



June 14, 2006

VIA HAND DELIVERY

Mayor Mike Daniels
Pleasant Grove City Council
70 South 100 East
Pleasant Grove, Utah 84062

Ladies and Gentlemen:

In recent weeks, Pleasant Grove has stated publicly that the 2000 West corridor will be built soon and that cars will be driving on it. When we heard of these statements, we naturally assumed that Pleasant Grove had finally accepted its obligation to construct this very important and long anticipated roadway. To our disappointment, we later discovered that Pleasant Grove's statements were not backed by any real commitment to the project. Instead, it appears that Pleasant Grove continues as it has for over a decade to try and shift its own obligations for 2000 West to others.

Prior to Pleasant Grove's announcement that 2000 West would soon be built, the City made no contact with us, the Fusion Group, a private developer in the surrounding area. The City also made no contact with Stan Smith, who represents the Smith family, owners of a significant portion of the 2000 West corridor. We were eventually contacted by Frank Mills and Mayor Mike Daniels and asked to meet together to discuss the issues. In that meeting, we were asked if we were ready to build the middle one mile of 2000 West. We told Mr. Mills and Mayor Daniels that even though agreements are not in place between Fusion Group and Pleasant Grove, that we had instructed our engineer some time ago to continue moving forward with the design of the road and to coordinate progress with Horrocks Engineering (Pleasant Grove City's engineering firm) and UDOT. Mr. Mills and Mayor Daniels were both pleasant and enthusiastic, but made no mention of how Pleasant Grove was going to pay for the road.

In a follow-up meeting between Mr. Mills and myself, he stated that the method of payment/reimbursement would be through impact fees. This method was consistent with the verbal agreement between Pleasant Grove City and Fusion Group back in 2004. However, in a subsequent lunch meeting dated May 12, 2006, I met with Mayor Daniels and council member Cindy Boyd. In that meeting, Mayor Daniels reversed the City's position on reimbursement, stating that it was the sole financial responsibility of Fusion Group and the Smith family to design, build and pay for 2000 West. I stated that this was absurd, and that it is, and always has been Pleasant Grove's responsibility to construct 2000 West. Since that lunch, we have learned that Pleasant Grove staff, the engineers, UDOT, and others have actually been lead to believe that it is the sole responsibility of Fusion Group and the Smith family to build and pay for the road with no reimbursement from Pleasant Grove City.



Based on the recent statements by Pleasant Grove regarding 2000 West, it is important that the Fusion Group clarifies the situation. Fusion Group was asked by Pleasant Grove City in 2004 to assist Pleasant Grove in working with the Smith family. At that point, negotiations had broken down between Pleasant Grove and the 2000 West landowners. Fusion Group did what Pleasant Grove asked us to do. We brokered a deal and drafted a development agreement between the parties that provided for Fusion Group to purchase the roadway area and help construct the road. Funds expended by the Fusion Group were to be reimbursed through impact fees. At the last minute, Pleasant Grove refused to sign the negotiated Development Agreement. After Pleasant Grove's reversal, Fusion Group and the Smith family did consider alternatives such as building a private road with the costs to be reimbursed by a tollbooth. However, that alternative was not desirable to UDOT, MAG, or Pleasant Grove City. At no point did Fusion Group ever consider building 2000 West and deeding the roadway to the City without reimbursement of costs.

We are concerned that the position reversals and misinformation promulgated by Pleasant Grove City Administrator Frank Mills and Mayor Mike Daniels have made it impossible for this project to move forward in the past and have severely jeopardized its probability for moving forward in the future. This is creating severe hardships for everyone who has been counting on this very important final leg of 2000 West. Not only are the side streets at capacity, but IHC has stated this road is not a matter of convenience, but of "life and death." Without direct access from I-15 to the hospital for ambulances, additional minutes spent on busy side streets could result in unnecessary deaths.

