

January __, 2013

Weber County
2380 Washington Blvd.
Ogden, UT 84401

RE: LETTER OF INTENT - POWDER MOUNTAIN DEVELOPMENT

SUMMIT MOUNTAIN HOLDING GROUP, L.L.C. a Utah limited liability company (the "SMHG") and WEBER COUNTY, UTAH (the "County" and collectively with the "SMHG," the "Parties") desire to enter into this letter of intent (the "LOI") with regard to the improvement of the approximately 1200 acre property commonly referred to as Powder Mountain (the "Project") and the financing of certain public infrastructure improvements through the creation of a special assessment area (the "SAA") as permitted by Utah Code Title 11, Chapter 42 (the "SAA Act"),.

1. The Parties agree to enter into a diligence period where the County will review the feasibility of the Project, as it relates solely to (i) the creation of the SAA, (ii) the potential issuance of bonds and (iii) the enhancement of such bonds with a guaranty fund established by the County as provided in Section 11-42-701 of the SAA Act.

2. The County agrees that it will use its best efforts to conduct its diligence in a timely fashion and review information provided by SMHG within two weeks after information is made available to the County.

3. In order to provide funds to be used by the County for its diligence, SMHG will deposit \$27,500, with the County to pay the costs of an appraisal, financial advisory services, legal fees and other expenses of conducting its diligence. Should the County determine that additional funds are reasonably required to fund the County's diligence, it will contact SMHG and SMHG will provide such additional funds within a reasonable time, unless a determination by SMHG has been made not to proceed further with the SAA.

4. SMHG agrees to provide the County with all information needed for the County's review, including, without limitation, the following:

- (a) Any information and access required for an independent appraisal to be conducted with respect the property to be assessed;

- (b) Financial information and historical experience for SMHG and its members and officers (including financial statements and tax returns);
- (c) Information regarding the expected use of the Project, as improved and developed;
- (d) Information regarding participants in the Project (other than SMHG) such as financial backers and development team and their experience;
- (e) Sources and uses of funds to complete the purchase and the Project development; including both the infrastructure and the various phases of the proposed development.

5. The County's determination to proceed with creation of the SAA will be based upon all of the information provided by SMHG and others and the advice of the County's financial advisor and others, but at a minimum will require:

- (a) an appraisal satisfactory to the County demonstrating that the value of the property to be assessed is at least three (3) times the amount of the proposed assessment as required by the SAA Act;
- (b) The agreement of SMHG to deposit in cash with the paying agent for the SAA bonds, upon the issuance of the bonds, an amount equal to the maximum annual debt service on the SAA bonds (in addition to the funding of the guaranty fund with proceeds of the SAA bonds) to be used prior to any draw upon the guaranty fund;
- (c) Evidence that all of the owners of the property to be assessed will execute an acknowledgement and waiver consenting to the creation of the SAA and the levying of the assessment and waiving the requirements of the SAA Act (to the extent permitted thereunder).

6. If the County determines, within its sole discretion, to proceed with the creation of the SAA upon completion of its diligence, the County and SMHG agree to move expeditiously with entering into a Memorandum of Understanding (the "MOU") relating to the steps to be taken by the Parties for the creation of the SAA. Upon notification by the County that it has determined to proceed with such creation, SMHG agrees to deposit with the County an additional sum sufficient to permit the County to prepare and review the MOU and to begin work on the creation of the SAA. Once such amount has been deposited with the County, the County agrees to use its best efforts to review and provide comments to the draft MOU within one week of receipt and upon completion of the draft MOU to consider the MOU for adoption by the County Commissioners within a period of two weeks.

7. The Parties agree to work together on the preparation of the MOU, as the definitive form of agreement to accomplish the transaction proposed by this LOI. This LOI is not a contract. The definitive agreement of the Parties to move forward may be formed only upon the approval by the County Commission and execution of the MOU.

SMHG acknowledges that any agreement of the County to proceed is subject to final approval by the County Commission at such time and the creation of the SAA requires a number of approvals, which will be considered after the holding of required public hearings and receipt of public input. No guaranty can be given that such approvals will be received.

8. The Parties agree that information to be provided by SMHG to the County, which SMHG desires to be kept confidential (to the extent permitted by law), will be sent to the County's financial advisor or other designee. SMHG shall conspicuously note in the transmission any information that it desires to be kept confidential.

9. While separate from the creation of the SAA and issuance of the SAA bonds, the Parties agree to work together on the creation of a Community Development Project Area pursuant to Utah Code Title 17C, Chapter 4 (the "CDA Act") for the Project, subject to the requirements of the CDA Act and public input and commission action.

If the foregoing terms are acceptable to you, please sign below and return an originally signed copy of this letter of intent no later than January 9, 2013.

Sincerely,

SUMMIT MOUNTAIN HOLDING
GROUP, L.L.C.

Title:

AGREED TO AND ACCEPTED this ____ day of January, 2013.

WEBER COUNTY, UTAH

Title: