of any such provision or right.

27. **Time of the Essence.** Time is of the essence in this Agreement.
28. **Law Governing.** This Agreement shall be governed in all respects by the laws of the State of Utah.
29. **Merger.** The terms of this Agreement shall not merge into the Deed at Closing and shall survive the Closing.
30. **Successors and Assigns.** Subject to the restrictions on assignment set forth in Section 14, this Agreement shall be binding upon and inure to the benefit of the Parties, and their successors and assigns.
31. **Special Provision.** Seller is not a foreign corporation or citizen and withholding of Federal Income Tax from the amount realized will not be made by Buyer. A certification prepared in conformance with IRS regulations under Section 1445 of the Internal Revenue Code shall be prepared and executed at the Closing.
32. **Not An Offer; Authority.** The submission of this Agreement to Buyer for review or signature does not constitute an offer to sell the Property to Buyer or the granting of an option or other rights with respect to the Property to Buyer. No agreement with respect to the purchase and sale of the Property shall exist, and this writing shall have no binding force or effect, until executed and delivered by both Seller and Buyer. To the extent applicable, Seller and Buyer represent and warrant to the other that each has the authority to enter into and execute this Agreement.
33. **Subject to Approval of City Council.** This Agreement must be approved by the Park City Council in order to satisfy certain legal requirements including, without limitation and if applicable, the requirements of Utah Code § 10-8-2(4). The approval of the City Council shall be obtained on or before November 17, 2011.
34. **Legislative authority retained by City.** Buyer acknowledges that although the City is a tenant-in-common with respect to the Property and is bound by this Agreement, the City, acting as a Governmental Authority, is restricted in its authority to limit its police power by contract and that the limitations, reservations and exceptions set forth herein are intended to reserve to the City all of its police power but only to the extent it cannot be so limited under applicable law. Notwithstanding the retained power of the City to enact such legislation under the police powers, such legislation shall only be applied to modify the existing land use and zoning regulations which are applicable to the Property under the terms of this Agreement based upon 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 Property and terms and conditions of this Agreement applicable to the Property shall be of general application to all development activity in the City; and, unless the City declares an emergency, Buyer shall be entitled to the required notice and an opportunity to be heard with respect to the proposed change and its applicability to the Property

under the compelling, countervailing public interest exception to the vested rights doctrine. Notwithstanding the foregoing, the exercise of reserved legislative or police powers by the City shall not affect its contractual rights or obligations of the City and Buyer pursuant to this Agreement.

35. **Liability of Boyer and City.** Notwithstanding any other provision of this Agreement, Boyer and the City are each only liable with respect to its own respective Undivided Interest, and they shall not be jointly and severally obligated.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date.

SELLER:

BOYER PARK CITY JUNCTION, L.C., a Utah limited liability company, by its Manager:

THE BOYER COMPANY, L.C., a Utah limited liability company

By: _____

Name: _____

Its: Manager

PARK CITY MUNICIPAL
CORPORATION, a municipal corporation

By: _____

Name: _____

Its: _____

BUYER:

IVORY DEVELOPMENT, LLC, Utah limited liability company

By: _____

Name: _____

Its: _____

EXHIBIT A
TO
PURCHASE AND SALE AGREEMENT

Legal Description of the Property

Park City Heights Subdivision

A parcel of land located in the South Half of Section 2 and portions of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

Beginning at a Park City Boundary Aluminum Cap marking the West Quarter Corner of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian; and running

thence North 00°19'41" East 1,474.01 feet along the West Section Line of said Section 11, also being along the Easterly Boundary Line of the Hidden Meadows Subdivision Annexation Plat recorded as Entry No. 425892 in the Office of the Summit County Recorder;

thence North 63°17'52" East 344.36 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 75°52'07" East 1,501.92 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 38°46'13" West 606.70 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 39°40'23" West 214.68 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat to the North Section Line of said Section 11;

thence South 88°46'45" East 89.54 feet along the North Section Line of said Section 11 to the 1/16 Corner of said Section 2;

thence North 00°00'41" East 1,415.34 feet along the 1/16th Section Line of said Section 2 to the Southerly Right-of-Way Line of the abandoned Union Pacific Railroad Property;

thence North 68°35'10" East 611.63 feet along the Southerly Right-of-Way Line of said abandoned Union Pacific Railroad Property;

thence Northeasterly 622.07 feet along the arc of a 1,532.69 foot radius curve to the left (center bears North 21°24'50" West and the chord bears North 56°57'32" East 617.81 feet with a central angle of 23°15'16") along the Southerly Right-of-Way Line of said abandoned Union Pacific Railroad Property to the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);

thence South 89°20'19" East 143.65 feet along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);

thence Southeasterly 252.20 feet along the arc of a 2,814.90 foot radius curve to the right (center bears South 00°39'41" West and the chord bears South

86°46'19" East 252.11 feet with a central angle of 05°08'00") along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);
thence South 84°12'19" East 300.22 feet along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B) to the Westerly Right-of-Way Line of State Highway 40;
thence South 07°02'52" East 965.75 feet along the Westerly Right-of-Way Line of said State Highway 40;
thence South 07°03'48" East 1,299.91 feet along the Westerly Right-of-Way Line of said State Highway 40;
thence South 42°31'04" West 3,012.86 feet;
thence South 103.66 feet to the projection of the Northerly Boundary Line of the Morning Star Estates Subdivision recorded as Entry No. 376621 in the Office of the Summit County Recorder;
thence North 89°30'31" West 1,368.96 feet along the Northerly Boundary Line of said Morning Star Estates Subdivision and its projections thereof to the point of beginning.

Contains 8,518,648 Square Feet or 195.561 Acres

**EXHIBIT B
TO
PURCHASE AND SALE AGREEMENT**

**Form of Note
[Attached]**

PROMISSORY NOTE

(Non-Recourse Secured by Deed of Trust)

1. Definitions. As used in this Promissory Note (the “**Note**”), the following terms, when capitalized herein, have the following meanings:

“**Advances**” means any amounts advanced by Lender pursuant to the Deed of Trust or any other instrument or agreement evidencing or securing the Loan.

“**Affordable Housing Units**” is defined in Section 23.

“**Market Housing Units**” is defined in Section 23.

“**Applicable Rate**” means the Stated Interest Rate or the Default Interest Rate, whichever shall be applicable at any particular time and from time to time.

“**Borrower**” means IVORY DEVELOPMENT, LLC, a Utah limited liability company.

“**Deed of Trust**” is defined in Section 4.

“**Default Interest Rate**” means two percent (2.00%) per annum.

“**Effective Date**” means the date of this Note as set forth at the top of this page.

“**First Installment Payment Amount**” means Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00) less the aggregate amount of principal of the Loan paid by Borrower to Lender prior to the date the First Installment Payment Amount is due pursuant to Section 2 below.

“**Late Charge**” is defined in Section 7.

“**Lender**” means, collectively, BOYER PARK CITY JUNCTION, L.C., a Utah limited liability company (“**Boyer**”), and PARK CITY MUNICIPAL CORPORATION, a municipal corporation of the State of Utah (the “**City**”).

“**Loan**” means the indebtedness evidenced by this Note and secured by the Deed of Trust and other instruments and agreements.

“**Loan Balance**” means the outstanding balance of unpaid principal of the Loan at any time and from time to time.

“**Market Housing Units**” is defined in Section 23.

“Maturity Date” means November 30, 2015.

“Original Loan Amount” means TEN MILLION FIVE HUNDRED THOUSAND and 00/100 DOLLARS (\$10,500,000.00).