In a meeting as recent as May 18, 2006, which included Frank Mills, Mayor Mike Daniels, Tina Peterson (PG attorney), council member Cindy Boyd and myself; Ms. Peterson posed the puzzling question as to why we were willing to build the road in the past, but now seem hesitant. I was perplexed and reminded her that she and our attorney had worked together drafting the Development Agreement two years ago that provided for reimbursement through impact fees and that Pleasant Grove refused to sign the finished agreement. I also asked her if she thought it would be reasonable to think that anyone would be willing to build a multi-million dollar road that is the responsibility of the city, without agreements in place. I stated to the group, once again, the position of Fusion Group. We are willing to participate and cooperate as long as several things are in place. I also told them that our engineer is waiting for instructions from us to finish the design of the approximate one mile portion of 2000 West.

The following are the items that I told them need to be in place in order for us to move forward quickly:

- Boundary line agreements between American Fork and Pleasant Grove
- General Plan for the Gateway Area that includes R/UDAT recommendations. General Plan must include a variety of housing types, including a strong showing of single family detached housing, ample park space, trails, church and school sites. The Plan must provide for a balanced community.



- Zoning ordinances drafted and approved that reflect the General Plan. American Fork has just completed such a process and was recently awarded the Governors Quality Growth Award for Planning and Design for the state of Utah. Those resources are immediately available.
- Densities and absorption rates then need to be calculated from the new General Plan, along with commercial square footage, to determine the pace of reimbursement and appropriate amount required per space.
- Shared revenue agreements between American Fork and Pleasant Grove along the applicable portion of 2000 West.
- Shared park space agreements between American Fork and Pleasant Grove.
- Signed development agreements between Fusion Group and Pleasant Grove with specific items identified and agreed to.

As a side note, it appears Mayor Mike Daniels is devoting significant energies in promoting a recreation center in the heart of the Gateway Commercial Zone. There are real concerns about his approach as he represents the City. First, the Mayor seems to have disregarded the R/UDAT recommendations pertaining to recreation options. The R/UDAT clearly reports, in the fourth paragraph on page 45, that Pleasant Grove has an opportunity to work together with Fusion Group in solving the recreational issues. The report also shows an alternate location for a recreation center as preferable to where Mayor Daniels is currently pursuing. Second, if he is planning on development fees from the Gateway area to pay for the 40 acres of recreation land, he may very well be placing Pleasant Grove at a competitive disadvantage with neighboring cities.

Our desire is to work together to complete this project. If our help and assistance is not needed, we will gladly step aside. We believe that 2000 West can be completed, but that it is going to require teamwork and cooperation. Absent these important elements, it is very unlikely that 2000 West will ever be built. We look forward to hearing from Pleasant Grove City as we pursue this long awaited venture.

I have also included some attachments that should help get everyone up to speed quickly.

Sincerely,



Dave Robinson
President
Fusion Group

cc: UDOT; MAG; John Valentine; John Dougall; Bill Nelson, President of IHC; IHC Administrator for AF Hospital; Pleasant Grove Planning Commission; Lindon Mayor; Lindon City Council; Lindon City Planning Commission; American Fork Mayor, American Fork City Council; American Fork Planning Commission; Smith family; Salt Lake Tribune; Deseret News; Daily Herald, New Utah; Curtis Hoffman, Esq.; Rod Despain; Larry Ellertson; 2000 West and surrounding landowners.



Attachment 1 - August 6, 2004 Email from Steve Black to Tina Peterson

Attachment 2 - August 2004 Final draft of 2000 West agreement between Gateway Farms (Fusion Group) and Pleasant Grove.

Attachment 3 - January 21, 2005 Letter to then Mayor Dankliff after a meeting where Frank Mills stated that 2000 West was not needed and that Timp Sewer did not need a sewer trunk ran through 2000 West.

Attachment 4 - March 30, 2005 Letter to then Mayor Dankliff. Frank Mills had again reversed his position. 2000 West is now necessary and Timp Sewer needs a trunk line.

Attachment 5 - April 6, 2005 Pleasant Groves sees it is in their best interest to own 2000 West and that is in every ones best interest to work together.

