

WHEN RECORDED RETURN TO

David L. Thomas
Chief Civil Deputy
Summit County Attorney
P.O. Box 128
60 N. Main Street
Coalville, Utah 84017

**SETTLEMENT AGREEMENT
FOR FILM AND MEDIA CAMPUS**

THIS SETTLEMENT AGREEMENT (the "Agreement") is entered into as of this 18th day of January, 2012, by and among QUINNS JUNCTION PARTNERSHIP (Michael Martin, General Partner), the sole owner of certain undeveloped real property in the Snyderville Basin, including all legal claims belonging to Ralph Merrill (the "QJP"), and SUMMIT COUNTY, a political subdivision of the State of Utah, by and through its County Manager (the "County").

RECITALS:

A. QJP is the owner of approximately 29 acres of land and appurtenant real property rights, located on the southwest corner of Quinn's Junction, which is at the intersection of U.S. 40 and S/R 248 in the Snyderville Basin, Summit County, Utah (the "Property"). QJP desires to build a mixed use development on the Property consisting of a Motion Picture Studio and Media Campus, ancillary and support commercial and lodging (the "Film Studio").

B. The Property is claimed to be within the Annexation Policy Plan of Park City Municipal Corporation (the "City") and its Expansion Area (the "Park City Annexation Declaration Area") in accordance with Utah Code Annotated ("UCA"), §10-2-201.5. The provisions of UCA, §10-2-402 have been satisfied. QJP has filed an Annexation Petition with Park City (the "QJP Annexation Petition" or "Petition") in accordance with UCA, §10-2-403.

C. QJP has asserted claims and commenced litigation against the County in two separate lawsuits and other administrative actions that are currently pending in State and Federal Courts.

D. As a result of this litigation several disputes have arisen between Summit County and QJP.

E. The parties desire to settle all claims, actions, and litigation between them (the "Litigation").

F. This Agreement implements the agreed upon conditions for settlement of the Litigation.

F. This Agreement provides that QJP shall attempt in good faith to annex into the City. In the event of a rejection of the annexation petition by the City, QJP will be vested with certain development rights within unincorporated Summit County.

G. Summit County, acting pursuant to its authority under Utah Code Annotated, Section 17-27a-101, et seq. and the Code, has made certain determinations with respect to the proposed Film Studio, and, in the exercise of the discretion afforded the County Manager in Summit County Code §1-14-10(F)(17) to settle lawsuits, has elected to approve of this Agreement.

SUMMIT COUNTY AND QJP HEREBY AGREE AS FOLLOWS:

ARTICLE I

Vested Rights within Unincorporated Summit County

1.1 Legal Description of Property. The legal description of the Property included with the Film Studio is attached hereto as Exhibit A, which is incorporated into this Agreement by this reference. No other property may be added to the legal description of the Film Studio for purposes of this Agreement, except by written amendment. Except as expressly set forth in this Agreement, this Agreement shall not affect any land other than the Property.

1.2 General Description of Film Studio. The Film Studio covered by this Agreement consists of approximately 29 acres of land located generally nearby and on the southwest corner of U.S. 40 and S.R. 248 in Summit County, Utah.

1.3 Vested Development Right. As a compromise of claims and in settlement of the Litigation, the County hereby recognizes that the Property has a vested development right to the following commercial uses, densities, and configuration as part of a Motion Picture Studio and Media Campus:

1.3.1 Total Density not to exceed a maximum of 355,000 gross square feet.

1.3.2 One Hotel/Lodging facility which shall not exceed 100 keyed rooms within the gross square footage granted herein without further approval by the County.

1.3.3 Heights not to exceed 32 feet except in the cases of sound stages/studios and entry way fire suppression water tank, which shall not exceed 60 feet.

1.3.4 Setback of buildings from the centerline of SR 248 and US 40 shall not be less than 150 feet from any building over 28 feet in height. Setback of all other buildings or structures shall not be less than 100 feet from the centerline of SR 248 and US 40.

1.3.5 All exterior street and other lighting shall be kept to a minimum, directed downward, and ensure that light sources are fully shielded. Only high pressure

sodium, incandescent, LED or other sources appearing to be amber in color consistent with the Code provisions for the protection of the night sky shall be allowed.

1.3.6 Permitted Uses shall be Recreation, International Film School, Commercial Support Retail, Entertainment Center, Hotel/Lodging, Motion Picture Media Campus, Sound Stages/Studios, and Event Center. All other uses are prohibited.