“Second Installment Payment Amount” means Three Million Five Hundred Thousand and 00/100 Dollars (\$3,500,000.00).

“Stated Interest Rate” means zero percent (0%) per annum.

2. **Agreement to Pay.** For value received, Borrower hereby promises to pay to the order of Lender without offset or deduction the Original Loan Amount, together with Advances and interest on the Loan Balance outstanding from time to time at the Applicable Rate, all payable in accordance with the following provisions:
 - a. On November 30, 2013, Borrower shall pay to Lender or to Lender's assignee hereof, an amount equal to the First Installment Payment Amount plus all accrued and unpaid interest.
 - b. On November 30, 2014, Borrower shall pay to Lender or to Lender's assignee hereof, an amount equal to the Second Installment Payment Amount plus all accrued and unpaid interest.
 - c. On the Maturity Date Borrower shall pay to Lender the Loan Balance plus all accrued and unpaid interest.

All interest payable hereunder shall be computed for the actual number of days elapsed on the basis of a year consisting of three hundred sixty (360) days.

3. **Application of Payments.** All payments received on account of the Loan shall be applied to the payment of the following obligations of Borrower in the following order: (a) to amounts due under this Note, the Deed of Trust and other instruments or documents evidencing or securing the Loan other than the Loan Balance, Late Charges and accrued and unpaid interest due thereon; (b) to payment of Late Charges; (c) to payment of any interest accrued but unpaid at the Default Interest Rate; (d) to any interest accrued but unpaid at the Stated Interest Rate; and (e) the remainder (if any) to the payment of the Loan Balance. Notwithstanding the foregoing, any payments received during any period of time that Borrower is in default under this Note or the Deed of Trust, following acceleration, or after the Maturity Date, as applicable, shall be applied in such manner as Lender may determine in its sole and absolute discretion and without notice to Borrower.
4. **Security.** Payment of this Note is secured by a Deed of Trust (the **“Deed of Trust”**) which creates an encumbrance and lien on certain real estate located in Summit County, Utah, and by other instruments and agreements. The Deed of Trust shall

constitute a first lien, superior to all other liens securing the obligation to pay money.

5. Method and Place of Payment. All amounts to be paid under this Note shall be paid in lawful money of the United States of America and all payments shall be made at such place as the legal holder of this Note, may from time to time in writing designate, without deduction or offset for any reason, including, without limitation, on account of any present or future taxes, duties or other charges levied or imposed on this Note or the proceeds hereof, or upon Borrower or Lender by any government, or any instrumentality, authority or political subdivision thereof. Borrower agrees, upon the request of Lender, to pay all such taxes, duties and other charges in addition to principal and interest on this Note, exclusive of United States income taxes and applicable income taxes of any state. Absent any contrary designation from each Lender, Borrower shall pay: (a) one-half of all amounts to be paid under this Note to Boyer at 90 South 400 West, Suite 200, Salt Lake City, Utah 84101, Attn: Patrick Moffat (or to such other address as Boyer may designate); and (b) one-half of all amounts to be paid under this Note to the City, at 445 Marsac Avenue, Park City, Utah 84060, Attn: Phyllis Robinson (or to such other address as the City may designate).
6. Default. If a default is made in the payment of any sums due under this Note, or if any default occurs under the Deed of Trust or any other instrument or agreement evidencing or securing this Note, then the entire Loan Balance, together with all interest accrued thereon, shall immediately become due and payable without notice or demand, and the Deed of Trust given to secure the payment of this Note may be foreclosed (judicially or nonjudicially). The assessment or payment of such amount shall not affect the rights of Lender or the remedies available to Lender. Without any demand being made by Lender or any notice being provided to Borrower, the Loan Balance shall bear interest at the Default Interest Rate from and after the first to occur of any of the following without notice: (a) the date any installment or other payment is past due under this Note; (b) declaration of maturity due to acceleration of all sums due under this Note by Lender in accordance with the terms of this Note, the Deed of Trust or any instrument or agreement evidencing or securing the Loan; and (c) after the due date for the performance of any of the covenants or conditions in the Deed of Trust or any other instrument or agreement evidencing or securing the Loan and the failure of Borrower to cure any such default within the time periods allotted for cure, irrespective of any declaration of maturity or acceleration. Interest at such Default Interest Rate from the first to occur of the dates set forth in the previous sentence until reinstatement shall be due and payable regardless of and notwithstanding any reinstatement of this Note for any reason whether pursuant to law including, without limitation, reinstatement pursuant to Utah Code Annotated Section 57-1-31 or otherwise.
7. Late Charge. A late charge equal to ten percent (10%) of each installment or other payment under this Note, which is not paid on the due date thereof, shall be paid to Lender in order to defray part of the cost of collection (the "Late Charge"). Such

Late Charge shall be due and payable without notice to Borrower or demand by Lender on the day after any such applicable payment is due. The payment of any such Late Charge will not affect or limit the rights of Lender to pursue any other remedies available to it.

8. Costs of Enforcement. In the event that this Note is placed in the hands of an attorney-at-law for collection after maturity, or upon default, or in the event that proceedings at law, in equity, or bankruptcy, receivership or other legal proceedings are instituted or threatened in connection herewith, or if Lender is made a party to any such proceeding, or in the event that this Note is placed in the hands of an attorney to enforce any of the rights or requirements contained in the Deed of Trust, Borrower hereby agrees to pay all reasonable costs of collecting or attempting to collect this Note, or any costs of protecting or enforcing such rights, including, without limitation, reasonable attorneys' fees (whether or not suit is brought), in addition to the Loan Balance, interest and other amounts payable hereunder, all of which shall be secured by the Deed of Trust.
9. Interest Limitation. In the event the several interest provisions hereof or any exactions provided for herein or in the Deed of Trust shall result, at any time, in an effective rate of interest which, for any period, transcends the limit of the usury or any other law applicable to the Loan, all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied upon the Loan Balance immediately upon receipt of such monies by Lender, with the same force and effect as though Borrower had specifically designated such extra sums to be so applied to the Loan Balance and Lender had agreed to accept any such extra payment(s) as a premium-free prepayment. Notwithstanding the foregoing, however, Lender may at any time and from time to time elect by notice in writing to Borrower to reduce or limit the collection to such sums which, when added to the said first-stated interest, shall not result in any payments toward the Loan Balance in accordance with the requirements of the preceding sentence. In no event shall any agreed to or actual exaction as consideration for the Loan transcend the limits imposed or provided by the law applicable to this transaction or Borrower in the jurisdiction or jurisdictions in which property secured by the Deed of Trust are located for the use or detention of money or for forbearance in seeking its collection.
11. Waiver. To the extent permitted by applicable law, Borrower and all endorsers, guarantors and all persons liable or to become liable on this Note waive: (a) presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note; (b) all applicable appraisal, valuation and exemption rights; (c) consent to any and all renewals and extensions in the time of payment hereof; and (d) the right to trial by jury in any litigation in which Lender and Borrower, endorsers, guarantors or any persons liable or to become liable under this Note are adverse parties.