Attachment 6 - R/UDAT Framework Plan

Steven Black

From: S. Black [blacklaw@usa.com]
Sent: Friday, August 06, 2004 8:31 AM
To: 'cpetersen@pgcity.org'
Cc: 'dave@fusiongroupplc.net'
Subject: Draft Development Agreement

Attachments: PG Development Agreement 7.9.04.doc

email him



PG Development Agreement 7.9.0...

Tina:

Please find attached the draft Development Agreement for 2000 West. Because of the ongoing negotiations with the various parties involved, we will have additional provisions to add to the agreement. The attached version is the same version that was previously forwarded to you a number of weeks ago.

We look forward to finalizing this agreement with the City. Please contact me or Dave with any questions. Thanks.

Steven G. Black
801.257.1913 (w)
801.257.1800 (f)

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (“**Agreement**”), effective as of _____, 2004, is entered into by and between GATEWAY FARMS, LLC, a Utah limited liability company (“**Company**”), and [THE CITY OF PLEASANT GROVE, a Utah municipal corporation] (the “**City**”).

RECITALS

A. The City desires to install a roadway commonly referred to as “**2000 West**” in accordance with the Roadway Plan attached hereto as **Exhibit A** (the “**Roadway Plan**”).

B. The Company desires to assist the City, subject to the terms and conditions of this Agreement, in acquiring the real property necessary to install 2000 West.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

AGREEMENT

1. Definitions. In this Agreement and any exhibits and attachments hereto, the following terms shall have the following meanings:

1.1 “**Gateway Development Vouchers**” means transferable vouchers for impact fees that will be issued by the City in form mutually acceptable to the parties. The total amount of the Gateway Development Vouchers will equal \$150,000 multiplied by the total number of acres of the Roadway Property, plus the amount to purchase the remainder of the Koffard residence, the Hall residence, and the Mary Kaye Smith residence (including the homes located thereon), plus the Company’s reasonable closing costs associated with the purchase of the Roadway Property. The Gateway Development Vouchers will be negotiable, assignable, and transferable throughout the City’s Gateway zoning district. A 5% growth rate will be attached to the Gateway Development Vouchers. The form of the Gateway Development Vouchers will be mutually agreed upon by the parties.

1.2 “**Triggering Event**” means [substantial completion of 2000 West in accordance with the Roadway Plan and the Access Point Specification Plan, subject only to minor “punchlist” items that do not impact vehicular or pedestrian traffic on 2000 West.

1.3 “**UDOT**” means the Utah Department of Transportation.

2. Development of 2000 West.

2.1 Roadway Plan. The parties agree that the City will install 2000 West in accordance with the plans and specifications set forth on the Roadway Plan. Any modifications to the Roadway Plan will require the prior written consent of the Company.

2.2 Pedestrian Tunnel. The parties agree that a pedestrian tunnel will be constructed to allow pedestrian traffic across 2000 West (“**Pedestrian Tunnel**”). The design of the Pedestrian Tunnel will be mutually acceptable to the parties, provided that the Pedestrian Tunnel must be constructed in accordance with minimum UDOT standards. The cost of the pedestrian Tunnel will be allocated between the City and the Company as mutually agreed upon by the parties.

2.3 Landscaping Plan. The parties agree that 2000 West and the property located adjacent to 2000 West will be landscaped in accordance with **Exhibit B** attached hereto (the “**Landscaping Plan**”). The City will, at its expense, landscape the medians associated with 2000 West. The Company will, at its expense, landscape the areas adjacent to 2000 West in accordance with the Landscaping Plan. Any modifications to the Landscaping Plan proposed by one party will required the prior written consent of the other party. The City acknowledges and agrees that the Roadway Plan and the Landscaping Plan represent the boundary of the property that will be impacted by 2000 West.

2.4 Access Point Specifications. The parties each hereby approve the location of the access points along 2000 West (including acceleration and deceleration lanes) in accordance with the Access Point Specification Plan attached hereto as **Exhibit C** (“**Access Point Specification Plan**”). Any modifications to the Access Point Specification Plan by the City will require the prior written consent of the Company.

