

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE ("Agreement") is made and entered into by and between the CITY OF GRANTSVILLE, a municipal corporation of the State of Utah ("Grantsville"), South Willow Ranches L.L.C., a Utah limited liability company ("SWR"), and M-5 Investments, L.L.C, a Utah limited liability company ("M-5"), herein referred to individually as a "Party" and collectively as the "Parties."

RECITALS:

A. SWR improved Quirk Street from its South Willow Ranches Subdivision, north approximately 5,600 feet as a condition of the approval of said subdivision and in order to comply with the City's regulations regarding said subdivision and access to the same. In January 2010 Grantsville and SWR entered into a Recovery Right Agreement that directed and authorized Grantsville City to collect from those property owners and developers that fronted along the improved Quirk Street, a recovery right to be collected at the time of development, in order to reimburse SWR some of its expenses in improving Quirk Street. Said Recovery Right Agreement calculated the recovery right for the proposed Country Village PUD development, that fronts Quirk Street in the sum of \$128,523.00, to paid in five installments with the first five phases of the County Village PUD as it is developed.

B. M-5 entered into a Development Agreement with Grantsville in March 2010 to develop property located adjacent to that portion of Quirk Street improved by SWR, which development is identified as County Village PUD. As a part of this Development Agreement, M-5 agreed to pay \$128,523.00 to the City as recovery rights, which were to be credited towards the improvements to Quirk Street constructed by SWR. Said recovery rights were to be paid in five equal installments upon the approval of the first five phases of said development. M-5 has received concept approval for Country Village PUD, but has not yet received approval for the first phase of its PUD.

C. SWR has negotiated an agreement with M-5, whereby M-5 will at this time make a reduced lump sum payment to Grantsville for the Quirk Street Recovery Rights in the sum of \$96,000.00, which will satisfy M-5's Development Agreement obligation to pay recovery rights for Quirk Street and which will satisfy Grantsville City's obligation to SWR to collect recovery rights from M-5 for its property adjacent to Quirk Street.

D. SWR has assigned some of its recovery rights for Quirk Street to other parties and Grantsville has obtained a judgment against SWR as a result of incomplete improvements at South Willow Ranches Phase I and Grantsville is claiming additional amounts for incomplete improvements at South Willow Ranches Phase II. This agreement is also for the purpose of Grantsville and SWR specifying how M-5's recovery rights payment will be apportioned and paid out.

AGREEMENT

In consideration of the mutual promises, covenants, releases, and agreements contained herein, the Parties agree as follows:

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1. Cash Payment. Upon execution of this Agreement M-5 agrees to pay Grantsville the sum of \$96,000.00 which is the total amount of recovery rights that M-5 owes towards its Quirk Street Recovery Rights obligation.

2. Disbursements. Upon receipt of the \$96,000.00 payment made by M-5, Grantsville will within 30 days disburse said funds as follows:

A. \$12,407.14 to Kirton and McConkie, which is a result of a previous assignment to Kirton and McConkie by SWR.

B. \$6,500.00 to Danielle Collard, which is a result of a previous assignment to Danielle Collard by SWR.

C. \$21,031.45 to Double J. Ranch, which is a result of a previous assignment to Double J. Ranch by SWR.

D. \$33,490.78 to Grantsville, as a result of its September 30, 2010 judgment against SWR in Civil No. 09 0300525.

E. \$22,570.63, as a result of SWR's failure to complete the improvements at South Willow Ranches Phase II as required by the Subdivision Improvements Agreement executed by SWR on September 18, 2006. Grantsville's estimate to complete these improvements is \$27,648.75 and the \$22,570.63 will not be sufficient to complete the improvements.

3. General Release by the Parties. Upon execution of this agreement and with the payments and disbursements specified above, the parties agree as follows:

A. Grantsville and SWR release and discharge M-5 from its obligation to pay recovery rights for the Quirk Street improvements completed by SWR.

B. SWR releases and discharges Grantsville from its obligation to collect and pay to it the recovery rights for that portion of Quirk Street fronting M-5's Country Village PUD property.

4. South Willow Ranches Phase I and II Improvements. Grantsville will use the proceeds specified in paragraph 2. D and E above to attempt to complete the improvements to South Willow Ranches Phase I and II subdivisions. If said proceeds are not sufficient to complete the same, Grantsville City reserves the right to pursue the additional amounts from SWR by any legal means available to it.

5. Successors and Assigns. This Agreement shall be binding on, and shall inure to the benefit of, the Parties hereto and their respective successors and assigns.

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6. Enforcement of Agreement. If any of the Parties to this Agreement bring an action or proceeding to enforce its rights hereunder, the prevailing party shall be entitled to recover its costs and expenses, including court costs and attorney's fees, if any, incurred in connection with such action or proceeding, including any court costs or attorneys fees incurred on appeal.

7. Entire Agreement. This Agreement constitutes the final expression of the Parties as to the terms of this Agreement and the subject matter hereof, and supersedes all prior agreements, negotiations, and discussions between the Parties and/or their respective counsel with respect to the subject matter covered hereby. Except as expressly stated in this Agreement, no party hereto has made any statement or representation to the other party regarding the facts relied upon by said party in entering into this Agreement, and each party hereto specifically does not rely upon any statement, representation, or promise of the other party hereto in executing this Agreement, except as expressly stated in this Agreement. Each party and their attorneys, if the party so chose, had the opportunity to make such investigation of the facts pertaining to this Agreement, and all of the matters appertaining thereto, as they deem necessary.

8. Agreement May Be Executed In Counterparts. This Agreement may be executed in counterparts, which together shall constitute a fully executed original.

9. Effective Date. This Agreement shall be effective upon (1) execution of this Agreement by each of the Parties.

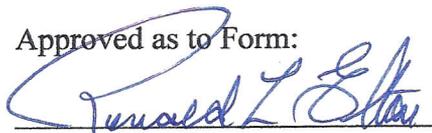
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the indicated date upon which all Parties shall have executed this Agreement.

Dated: 3/21/2011

CITY OF GRANTSVILLE, a municipal corporation of the State of Utah


By: Brent K. Marshall
Its: Mayor

Approved as to Form:


Grantsville City Attorney

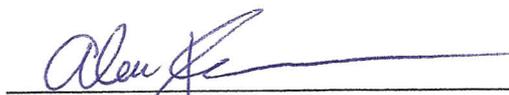
ATTEST:


Deputy Grantsville City Recorder
Seal:



Dated: 3/21/2011

South Willow Ranches, LLC


By: Alan Johnson
Its: Managing Member

Dated: MARCH 17, 2011

M-5 INVESTMENTS, LLC,

A handwritten signature in cursive script, appearing to read "Preston Miller", written over a horizontal line.

By: Preston Miller
Its: Managing Member