12. Lender's Actions. The remedies of Lender as provided in the Deed of Trust shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of Lender, and may be exercised as often as occasion therefor shall arise. Failure of Lender, for any period of time or on more than one occasion, to exercise its option to accelerate the Maturity Date of this Note shall not constitute a waiver of the right to exercise the same at any time thereafter or in the event of any subsequent default. No act of omission or commission of Lender, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of the same and any such waiver or release of the same is to be effected only through a written document executed by Lender and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as a waiver or release of any subsequent event or as a bar to any subsequent exercise of Lender's rights or remedies hereunder. Except as otherwise specifically required herein, notice of the exercise of any right or remedy granted to Lender by this Note is not required to be given.
13. Business Loan. Borrower acknowledges that the proceeds of the Loan evidenced by this Note will be used for business purposes and the interest rate or rates to be charged hereunder are not usurious under the laws of the State of Utah.
14. Prepayment. This Note may be prepaid prior to the Maturity Date with five (5) days prior written notice thereof but otherwise without the written consent of Lender.
15. Notices. All notices required or permitted to be given hereunder shall be given in the manner and place as provided in the Deed of Trust.
16. Time. Time is of the essence of this Note and each of the provisions hereof.
17. Captions; Section References. The captions to the Sections of this Note are for convenience only and shall not be deemed part of the text of the respective Sections and shall not vary, by implication or otherwise, any of the provisions of this Note. References to a "Section" in this Note by number or letter shall be deemed to refer to the correspondingly numbered Section of this Note unless the context requires reference to another instrument, document or agreement.
18. Governing Law. The laws of the State of Utah shall govern this Note. Proceedings arising out of or in connection with this Note or the Deed of Trust shall be commenced in the County in which the Property is located. Borrower hereby irrevocably and unconditionally submits to the jurisdiction of the courts of such County and waives any right to plead or claim that any such action, suit, or proceeding brought in any such court has been brought in any inconvenient forum.
19. Invalid Provisions. The parties hereto intend and believe that each provision in this Note comports with all applicable local, State and Federal laws and judicial

- decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Note or the Deed of Trust is found by a court of law to be in violation of any applicable local, State or Federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such Court should declare such portion, provision or provisions of this Note or the Deed of Trust to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Note and the Deed of Trust shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the rights, obligations, and interests of Borrower and Lender under the remainder of this Note and the Deed of Trust shall continue in full force and effect.
20. Bankruptcy Reorganization. For purposes of any reorganization plan under the United States Bankruptcy Code including, without limitation, Chapters 11 and 13 thereof, and Bankruptcy Code Sections 1123 and 1322, any cure contemplated by any such reorganization plan shall require the full payment of all accrued and unpaid interest due under this Note at the Applicable Rate, the amounts required by Section 7 and all other sums due pursuant to this Note or arising under or secured by the Deed of Trust.
 21. Obligations of Borrower Joint and Several. Each natural person and legal entity comprising Borrower shall be jointly and severally liable and obligated for the obligations of the Borrower under this Note.
 22. Authority. By signing this Note, Borrower and each person signing this Note jointly and severally represent and warrant that this Loan is authorized and approved by each of the members and managers of Borrower.
 23. Limitation on Alteration of Property. Borrower Trustor shall not raze, remove or alter the existing building improvements on the Property unless and until it satisfies all of the following conditions: (i) a subdivision plat is approved and recorded providing for subdivision of the Property into at least one hundred sixty (160) lots designated for “Market Housing Units” (as defined below in this Section 23) and ninety-five (95) lots designated for “Affordable Housing Units” (as defined below in this Section 23); and (ii) Beneficiary, at its sole discretion, shall have approved the plans for the subdivision infrastructure improvements and the terms of any financing for the construction and completion of the subdivision infrastructure improvements. Any violation or breach of the covenant set forth in this Section 25 shall constitute a default under this Deed of Trust. “**Affordable Housing Units**” means the affordable housing lots or units so labeled on the subdivision plat which are required to be deed restricted and developed consistent with Resolution 17-99 of the Park City Council (without taking into account amendments after the date of this Agreement). “**Market Housing Units**” means, the hundred sixty (160)

market value residential lots or units permitted by applicable land use approvals of Park City, acting in its governmental capacity, as labeled on the subdivision plat.

24. Partial Reconveyance. As provided in the next sentence, Lender shall cause the trustee under the Deed of Trust to provide partial reconveyances of subdivided lots after platting of at least one hundred sixty (160) lots designated for Market Housing Units and ninety-five (95) lots designated for Affordable Housing Units and completion of all subdivision infrastructure improvements. If, but only if, no default exists by Borrower under this Note or the Deed of Trust, or with the giving of notice or passage of time, or both, such a default would exist, then Lender shall cause the Trustee to release and reconvey lots contained in future proposed Phases by Phase upon payment by Buyer of each of the three (3) installment payments as provided above, provided each future proposed Phase shall in good faith be reasonably consistent with the subdivision of the Property contemplated herein, with other approved Phases, shall tie in to existing Infrastructure Improvements, and shall as equally as reasonably possible balance acreage, developable lots, trails, paths, bridges and green space with all prior approved Phases.

*[The balance of this page is blank--
Signature of Borrower on next page]*

IN WITNESS WHEREOF, the Borrower has executed this Note as of the Effective Date.

IVORY DEVELOPMENT, LLC, a Utah limited liability company

By: _____

Name: _____

Its: _____

**EXHIBIT C
TO
PURCHASE AND SALE AGREEMENT**

**Form of Trust Deed
[Attached]**

WHEN RECORDED, PLEASE RETURN TO:

**David E. Gee, Esq.
PARR BROWN GEE & LOVELESS
185 South State Street, Suite 800
Salt Lake City, Utah 84111**

Tax Serial Number: _____

DEED OF TRUST
(Securing Future Advances)

THIS DEED OF TRUST (the "**Deed of Trust**") is executed as of the ____ day of _____, 20__ by IVORY DEVELOPMENT, LLC, a Utah limited liability company, ("**Trustor**"), whose address is 978 East Woodoak Lane, Salt Lake City, UT 84117, Attn: Christopher Gamvroulas, in favor of LANDMARK TITLE COMPANY, ("**Trustee**"), whose address is 625 East 2100 South, Suite 200, Salt Lake City, Utah 84106, for the benefit of: (i) BOYER PARK CITY JUNCTION, L.C., a Utah limited liability company, whose address is 90 South 400 West, Suite 200, Salt Lake City, Utah 84101, Attn: Patrick Moffat; and (ii) PARK CITY MUNICIPAL CORPORATION, a municipal corporation of the State of Utah, whose address is 445 Marsac Avenue, P.O. Box 1480, Park City, Utah 84060, Attn: Phyllis Robinson (collectively, the "**Beneficiary**").

TRUSTOR CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, certain real property (the "**Property**") situated in Summit County, State of Utah, and more particularly described as follows:

[see attached Exhibit "A" which is incorporated
herein by this reference]

Together with all buildings, fixtures and improvements thereon and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter used or enjoyed with said Property, or any part thereof, SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits;

FOR THE PURPOSE OF SECURING: (1) payment of the indebtedness evidenced by a Promissory Note of even date with this Deed of Trust in the principal sum of TEN MILLION FIVE HUNDRED THOUSAND and 00/100 DOLLARS (\$10,500,000.00) made by Trustor, and payable to the order of Beneficiary at the times, in the manner and with interest as therein set forth (the "**Note**"), and any extensions and/or renewals or modifications of the Note; (2) the performance of each agreement of Trustor herein contained; (3) the payment of such additional loans or advances as hereafter may be made to Trustor, or its successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust; and (4) the payment of all sums

expended or advanced by Beneficiary under or pursuant to the terms of this Deed of Trust, together with interest thereon as herein provided.