2.5 Slope Easement Plan. The parties each approve the slope easement plan set forth on **Exhibit D** attached hereto (the “**Slope Easement Plan**”). Any modifications to the Slope Easement Plan by the City will require the prior written consent of the Company.

3. Obligations of the Company. The Company agrees to take the following actions:

3.1 Purchase of Roadway Property. The Company will enter into separate purchase agreements (collectively, the “**Purchase Agreements**”) for the acquisition of the real property necessary to construct 2000 West (the “**Roadway Property**”) as described on the Roadway Plan. The parties acknowledge that the Roadway Property consists of approximately _____ acres. The individual owners of the Roadway Property are identified on **Exhibit E** attached hereto (“**Property Owners**”). The Company agrees to provide a copy of the Purchase Agreements to allow the City to verify that the terms thereof are in compliance with this Agreement. The City will have 10 business days after receipt of such purchase agreements to approve the terms and conditions set forth therein. If the City fails to give any written objection within such time period, then the Purchase Agreements will be deemed approved by the City. Subject to the obligations of the City set forth in this Agreement and matters outside the reasonable control of the Company, the closing for the Roadway Property will occur within 60 days after the effective date of this Agreement. The Company will deliver written notice to the City after the acquisition of the Roadway Property is complete (the “**Purchase Notice**”).

3.2 Slope Easements. Within 60 days after the Purchase Notice, the Company will obtain slope easements from the Property Owners in accordance with the Slope Easement Plan.

3.3 Transfer of Roadway Property to the City. Upon the occurrence of the Triggering Event, the Company agrees to convey the Roadway Property to the City, in exchange for the Gateway Development Vouchers.

4. Obligations of the City. The City hereby covenants and agrees to take the following actions:

4.1 Within 45 days after execution of this Agreement, the City will deliver to the Company the following documents:

(a) A final ALTA/ACSM survey of the Roadway Property prepared by Horrocks Engineers and certified to both the City and the Company (the “**Survey**”). The Survey must include the following with respect to all parcels owned by the Property Owners: (i) legal description of each parcel to be purchased from the Property Owners, and (ii) the square footage of each such parcel. Any subsequent updates to the Survey will be provided immediately to the Company.

(b) A final soils and groundwater report of the Roadway Property prepared by Horrocks Engineers and certified to both the City and the Company (the “**Soils Report**”).

(c) An environmental study of 2000 West prepared by Horrocks Engineers.

(d) An engineering feasibility study regarding the viability of 2000 West.

(e) Written verification from the City that the Roadway Property is under threat of condemnation, as that term is defined in Section 1033 of the Internal Revenue Code.

(f) Written verification in the form attached hereto as **Exhibit F** from UDOT (“**UDOT Acknowledgement**”) that the Roadway Plan and the Pedestrian Tunnel comply with minimum UDOT highway standards. The UDOT Acknowledgement will also indicate that the locations of the access points set forth on the Access Point Specification Plan are acceptable to UDOT.

(g) A legal description of all slope easements required in connection with the Slope Easement Plan.

(h) A revised legal description of all of the parcels currently owned by the Property Owners that are impacted by the Roadway Property. Such legal

descriptions will be complete (rather than merely “excepting out” the Roadway Property), and will be provided to the Company at the City’s expense.

4.2 Immediately after receiving the Purchase Notice, the City will use commercially reasonable efforts to complete the following at the City’s expense (except as otherwise provided in this Agreement) and in an expeditious manner, but in no event more than [REDACTED] months after receipt of the Purchase Notice:

- (a) Execute the necessary construction contracts for completion of the work contemplated under this Agreement.
- (b) Installation of 2000 West in accordance with the Roadway Plan.
- (c) Landscaping of the Roadway Property (i.e., medians) in accordance with the Landscaping Plan.
- (d) Installation of all water and sewer connections in accordance with the Roadway Plan. The City agrees that the stubs for water must accommodate an 8” water line. [need further discussion on this issue]
- (e) Installation of the Pedestrian Tunnel under 2000 West.
- (f) Construction of 2000 West, including lanes 4 and 5, curb and curb cuts along 2000 West, grading of slope easement areas and installation of curb in the slope easement area (all constructed at the City’s expenses without charge to the Company or the Property Owners).
- (g) The acceleration and deceleration lanes will be incorporated into the 8’ shoulder described in the Roadway Plan.
- (h) Installation of a chain link fence (or similar type fence) in those locations designated on **Exhibit G** attached hereto (“**Fence Plan**”).
- (i) Move all excess soil related to 2000 West to locations adjacent to 2000 West, with such areas to be determined from time to time by the Company. Any exceptions must be approved in writing by the Company. Such soil will be used by the Company for landscaping and development purposes in the Company’s sole discretion.

5. Approval Process. Whenever in this Agreement the consent or approval of a party is required, unless otherwise provided in this Agreement with respect to such matter, the party requesting such approval or consent shall provide the other party with a written request for such approval or consent, providing sufficient detail to allow the other party to adequately and properly evaluate the request. Unless otherwise provided in this Agreement, a party shall not unreasonably withhold, delay, or condition its consent or approval; however, if a party fails to respond to a written request for consent or approval within 10 business days of receipt of the request and the detailed explanation, such party shall be deemed to have disapproved the matter.

6. Termination of Agreement. This Agreement will terminate on the earlier to occur of (i) the date that each party has satisfied its obligations hereunder, and (ii) _____.

7. Default. For purposes of this Agreement, a material default shall occur if either party fails to observe or perform any of the material terms or covenants of this Agreement, and where such failure continues for a period of 30 days after written notice thereof has been received by the other party, *provided, however*, that if the nature of the defaulting party is such that more than 30 days are reasonably required for its cure, then such party shall not be deemed to be in material default if such party commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion. The non-defaulting party will have all remedies available at law or equity to remedy a default of the other party, including without limitation, specific performance and the right to cure such default. Any amounts expended to cure the default of the other party will bear interest at the rate of 12% per annum, until such amounts are reimbursed by the defaulting party.

8. Miscellaneous.

8.1 Assignment. The Company may assign its rights and obligations under this Agreement to an Affiliate of the Company. For purposes of this Section, an “**Affiliate**” means any entity (i) owned or controlled by a party, (ii) owning or controlling a party, or (iii) under common ownership and control with a party; with “control” meaning direct or indirect ownership of five percent (5%) or more of outstanding interests in terms of value or voting power.

8.2 Attorneys' Fees. In the event of any action at law or equity to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs in addition to any other relief to which such party may be entitled.

8.3 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be an original but all of which will constitute one and the same instrument. Any facsimile signature on any counterpart of this Agreement shall be deemed to be an original signature for all purposes and shall fully bind the party whose facsimile signature appears on the counterpart. Each party agrees to exchange original signatures in due course.

8.4 Entire Agreement. This Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof, incorporates all prior agreements, and may only be modified by a subsequent writing duly executed by the parties.

8.5 Governing Law. This Agreement shall be interpreted, construed, governed and enforced according to the laws of the State of Utah, without giving effect to its conflict of laws principles.

8.6 Headings. The headings used in this Agreement are inserted for reference purposes only and shall not be deemed to limit or affect in any way the meaning or interpretation of any of the terms or provisions of this Agreement.

8.7 Mediation. Any claim, dispute, or controversy between the parties arising in connection with or relating to this Agreement or the making, performance, or interpretation thereof, shall, if not settled by negotiation, be submitted to non-binding mediation under the Procedure for Mediation of Business Disputes of the Center for Public Resources Institute then in effect. Any demand for mediation shall be made in writing and served upon the other party in the same manner as otherwise provided for notice in this Agreement. The demand shall set forth with reasonable specificity the basis of the dispute and the performance or relief sought. The parties shall, within thirty (30) days of receipt of a demand to mediate, confer and select a mediator. The mediation shall take place at a time and location mutually agreeable to the parties and the mediator, but not later than 60 days after a demand for mediation is received. Compliance with this mediation process shall be a condition precedent to the right of either party to commence legal proceedings in a court of competent jurisdiction.