1.3.7 All other provisions of Summit County Code, §§ 10-1 thru 10-11, and all other County ordinances, which are not in conflict with §§1.3.1 – 1.3.6 herein, shall be applicable to the Property.

- 1.4 Process. §1.3 shall be subject to the approval of an appropriate form of Development Agreement.

ARTICLE II

Annexation to Park City

2.1 Annexation Declaration Area. Utah law favors that development take place within the boundaries of cities and towns where land is located in a city's annexation declaration area. The Property is claimed to be within the Park City Annexation Declaration Area.

2.2 Annexation Agreement. As a condition subsequent to the vesting of uses, densities, and configuration of the Film Studio contained in §1.3, QJP and the City have executed an Annexation Agreement, a copy of which is fully set forth at "Exhibit B" herein.

2.3 Petition. As a further condition subsequent to the vesting of uses, densities, and configuration of the Film Studio contained in §1.3, QJP has filed the QJP Annexation Petition with the City and QJP agrees it will not withdraw the petition prior to the City Council rendering a final decision/vote or the expiration of the time periods set forth in paragraph 2.3 of the Annexation Agreement, whichever occurs first.

2.4 Decision on Petition. The City shall either approve or reject the QJP Annexation Petition within ninety (90) days of the acceptance of the Petition by the City consistent with UCA, §10-2-405(1).

2.5 Effect of Petition Approval. Upon approval of the QJP Annexation Petition, the provisions of §§1.3 and 1.4 as they pertain to the Film Studio shall be vacated. The remainder of this Agreement shall remain in full force and effect.

2.6 Effect of Petition Rejection. Upon rejection of the QJP annexation petition, the provisions of §§1.3 and 1.4 as they pertain to the Film Studio shall be effective and in full force and effect.

ARTICLE III

Releases and Hold Harmless

3.1 Mutual Releases. At the time of, and subject to, the execution of this Agreement, and the acceptance of the QJP Annexation Petition by the City pursuant to UCA, §10-2-405(1), and excepting the parties' respective rights and obligations under this Agreement, QJP, on behalf of itself and QJP's partners, officers, directors, employees, agents, attorneys and consultants, hereby releases the County and the County's board members, council members, officials, employees, agents, attorneys and consultants, and the County, on behalf of itself and the County's board members, officials, employees, agents, attorneys and consultants, hereby releases QJP and QJP's partners, officers, directors, employees, agents, attorneys and consultants, from and against any and all claims, demands, liabilities, costs, expenses of whatever nature, whether known or unknown, and whether liquidated or contingent, arising on or before the date of this Agreement in connection with the Property or the application, processing or approval of applications relating to the Property or the Film Studio, to include any past claims for vested development rights that are not provided for in this Agreement and those lawsuits styled Merrill v. Summit County, Case No. 2:08-cv-723 pending in the U.S. District Court in and for the State of Utah, Central Division, and Merrill v. Summit County, Case No. 050500052 pending in the Third District Court, Summit County, Utah. Said lawsuits shall be dismissed with prejudice within five (5) calendar days of the acceptance by the City of the QJP Annexation Petition in accordance with UCA, §10-2-405(1).

ARTICLE IV

General Terms and Conditions.

4.1 Agreements to Run with the Land. This Agreement and its accompanying Exhibits shall be recorded against the Property described in Exhibit A. The agreements contained herein shall be deemed to run with the land and shall be binding on and shall inure to the benefit of all successors in ownership of the Property. As used herein, QJP shall include the parties signing this Agreement and all successor owners of any part of the Property.

4.2 State and Federal Law. The parties agree, intend and understand that the obligations imposed by this Agreement are only such as are consistent with state and federal law. The parties further agree that if any provision of this Agreement becomes, in its performance, inconsistent with state or federal law or is declared invalid, this Agreement shall be deemed amended to the extent necessary to make it consistent with state or federal law, as the case may be, and the balance of the Agreement shall remain in full force and effect.

4.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, whether oral or written, covering the same subject matter. This Agreement may not be modified or amended except in writing mutually agreed to and accepted by both parties to this Agreement.

4.4 Notices. All notices hereunder shall be given in writing by certified mail, postage prepaid, at the following addresses:

To the County:

Summit County Manager
Summit County Courthouse
60 N. Main
P.O. Box 128
Coalville, UT 84017

With copies to:

David L. Thomas
Chief Civil Deputy Summit County Attorney
60 N. Main
P.O. Box 128
Coalville, UT 84017

To Developer:

Quinns Junction Partnership
Attn: Greg S. Ericksen
Law Offices of Greg S. Ericksen
1065 South 500 West
Bountiful, UT 84010

With copies to:

Scott M. Lilja
VanCott Bagley Cornwall & McCarthy
36 South State Street, Suite 1900
Salt Lake City, UT 84111

4.5 Applicable Law. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Utah.

4.6 Rights of Third Parties. This Agreement is not intended to affect or create any additional rights or obligations on the part of third parties.