THIS DEED OF TRUST SECURES FUTURE ADVANCES AND REVOLVING BALANCES. THE PARTIES AGREE, AND NOTICE IS HEREBY GIVEN TO ALL PERSONS, THAT THIS DEED OF TRUST SHALL SECURE UNPAID BALANCES AS EXISTING FROM TIME TO TIME UP TO A MAXIMUM PRINCIPAL AMOUNT OF THE ORIGINAL LOAN AMOUNT.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said Property in good condition and repair; not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting said Property; not to commit or permit waste thereof; not to commit suffer or permit any act upon said Property or violation of law; and to do all other acts which from the character or use of said Property may be reasonably necessary, the specific enumerations herein not excluding the general. Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this Deed of Trust, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

2. To provide and maintain insurance, of such type or types and amounts as Beneficiary may require, on the improvements now existing or hereafter erected or placed on said Property. Such insurance shall be carried in companies approved by Beneficiary with loss payable clauses in favor of and in form acceptable to Beneficiary. In event of loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Trustor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to reduction of the indebtedness hereby secured or to the restoration or repair of the Property damaged.

3. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured by this Deed of Trust is paid in full, such evidence of title as Beneficiary may require, including policies of title insurance and any extensions or renewals thereof or supplements thereto.

4. To appear in and defend any actions or proceeding purporting to affect the security hereof, the title to said Property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

5. To pay: at least ten (10) days before delinquency all taxes and assessments (whether general or special, known or unknown, anticipated or unanticipated) affecting said Property, including, without limitation, all assessments upon water company stock and all rents, assessments and charges for water, appurtenant to or used in connection with said Property; when due, all encumbrances, charges, and liens with interest, on said Property or any part thereof, which at any time appear to be prior or superior hereto; and all costs, fees, and expenses of this trust.

6. Should Trustor fail to make any payment, perform any obligation or do any act as provided in this Deed of Trust, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: (a) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said Property for such purposes; (b) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights of powers of Beneficiary or Trustee; (c) pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and (d) in exercising any such powers, incur any liability, expend whatever amounts reasonably necessary therefor including, without limitation, the reasonable costs of evidence of title and the employment of legal counsel.

7. To pay immediately and without demand all sums expended under this Deed of Trust by Beneficiary or Trustee, and the repayment thereof shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

8. Should said Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said Property, are hereby assigned to Beneficiary in trust for the restoration of the Property, as necessary as a result of such damage or condemnation, after deducting therefrom all its expenses, including attorney's fees. Beneficiary may apply any such proceeds which are not necessary to restore such Property toward the indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require.

9. At any time and from time to time upon written request of Beneficiary and payment of its fees, and without affecting the liability of any person for the payment of the indebtedness secured hereby, Trustee may: (a) consent to the making of any map or plat of said Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge

thereof; and (d) reconvey, without warranty, all or any part of said Property. The grantee in any reconveyance may be described as "the person or persons entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this Section 9.

10. As additional security, Trustor hereby assigns Beneficiary, during the continuance of these trusts, all rents, issues, royalties, and profits of the Property affected by this Deed of Trust and of any personal property of Trustor located thereon. Until Trustor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Trustor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable. If Trustor shall default as aforesaid, Trustor's right to collect any of such moneys shall cease and Beneficiary shall have the right, with or without taking possession of the Property affected hereby, to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such moneys shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, an assumption of liability under, or a subordination of the lien or charge of this Deed of Trust to any such tenancy, lease or option.

11. Upon any default by Trustor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Trustor hereby consenting to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said Property or any part thereof, in its own name sue for or otherwise collect said rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

12. The entering upon and taking possession of said Property, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of said Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

13. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent default.

14. Time is of the essence in connection with all matters pertaining to this Deed of Trust and all obligations secured by this Deed of Trust. Upon default by Trustor in the payment of any indebtedness secured by this Deed of Trust or in the performance of any

agreement or covenant contained in this Deed of Trust, all sums secured hereby shall immediately become due and payable at the option of Beneficiary. In the event of such default, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause said Property to be sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein said Property or some part or parcel thereof is situated.

15. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said Property on the date and at the time and place designated in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which such Property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the sale from time to time until it shall be completed and, in every case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale. Trustee shall execute and deliver to the purchaser its deed conveying said Property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including Beneficiary may bid at the sale. Trustee shall apply the proceeds of the sale to payment of (a) the costs and expenses of exercising the power of sale and the sale, including the payment of Trustee's and attorney's fees; (b) costs of any evidence of title procured in connection with such sale and revenue stamps on the Trustee's deed; (c) all sums expended under the terms hereof, not then repaid; (d) all other sums then secured hereby; and (e) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the District Court of the County in which the sale took place.

16. Except as otherwise provided in this Deed of Trust, in the event of any sale, transfer, or conveyance of said property, the entire unpaid principal balance of the indebtedness secured hereby, together with accrued interest, shall become due and payable immediately at the option of Beneficiary, and shall be an additional event of default hereunder.

17. Upon the occurrence of any default under this Deed of Trust, Beneficiary shall have the option, in addition to a private sale pursuant to Section 15, to declare all sums secured hereby immediately due and payable and foreclose this Deed of Trust in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recovery in such proceeding all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the court.

18. Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of each county in which said Property or some part thereof is situated, a substitution of trustee. From the time the substitution is filed for

record, the new trustee shall succeed to all the powers, duties, authority and title of the trustee named herein or of any successor trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

19. This Deed of Trust shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. If Trustor constitutes more than one person or entity, all obligations of Trustor hereunder are joint and several. The term “**Beneficiary**” means the owner and holder, including any pledgee, of the note secured hereby. In this Deed of Trust, whenever the context requires, the masculine gender includes all other genders, and the singular number includes the plural.

20. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

21. This Deed of Trust shall be construed according to the laws of the State of Utah.

22. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address for Trustor hereinbefore set forth.

23. Trustor shall not voluntarily or involuntarily directly or indirectly sell, convey, pledge or encumber or otherwise alienate, transfer or assign any interest in the Property to any other person or entity (each such act, a “**Transfer**”). Any attempted or purported Transfer of any interest in the Property shall constitute an immediate default under this Deed of Trust.

24. Trustor represents and warrants that this Deed of Trust constitutes a first lien on the Property senior and superior to all other liens, encumbrances or judgments

25. Trustor shall not raze, remove or alter the existing building improvements on the Property unless and until it satisfies all of the following conditions: (i) a subdivision plat is approved and recorded providing for subdivision of the Property into at least one hundred sixty (160) lots designated for “Market Housing Units” (as defined below in this Section 25) and ninety-five (95) lots designated for “Affordable Housing Units” (as defined below in this Section 25); and (ii) Beneficiary, at its sole discretion, shall have approved the plans for the subdivision infrastructure improvements and the terms of any financing for the construction and completion of the subdivision infrastructure improvements. Any violation or breach of the covenant set forth in this Section 25 shall constitute a default under this Deed of Trust. “**Affordable Housing Units**” means the affordable housing lots or units so labeled on the subdivision plat which are required to be

deed restricted and developed consistent with Resolution 17-99 of the Park City Council (without taking into account amendments after the date of this Agreement). “**Market Housing Units**” means, the hundred sixty (160) market value residential lots or units permitted by applicable land use approvals of Park City, acting in its governmental capacity, as labeled on the subdivision plat.