8.8 Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be given by (a) hand delivery, (b) established express delivery service which maintains delivery records, or (c) certified mail, postage prepaid, return receipt requested, to the parties at the following addresses, or at such other address as the parties may designate by written notice in the above manner:

To Company:

Gateway Farms, LLC
P.O. Box 547
Springville, Utah 84663
Attn: Kevin C. Scholz
Fax No.: _____

To the City:

Attn: _____
Fax No.: () _____

A notice delivered personally shall be effective upon such delivery or refusal of delivery. A notice sent by facsimile shall be effective twenty-four (24) hours after the dispatch thereof; provided a confirmatory written notice is sent via certified mail, return receipt requested or express delivery service, within 24 hours thereof. A notice delivered by certified mail shall be effective as of the date indicated on the return receipt, whether or not such notice is accepted by the addressee. A notice delivered by express delivery service will be effective as of the date of actual delivery, whether or not such notice is accepted by the addressee.

8.9 Severability. If any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction, then (i) the remaining provisions of this Agreement shall nevertheless remain in full force and effect, and (ii) such

unenforceable provision shall be modified to the minimum extent necessary to render such provision enforceable by such court of competent jurisdiction

8.10 Successors. This Agreement and all of provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

COMPANY:

GATEWAY FARMS, LLC, a Utah limited liability company

Printed Name: _____
Title: _____

CITY:

[CITY OF PLEASANT GROVE], a Utah municipal corporation

Printed Name: _____
Title: _____

EXHIBITS TO BE ATTACHED:

- Exhibit A: Roadway Plan
- Exhibit B: Landscaping Plan
- Exhibit C: Access Point Specification Plan
- Exhibit D: Slope Easement Plan
- Exhibit E: Property Owners
- Exhibit F: Form of UDOT Acknowledgment
- Exhibit G: Fence Plan

Exhibit E
2000 West Property Owners¹

Owner	Parcel No.	Required Property (acre)
D. Baker	A	0.123
D. Baker	B	1.285
D. Norton	C	1.442
Steve Smith	D	0.001
Steve Smith	E	0.684
Stan Smith	F	0.936
Robert Smith	G	0.909
Myron Smith	H	0.907
LeGrande Smith	I	0.990
Francom	J	0.503
Glen Smith	K	0.899
Kyle Smith	L	0.074
Rosemary Thatcher	M	0.652
Stan/Rosemary Smith	N	0.453
Stan/MK Smith	O	3.085
Kofford	P	0.324
Hall	Q	0.619
Amsource	R	0.000
Smith	S	0.000
Griffith	T	0.016
Alldrige	U	0.062
Capital Comm	V	0.021
Alldrige	W	0.072
Deseret Credit Union	X	0.006
TOTAL		14.063

¹ Acreage listed is an estimate only. Final square footage and legal description to be determined by the Survey prepared by Horrocks Engineers.

Exhibit F
Form UDOT Acknowledgment

The undersigned representative of the Utah Department of Transportation (“UDOT”) hereby acknowledges and agrees as follows:

1. The Roadway Plan attached as Exhibit A meets minimum UDOT highway specifications.
2. The specifications for the Pedestrian Tunnel attached hereto comply with minimum UDOT highway standards.
3. The locations of the access points set forth on the attached Access Point Specification Plan are hereby approved by UDOT. If the Company/developer determines specific curb cuts are unnecessary according to development needs, the Company/developer may remove curb cuts and install permanent curb at the Company/developer’s expense. The Company/developer may not add to the ingress and egress points set forth on the Access Point Specification Plan. Any modification to such ingress and egress points will require UDOT approval.

Acknowledged and agreed to as of the ____ day of _____, 2004.