4.7 Execution of Agreement. This Agreement may be executed in multiple parts as originals or by facsimile copies of executed originals; provided, however, if executed and evidence of execution is made by facsimile copy, then an original shall be provided to the other party within seven (7) days of receipt of said facsimile copy.

4.8 Duration. The term of this Agreement shall commence on, and the effective date of this Agreement shall be, the date upon which the last signature appears hereon. The Term of this Agreement shall extend for a period of ten (10) years following the effective date unless the Agreement is earlier terminated, or its term modified by written amendment to this Agreement.

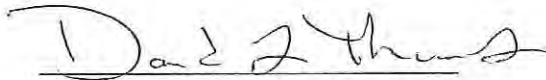
IN WITNESS WHEREOF, this Agreement has been executed by Summit County, acting by and through the County Manager, and by a duly authorized representative of QJP as of the above-stated date.

COUNTY:

COUNTY MANAGER OF SUMMIT COUNTY,
STATE OF UTAH

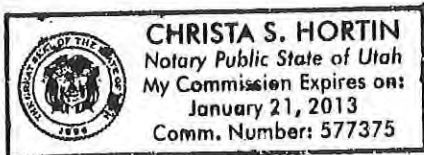
By: 
Robert Jasper, County Manager

APPROVED AS TO FORM:


David L. Thomas
Chief Civil Deputy

STATE OF UTAH)
 : ss.
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 16th day of January, 2011,
by Robert Jasper, the County Manager of Summit County, State of Utah.




NOTARY PUBLIC

Residing at: Wanship, Utah

My Commission Expires: 1-21-13

Quinns Junction Partnership:

Quinns Junction Partnership, by its General Manager:

By: *Michael Martin*, general manager
Michael Martin, Its General Manager

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

The foregoing instrument was acknowledged before me this 12th day of January, 2012, by Michael Martin, General Manager of Quinns Junction Partnership.



Joni E. Simmons
NOTARY PUBLIC
Residing at: West Jordan, Utah

My Commission Expires:

10/16/13

EXHIBIT A

EXHIBIT "A"

That certain real property located in Summit County, State of Utah described as follows:

Beginning on the Easterly line of State Highway 248 at a point which is South 89°53' East along the Section line 1557.19 feet and South 00°00'00" East 1834.09 feet from an aluminum pipe monument at the Northwest corner of Section 2, Township 2 South, Range 4 East, Salt Lake Base and Meridian (from which Section corner the Glo Stone Monument at the Northeast corner of said Section 2 bears South 89°53'00" East 5320.725 feet); thence along the Easterly right-of-way line of said Highway North 22°00'40" East 1005.180 feet to a UDOT brass cap monument; thence along said right-of-way line North 34°07'00" East 544.699 feet to a UDOT brass cap monument; thence along said right-of-way line 338.834 feet along the arc of a 638.500 foot radius curve to the right (chord bears North 49°20'26" East 334.872 feet) to a UDOT brass cap monument; thence North 64°25'25" East 14.394 feet to a UDOT brass cap monument; thence along the Westerly right-of-way line of the new U.S. Highway 40 South 25°33'14" East 223.713 feet to a UDOT brass cap monument; thence along said Westerly right-of-way line 535.196 feet along the arc of a 2664.790 foot radius curve to the right (chord bears South 19°45'25" East 534.297 feet) to a UDOT brass cap monument; thence along said right-of-way line South 23°49'09" East 243.421 feet to a UDOT brass cap monument; thence along said right-of-way line South 7°02'43" East 58.383 feet to a rebar with aluminum cap at a point that is South 89°53' East along the Section line 800.00 feet and South 25°20'00" West 1336.802 feet from the PK nail marking the location of the North Quarter corner of said Section 2; thence South 25°20'00" West 568.966 feet to a rebar with aluminum cap on the North-South Quarter-Section line of said Section 2; thence along said Quarter-Section line South 0°30'48" West 109.935 feet to a rebar with aluminum cap at a point that is South 0°30'48" West 1834.13 feet from said North Quarter corner of Section 2; thence North 89°53'00" West 1087.396 feet to a rebar with aluminum cap at the point of beginning.