26. As provided in the next sentence, Beneficiary shall cause Trustee to provide partial reconveyances of subdivided lots after platting of at least one hundred sixty (160) lots designated for Market Housing Units and ninety-five (95) lots designated for Affordable Housing Units and completion of all subdivision infrastructure improvements. If, but only if, no default exists by Trustor under the Note or this Deed of Trust, or with the giving of notice or passage of time, or both, such a default would exist, then Beneficiary will cause the Trustee to release and reconvey of lots contained in future proposed Phases by Phase upon payment by Buyer of each of the three (3) installment payments as provided above, provided each future proposed Phase shall in good faith be reasonably consistent with the subdivision of the Property contemplated herein, with other approved Phases, shall tie in to existing Infrastructure Improvements, and shall as equally as reasonably possible balance acreage, developable lots, trails, paths, bridges and green space with all prior approved Phases.

*[The balance of this page is blank--
Signatures commence on next page]*

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust on the date first set forth above.

TRUSTOR:

IVORY DEVELOPMENT, LLC,
a Utah limited liability company

By: _____

Name: _____

Its: _____

STATE OF UTAH)

ss.

COUNTY OF _____)

On this ____ day of _____, 20____, before me, the undersigned, personally appeared _____, the _____ of IVORY DEVELOPMENT, LLC, a Utah limited liability company, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same.

WITNESS my hand and official seal.

Notary Public

Commission Expires:

EXHIBIT "A"

TO DEED OF TRUST

Legal Description of Property

The real property located in Summit County, Utah described as follows:

Park City Heights Subdivision

A parcel of land located in the South Half of Section 2 and portions of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

Beginning at a Park City Boundary Aluminum Cap marking the West Quarter Corner of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian; and running

thence North 00°19'41" East 1,474.01 feet along the West Section Line of said Section 11, also being along the Easterly Boundary Line of the Hidden Meadows Subdivision Annexation Plat recorded as Entry No. 425892 in the Office of the Summit County Recorder;

thence North 63°17'52" East 344.36 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 75°52'07" East 1,501.92 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 38°46'13" West 606.70 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 39°40'23" West 214.68 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat to the North Section Line of said Section 11;

thence South 88°46'45" East 89.54 feet along the North Section Line of said Section 11 to the 1/16 Corner of said Section 2;

thence North 00°00'41" East 1,415.34 feet along the 1/16th Section Line of said Section 2 to the Southerly Right-of-Way Line of the abandoned Union Pacific Railroad Property;

thence North 68°35'10" East 611.63 feet along the Southerly Right-of-Way Line of said abandoned Union Pacific Railroad Property;

thence Northeasterly 622.07 feet along the arc of a 1,532.69 foot radius curve to the left (center bears North 21°24'50" West and the chord bears North 56°57'32" East 617.81 feet with a central angle of 23°15'16") along the Southerly Right-of-Way Line of said abandoned Union Pacific Railroad Property to the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);

thence South 89°20'19" East 143.65 feet along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);

thence Southeasterly 252.20 feet along the arc of a 2,814.90 foot radius curve to the right (center bears South 00°39'41" West and the chord bears South

86°46'19" East 252.11 feet with a central angle of 05°08'00") along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);
thence South 84°12'19" East 300.22 feet along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B) to the Westerly Right-of-Way Line of State Highway 40;
thence South 07°02'52" East 965.75 feet along the Westerly Right-of-Way Line of said State Highway 40;
thence South 07°03'48" East 1,299.91 feet along the Westerly Right-of-Way Line of said State Highway 40;
thence South 42°31'04" West 3,012.86 feet;
thence South 103.66 feet to the projection of the Northerly Boundary Line of the Morning Star Estates Subdivision recorded as Entry No. 376621 in the Office of the Summit County Recorder;
thence North 89°30'31" West 1,368.96 feet along the Northerly Boundary Line of said Morning Star Estates Subdivision and its projections thereof to the point of beginning.

Contains 8,518,648 Square Feet or 195.561 Acres

**EXHIBIT D-1
TO
PURCHASE AND SALE AGREEMENT**

Form of Special Warranty Deed

When Recorded Mail This Deed To:

Benson L. Hathaway, Esq. Kirton & McConkie
1800 Eagle Gate Tower
60 East South Temple
Salt Lake City, Utah 84111

Tax Parcel Nos.: _____

SPECIAL WARRANTY DEED

BOYER PARK CITY JUNCTION, L.C., a Utah limited liability company, as to a fifty percent (50%) undivided interest in the Property (as defined below) ("**Grantor**"), hereby CONVEYS and WARRANTS against all who claim by, through or under Grantor, to IVORY DEVELOPMENT COMPANY, LLC, a Utah limited liability company ("**Grantee**"), for the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all of Grantor's right, title and interest in and to that certain real estate (the "**Property**") located in Summit County, State of Utah which is more particularly described on **Exhibit A**, attached hereto and incorporated herein by this reference.

SUBJECT TO: (a) any and all matters of record or arising at law or equity; (b) any and all matters that would be disclosed by a physical inspection or ALTA survey of the Property.

WITNESS, the hand of said Grantors, this ____ day of _____, 20__.

BOYER PARK CITY JUNCTION, L.C., a Utah limited liability company, by its Manager:

THE BOYER COMPANY, L.C., a Utah limited liability company

By: _____

Name: _____

Its: Manager

STATE of UTAH)
 : ss.
COUNTY of SALT LAKE)

The foregoing instrument was acknowledged before me this ____ day of _____ 2011, by _____, as Manager of THE BOYER COMPANY, L.C., a Utah limited liability company, the Manager of BOYER PARK CITY JUNCTION, L.C., a Utah limited liability company.

Notary Public

My Commission Expires:

Exhibit A
To
Special Warranty Deed

Legal Description of the Property

Park City Heights Subdivision

A parcel of land located in the South Half of Section 2 and portions of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian, said parcel being more particularly described as follows:

Beginning at a Park City Boundary Aluminum Cap marking the West Quarter Corner of Section 11, Township 2 South, Range 4 East, Salt Lake Base and Meridian; and running

thence North 00°19'41" East 1,474.01 feet along the West Section Line of said Section 11, also being along the Easterly Boundary Line of the Hidden Meadows Subdivision Annexation Plat recorded as Entry No. 425892 in the Office of the Summit County Recorder;

thence North 63°17'52" East 344.36 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 75°52'07" East 1,501.92 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 38°46'13" West 606.70 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 39°40'23" West 214.68 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat to the North Section Line of said Section 11;

thence South 88°46'45" East 89.54 feet along the North Section Line of said Section 11 to the 1/16 Corner of said Section 2;

thence North 00°00'41" East 1,415.34 feet along the 1/16th Section Line of said Section 2 to the Southerly Right-of-Way Line of the abandoned Union Pacific Railroad Property;

thence North 68°35'10" East 611.63 feet along the Southerly Right-of-Way Line of said abandoned Union Pacific Railroad Property;

thence Northeasterly 622.07 feet along the arc of a 1,532.69 foot radius curve to the left (center bears North 21°24'50" West and the chord bears North 56°57'32" East 617.81 feet with a central angle of 23°15'16") along the Southerly Right-of-Way Line of said abandoned Union Pacific Railroad Property to the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);

thence South 89°20'19" East 143.65 feet along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);

thence Southeasterly 252.20 feet along the arc of a 2,814.90 foot radius curve to the right (center bears South 00°39'41" West and the chord bears South

86°46'19" East 252.11 feet with a central angle of 05°08'00") along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B);
thence South 84°12'19" East 300.22 feet along the Southerly Right-of-Way Line of Richardson Flat Road (UDOT FAP 93-B) to the Westerly Right-of-Way Line of State Highway 40;
thence South 07°02'52" East 965.75 feet along the Westerly Right-of-Way Line of said State Highway 40;
thence South 07°03'48" East 1,299.91 feet along the Westerly Right-of-Way Line of said State Highway 40;
thence South 42°31'04" West 3,012.86 feet;
thence South 103.66 feet to the projection of the Northerly Boundary Line of the Morning Star Estates Subdivision recorded as Entry No. 376621 in the Office of the Summit County Recorder;
thence North 89°30'31" West 1,368.96 feet along the Northerly Boundary Line of said Morning Star Estates Subdivision and its projections thereof to the point of beginning.

Contains 8,518,648 Square Feet or 195.561 Acres

**EXHIBIT D-2
TO
PURCHASE AND SALE AGREEMENT**

Form of Special Warranty Deed

When Recorded Mail This Deed To:

Benson L. Hathaway, Esq. Kirton & McConkie
1800 Eagle Gate Tower
60 East South Temple
Salt Lake City, Utah 84111

Tax Parcel Nos.: _____

SPECIAL WARRANTY DEED

PARK CITY MUNICIPAL CORPORATION, a municipal corporation of the State of Utah, as to a fifty percent (50%) undivided interest in the Property (collectively "**Grantor**"), hereby CONVEYS and WARRANTS against all who claim by, through or under Grantor, to IVORY DEVELOPMENT COMPANY, LLC, a Utah limited liability company (**Grantee**"), for the sum of TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, all of Grantor's right, title and interest in and to that certain real estate (the "**Property**") located in Summit County, State of Utah which is more particularly described on **Exhibit A**, attached hereto and incorporated herein by this reference.

SUBJECT TO: (a) any and all matters of record or arising at law or equity; (b) any and all matters that would be disclosed by a physical inspection or ALTA survey of the Property.

WITNESS, the hand of said Grantors, this ____ day of _____, 20__.

PARK CITY MUNICIPAL CORPORATION, a municipal corporation of the State of Utah

By: _____

Name: _____

Its: _____

STATE of UTAH)
: ss.
COUNTY of SUMMIT)

The foregoing instrument was acknowledged before me this ____ day of _____ 2011, by _____, as the _____ of Park City Municipal Corporation, a municipal corporation of the State of Utah.

Notary Public

My Commission Expires:

Exhibit A
To
Special Warranty Deed

Legal Description of the Property

Park City Heights Subdivision

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thence North 00°19'41" East 1,474.01 feet along the West Section Line of said Section 11, also being along the Easterly Boundary Line of the Hidden Meadows Subdivision Annexation Plat recorded as Entry No. 425892 in the Office of the Summit County Recorder;

thence North 63°17'52" East 344.36 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

thence North 75°52'07" East 1,501.92 feet along the Easterly Boundary Line of said Hidden Meadows Subdivision Annexation Plat;

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thence South 88°46'45" East 89.54 feet along the North Section Line of said Section 11 to the 1/16 Corner of said Section 2;

thence North 00°00'41" East 1,415.34 feet along the 1/16th Section Line of said Section 2 to the Southerly Right-of-Way Line of the abandoned Union Pacific Railroad Property;

thence North 68°35'10" East 611.63 feet along the Southerly Right-of-Way Line of said abandoned Union Pacific Railroad Property;

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thence South 07°02'52" East 965.75 feet along the Westerly Right-of-Way Line of said State Highway 40;
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thence South 42°31'04" West 3,012.86 feet;
thence South 103.66 feet to the projection of the Northerly Boundary Line of the Morning Star Estates Subdivision recorded as Entry No. 376621 in the Office of the Summit County Recorder;
thence North 89°30'31" West 1,368.96 feet along the Northerly Boundary Line of said Morning Star Estates Subdivision and its projections thereof to the point of beginning.

Contains 8,518,648 Square Feet or 195.561 Acres

EXHIBIT E
TO
PURCHASE AND SALE AGREEMENT

Addresses For Notices

If to Seller:

Boyer Park City Junction, L.C.
c/o The Boyer Company, L.C.
90 South 400 West, Suite 200
Salt Lake City, Utah 84101
Attention: Patrick Moffat
Facsimile No.: (801) 521-4793

and

Park City Municipal Corporation
445 Marsac Avenue
P.O. Box 1480
Park City, Utah 84060-1480
Attention: Tom Bakaly, City Manager
Phyllis Robinson, Community Public Affairs Manager

With a copy to:

Parr Brown Gee & Loveless
185 South State Street, Suite 800
Salt Lake City, Utah 84011
Attention: David E. Gee
Facsimile No.: (801) 532-7750

and

City Attorney
450 Marsac Avenue
P.O. Box 1480
Park City, Utah 84060
Attention: Mark D. Harrington
Facsimile No.: (435) 615-4916

If to Buyer:

Ivory Development, LLC
978 East Woodoak Lane
Salt Lake City, Utah 84117
Attention: Christopher Gamvroulas
Facsimile No.: (____) ____ - ____

With a copy to:

Benson L. Hathaway, Esq. Kirton & McConkie
1800 Eagle Gate Tower
60 East South Temple
Salt Lake City, Utah 84111
Facsimile No.: (801) 321-4893

**EXHIBIT F
TO
PURCHASE AND SALE AGREEMENT**

Copy of Proposed Phase I Plat

EXHIBIT G
TO
PURCHASE AND SALE AGREEMENT

Bonding

The City shall use its best efforts to finance the Bonded Improvements with proceeds from special assessment bonds (the “**Bonds**”). The Bonds and the related assessments are authorized under Utah Code Section 11-42-1, et seq., the Assessment Area Act (the “**Act**”). Under the Act cities shall be authorized to create a special assessment district and make public improvements. The improvements will be paid for from Bond proceeds. The Bonds shall be repaid from recorded assessments against each Affordable Housing Unit and/or Market Housing Unit benefitting from the improvements. The assessment will create a super-lien on the assessed properties, i.e., it will be above all mortgage liens and equivalent to a tax lien. The assessment lien is released against an individual property when the owner has paid the full amount of the assessment lien. **[This structure assumes that the property has been, or will be by time of the bonding, subdivided into its final parcel configuration.]**

The Bonds will be structured so that assessments may be paid at any time but in all events shall be paid no later than 36 months after actual issuance of the Bonds. Buyer must pay all accrued interest on the Bonds. The Bonds are expected to bear a tax-exempt rate of interest which may be fixed or variable. The interest rate payable on the assessment may include a charge for ongoing City costs incurred for administration of the assessment area. The interest due upon payment of an assessment may include interest accruing on the Bonds until the Bonds can be redeemed, typically 30-40 days after payment of the assessment.

The amount of the assessment may include the estimated or actual cost of the Bonded Improvements, interest on any interim warrants or bond anticipation notes, contingency of not more than 10%, overhead costs not to exceed 15% of hard costs and up to 10% to fund a reserve fund for the Bonds. As a condition to issuance of bonds, the total assessments may not exceed 1/3 the estimated appraised value of the improved properties after the improvements have been made. Any surplus at the final retirement of all financial obligations will be rebated to the property owners at that time.

The assessments against each individual lot may be pro rata, per square foot of lot size, by frontage or any other reasonable standard as decided by the City and approved following a Board of Equalization hearing. The City may have different zones within the assessment area where different assessment rates apply.

If special assessment bonds cannot be utilized for the full funding of the Bonded Improvements, the City reserves the right to employ other financing mechanisms alone or

in combination, including funding by the City, the Bonded Improvements, while still imposing the same payment obligations on the Developer.

**EXHIBIT H
TO
PURCHASE AND SALE AGREEMENT**

**Form of Guaranty
(attached)**

GUARANTY

THIS GUARANTY (this "Guaranty") is executed as of the ____ day of _____, 2011, by **IVORY LAND CORPORATION**, a Utah corporation, whose notice address is 978 East Woodoak Lane, Salt Lake City, Utah 84117 (the "Guarantor"), in favor of each of the following (collectively, the "Lender") (i) **BOYER PARK CITY JUNCTION, L.C.**, a Utah limited liability company, whose address is 90 South 400 West, Suite 200, Salt Lake City, Utah 84101, Attn: Patrick Moffat; and (ii) **PARK CITY MUNICIPAL CORPORATION**, a municipal corporation of the State of Utah acting only as an owner of certain interest in land and not in its governmental capacity, whose address is 445 Marsac Avenue, P.O. Box 1480, Park City, Utah 84060, Attn: Phyllis Robinson.

FOR THE SUM OF TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Guarantor agrees with Lender as follows:

1. Definitions. As used in this Guaranty, each of the following terms shall have the indicated meaning:

1.1. "Borrower" means IVORY DEVELOPMENT, LLC, a Utah limited liability company.

1.2. "Loan" means the loan made by Lender to Borrower in the principal amount of Ten Million Five Hundred Thousand and No/100 Dollars (\$10,500,000.00).

1.3. "Loan Documents" means, collectively, all instruments, documents and agreements executed by Borrower in connection with the Loan (whether executed prior to or after the date of this Guaranty), together with all renewals, extensions, substitutions, replacements, modifications, increases and consolidations of, and all changes, amendments and supplements to, such instruments, documents and agreements, including, without limitation, the following:

1.3.1. Promissory Note (Secured by Deed of Trust) (the "Note"), in the original principal amount of the Loan, dated of even date with this Guaranty, executed by Borrower in favor of Lender; and

1.3.2. Deed of Trust (Securing Future Advances), dated of even date with this Guaranty, executed by Borrower, as trustor, in favor of Lender, as beneficiary.

1.4. "Obligations" means, collectively, the payment of all indebtedness and the performance of all other obligations owed to Lender under or in any way related to the Loan Documents or the Loan, whether such indebtedness and obligations now exist or

arise after the date of this Guaranty, are secured or unsecured, direct or indirect, absolute or contingent, or due or to become due or are principal, interest, penalties, fees, expenses or other amounts, and shall include, without limitation, any obligations under the Loan Documents which expressly survive the termination of the Loan Documents or the payment of the Loan.

2. Description of Transaction. Lender has agreed to make the Loan to Borrower if, but only if, the Obligations are guaranteed by Guarantor. Guarantor has a substantial direct or indirect financial or other interest in, or relationship with, Borrower, has received and reviewed carefully, and is familiar with, all of the Loan Documents and is, therefore, willing to execute and deliver this Guaranty in favor of Lender.

3. Guaranty. Guarantor irrevocably, absolutely and unconditionally guarantees to Lender the due, punctual and complete payment and performance of the Obligations, when and as the same become due, whether at stated maturity, on acceleration or otherwise. Such guaranty is an immediate, independent, direct, primary and continuing guaranty of payment and performance and not of collection, and is in no way conditioned or contingent on any matter or occurrence, including, without limitation, any attempt to collect the Obligations from Borrower, any other person obligated with respect to the Obligations, any other guarantor of the Obligations or any collateral given as security for the Obligations. If any or all of the Obligations are not paid or performed when and as the same become due, Guarantor shall, on notice of such failure, immediately pay or perform (as the case may be) the same at the place and manner specified in the Loan Documents. On the occurrence of any of the following:

3.1. the bankruptcy or insolvency or, if an entity, the dissolution of Borrower;

3.2. the inability of Borrower to pay Borrower's debts as they become due;

3.3. an assignment for the benefit of creditors by Borrower; or

3.4. any other similar proceeding alleging insolvency or inability of Borrower to pay debts as they become due,

Guarantor shall immediately pay to Lender on demand the full amount which would be payable if all of the Obligations were then due and payable.

4. Subsequent Occurrences. The obligations of Guarantor under this Guaranty shall remain in full force and effect notwithstanding the occurrence of any of the following, and Guarantor expressly consents to, and waives any effects of, the following:

4.1. any transfer, assumption, modification, change, amendment, substitution, replacement, addition, consolidation, exchange, renewal, extension, cancellation, discharge, consent, release, impairment (including destruction by fire or other

casualty, whether or not insured), surrender, settlement, subordination, compromise, indulgence, action, inaction, waiver or non-perfection of or relating to the Obligations, any collateral held as security for the Obligations or any instrument, document or agreement entered into in connection with the Obligations, including, without limitation, the Loan Documents;

4.2. any change in the existence structure or ownership of Borrower (if Borrower is a partnership, corporation, trust, association or other entity), or any insolvency, bankruptcy, liquidation, reorganization, arrangement, readjustment, composition, dissolution or other proceeding involving or affecting Borrower or any other guarantor or their respective assets;

4.3. any change in the amount, time, manner, place of payment or any other term of the Obligations;

4.4. any invalidity or unenforceability of the Obligations or the Loan Documents, or any applicable law, ordinance, rule or regulation purporting to prohibit the payment or performance of the Obligations;

4.5. the full or partial release from liability of Borrower, any guarantor, or any other person liable for payment or performance of the Obligations (whether such liability now exists or arises after the date of this Guaranty);

4.6. the full or partial release or impairment (inadvertent or otherwise) of all or any portion of any real or personal property encumbered by the Loan Documents; or

4.7. any other cause or circumstance which would or might in any manner or to any extent vary the risk of Guarantor or which would or might otherwise operate as a discharge of Guarantor as a matter of law or equity, whether or not Guarantor has notice or knowledge of any of the foregoing.

5. Waiver. Guarantor unconditionally waives to the fullest extent permitted by law, and agrees not to assert or take advantage of, any of the following, and agrees that none of the following shall impair in any way the obligations of Guarantor under this Guaranty:

5.1. notice of any of the matters referred to in Paragraph 4;

5.2. actions or notices which may be required by any applicable law, ordinance, rule or regulation to preserve any rights of Lender against Borrower, Guarantor or any party obligated in connection with the Loan including, without limitation, presentment, protest, notice of protest, dishonor, nonpayment, nonperformance or acceptance, or notice of any matter regarding Borrower, the Loan, the Loan Documents or the Obligations, or demand for payment or performance, to Borrower, Guarantor or any other party obligated in connection with the Loan Documents;

5.3. any right to participate in any security for the Obligations held by Lender (whether such security is now held or is acquired after the date of this Guaranty);

5.4. any requirement of diligence on the part of Lender;

5.5. any right or power of Borrower or any other person to assert any claim or defense as to the genuineness, regularity, validity or enforceability of the Loan Documents or the Obligations;

5.6. any defense that may arise by reason of the incapacity, lack of authority, death or disability of Borrower or others, or the failure of Lender to file or enforce a claim against the estate (either in administration, bankruptcy or any other proceeding) of Borrower;

5.7. any defense based on any act or an election of remedies (including, if available, an election to proceed by nonjudicial foreclosure) by Lender which destroys or otherwise impairs the subrogation rights of Guarantor or the right of Guarantor to proceed against Borrower or the collateral securing the Obligations for reimbursement;

5.8. any defense arising as a result of Lender's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code;

5.9. any defense based on any borrowing or grant of a security interest under Section 364 of the Bankruptcy Code; and

5.10. any right Guarantor may have in the form of a "one-action rule" or rules regarding deficiency actions which might require Lender to proceed against or to exhaust any security held by Lender, or to pursue any other remedy before proceeding against Guarantor, including, without limitation, any rights existing on or after the date of this Guaranty under Sections 57-1-32 or 78(B)-6-901(1) of the Utah Code as amended, and any successor to such Sections.

6. Discharge; Reinstatement. Guarantor's obligations under this Guaranty shall remain in full force and effect, and all obligations of Borrower to Guarantor are subject, subordinate, inferior and junior, and shall in all respects and for all purposes remain subject, subordinate, inferior and junior, to the right, title and interest of Lender under the Loan Documents, until the Obligations have been paid and performed in full in accordance with the terms of the Loan Documents, and for a period of thirteen (13) months after such payment and performance in full. The rights and remedies of Lender under this Guaranty are cumulative and shall not be exhausted by Lender's exercise of any of Lender's rights or remedies under this Guaranty against Guarantor or by any number of successive actions unless and until all of the Obligations have been paid and performed in full. Guarantor absolutely waives any rights which Guarantor may acquire against Borrower by way of subrogation under this Guaranty or by virtue of a claim for contribution, reimbursement, indemnification or otherwise, as a result of any payment made under this Guaranty or

otherwise, which waiver shall continue for a period of thirteen (13) months after the Obligations have been paid and performed in full. If any payment is made by Borrower to Guarantor on account of such subrogation or other rights, the entirety of such payment shall immediately be remitted to Lender to be credited and applied, in the sole discretion of Lender, on any of the Obligations. If at any time the payment of any amounts due under the Loan Documents is rescinded or must be restored or returned on the insolvency, bankruptcy or reorganization of Borrower or for any other reason, Guarantor's obligations under this Guaranty with respect to such payment shall be reinstated at such time as though such payment had not been made.

7. Change in Obligations. Any instrument, document or agreement relating in any way to the Loan Documents or the Obligations which is executed and delivered by Borrower subsequent to the execution and delivery of the Loan Documents shall, whether or not approved or consented to by Guarantor, automatically become a part of the Loan Documents, and all of Guarantor's agreements in this Guaranty shall apply to the Loan Documents and to the Obligations as modified by such subsequent instrument, document or agreement. If for any reason the arrangement provided for in the foregoing sentence is held to be ineffective with respect to Guarantor under a particular set of circumstances, and if Guarantor failed to approve or consent to any such subsequent instrument, document or agreement, the effect shall not be to work a discharge of Guarantor under this Guaranty or to reduce or impair in any way Guarantor's obligations under this Guaranty; rather, such subsequent instrument, document or agreement shall merely be ineffective as against the non-consenting Guarantor to increase Guarantor's obligations or liabilities under this Guaranty. The provisions of this Paragraph are not intended to and shall not modify or amend any other provision contained in this Guaranty.

8. Liability of Guarantor. The execution of this Guaranty by any one or more of the Guarantors, if more than one, is not conditioned on the execution of this Guaranty by the other Guarantors named in this Guaranty, and this Guaranty shall be and is fully binding on each of the Guarantors irrespective of whether the other Guarantors named in this Guaranty execute this Guaranty or may be released or discharged from liability under this Guaranty (regardless of the reason or basis for any such release or discharge and regardless of whether or not the same is consented to by the Guarantors not so released or discharged). All persons executing this Guaranty shall be jointly and severally liable. Guarantor's obligations under this Guaranty are independent of the obligations of Borrower, and a separate action or actions may be brought and prosecuted against Guarantor irrespective of whether an action is brought against Borrower or whether Borrower is joined in any such action or actions. Lender may bring an action to enforce this Guaranty prior to, contemporaneously with or subsequent to bringing an action against Borrower. Guarantor's obligations under this Guaranty are independent of the obligations of each other Guarantor, and a separate action or actions may be brought and prosecuted against one or more Guarantors irrespective of whether an action is brought against any other Guarantor or whether any other Guarantor is joined in any such action or actions. Lender may bring an action to enforce this Guaranty against one or more Guarantors prior to, contemporaneously with or subsequent to bringing an action against any other Guarantor. Lender shall not be required to exhaust Lender's remedies against Borrower or any guarantor other than Guarantors, proceed against any

collateral given as security for the Obligations or pursue any other remedies before exercising any of Lender's rights or remedies under this Guaranty. Lender may, in its sole discretion and at any time, transfer, sell or assign all or a portion of Lender's interest under the Loan Documents or this Guaranty, and notwithstanding such transfer, sale or assignment, Guarantor's obligations under this Guaranty shall continue uninterrupted for the benefit of Lender and Lender's successors and assigns.

9. Financial Covenants. Guarantor shall at all times while the Loan is outstanding comply with the following financial covenants (and any failure to comply with such financial covenants shall constitute an Event of Default under the Loan Documents):

9.1 Guarantor shall not sell, convey, transfer, assign, dispose of or further encumber any of Guarantor's properties or assets, or any right, title or interest, or any part hereof, or enter into a lease thereof or an undivided interest therein, either voluntarily or involuntarily, or otherwise, except for fair value on terms consistent with transactions on an arm's length basis, if such sale, conveyance, transfer, assignment, disposition or other encumbrance would have a material adverse affect, either individually or in the aggregate, on Guarantor's ability to perform its obligations under this Guaranty.

9.2 Guarantor shall deliver to Lender financial statements of Guarantor as required by Lender.

10. Attorneys' Fees. If Lender brings suit to enforce or interpret this Guaranty or the Loan Documents, or for damages on account of the breach of a covenant, representation or warranty contained in this Guaranty or in the Loan Documents, Lender shall be entitled to recover from Guarantor Lender's reasonable attorneys' fees and costs incurred in any such action or in any appeal from such action, in addition to the other relief to which Lender is entitled, together with interest thereon at the Default Interest Rate (as defined in the Note).

11. Waiver of Jury Trial. **GUARANTOR AND LENDER (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN GUARANTOR AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS GUARANTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE LOAN.**

12. Miscellaneous. Time is of the essence of this Guaranty and each and every provision of this Guaranty. This Guaranty shall be governed by and construed and interpreted in accordance with the laws (excluding the choice of laws rules) of the state of Utah. In any litigation in connection with or to enforce this Guaranty, Guarantor irrevocably consents to and confers personal jurisdiction on the courts of the state of Utah or the United States located within the state of Utah and expressly waives any objections as to venue in any such courts. Nothing contained herein shall, however, prevent Lender from bringing any action or exercising any rights within any other state or jurisdiction or from

obtaining personal jurisdiction by any other means available under applicable law. This Guaranty shall be binding on Guarantor and shall inure to the benefit of Lender and their respective successors, assigns, heirs and legal representatives, and, in particular, shall be enforceable by and for the benefit of any holder of the Obligations. If any provision of this Guaranty is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Guaranty and shall in no way affect any other provision of this Guaranty. If such provision 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. No waiver by Lender of any breach or default of Guarantor shall be considered to be a waiver of any other breach or default. A modification of or amendment to any provision contained in this Guaranty shall be effective only if the modification or amendment is in writing and signed by both Guarantor and Lender. Each individual executing this Guaranty does represent and warrant to Lender that such individual has been duly authorized to execute and deliver this Guaranty in the capacity and for the entity set forth where such individual signs. This Guaranty may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same instrument, and in making proof of this Guaranty, it shall not be necessary to produce or account for more than one such counterpart signed by each Guarantor.

GUARANTOR has duly executed and delivered this Guaranty, to be effective as of the date first above written.

GUARANTOR:

IVORY LAND CORPORATION, a Utah corporation

By: _____

Name: _____

Date: _____