UDOT:

UTAH DEPARTMENT OF
TRANSPORTATION, a subdivision of the
State of Utah

Printed Name: _____

Title: _____



January 21, 2005

Dear Mayor Dankliff:

It is my understanding that you and Frank Mills have contacted the Smith Family regarding the design of the 2000 West corridor, from State Street to the Boulevard. As you are aware, Gateway Farms holds contracts on the purchase of the 2000 West right-of-way. Last year, Gateway Farms tried to negotiate with you, Frank Mills, Tina Peterson and Mike Daniels for mutually acceptable terms regarding Pleasant Grove's cooperation and participation in constructing 2000 West.

Frank Mills stated during those negotiations that Pleasant Grove does not need 2000 West and that he can put the utilities and sewer trunk elsewhere. Gateway Farms then met with MAG, UDOT, John Dougall, John Valentine, and others. It was determined that 2000 West is indeed a critical corridor. Although MAG and UDOT are supportive of the corridor, no one stepped forward with any financial contributions. It was noted there were federal funds earmarked for the road. However, Frank's proposed use of those funds is for building short segments of the road, unrelated to the Smith Family parcels. The members of Gateway Farms determined the only viable option remaining for a completed road was to design and build it privately.

We interviewed engineering firms and chose Klemetson Engineering. Mr. Klemetson has met with UDOT's engineer and is designing the road according to UDOT specifications. We are very pleased with Mr. Klemetson's experience, expertise and professionalism.

When we were notified that you are now interested in designing the road, we were somewhat surprised. We have asked ourselves the obvious questions: Why does Pleasant Grove now want to design a road that they said is not necessary, and why would we want Pleasant Grove to commence design work that we have already contracted for and that has been underway for some time? Can Pleasant Grove design the road quicker and cheaper than we are already on track for?

If there are strong reasons for Pleasant Grove's participation, we respectfully request that you send those reasons to me in writing so that we can review them as soon as possible. Klemetson Engineering has been instructed to continue with the design of 2000 West from State Street to the Boulevard to ensure the proper alignments are in place. Thank you for your time.

Steven G Black

cc: UDOT Halls
MAG Kofford
John Dougall Francom Family
John Valentine Smith Family
Craig Frank Dennis Baker
Dennis Norton



March 30, 2005

Mayor Jim Danklef
Pleasant Grove City

REF: Frank Mills, City Administrator

Dear Mayor Danklef:

Thank you for the recent series of useful discussions we have had with you. I feel we have established a mutually beneficial dialogue between our group, the Smith Family and Pleasant Grove City ("City") relative to its future growth and orderly development.

The other day, however, when you suggested that Frank Mills join our discussions, you no doubt discerned my concern. Please pass this letter directly to Frank before we meet later today.

To summarize, I believe a meeting that includes Frank Mills will be most efficient if he comes prepared to present his plan, in writing, addressing the following issues:

- Considering that our group is moving forward with the development of 2000 West as a private road, in your mind, how should ownership of the road be held long-term: private, State-owned, or City-owned?
- You represent that Timp Sewer needs a major sewer line installed and that the City needs its water line looped through 2000 West. I assume the negotiations concerning the sewer line are between Fusion Group and Timp Sewer. What is the proposal from the City to run their water line through private property?
- You stated previously the Naterra development is grand-fathered in and the proposed new ordinance does not affect our development. Please put the City's position on this matter in writing.
- When there is mention of impact fees and any reimbursement, it is appropriate for the City to show us the absorption projections of both commercial and residential, using the new ordinance. Please provide such information to our group.

Again, thank you, Mayor Danklef for your ongoing interest and your help in formulating the answers to these important questions. If Frank is not able to have his proposal in writing by the time of our meeting, please advise him to plan on a time when he is ready to present.

Best regards,

Dave Robinson
Fusion Group, LLC

cc: Stanley B. Smith



April 6, 2005

VIA HAND DELIVERY

MAYOR JIM DANKLEF
Pleasant Grove City

Dear Mayor Danklef:

Thank you for meeting with us in your office last week. I greatly appreciate your leadership and insight as we further our dialogue for the Naterra development and its impact on your City.

I also appreciate the directness and sincerity that you and Frank Mills showed while addressing our specific concerns.

My understanding of our concerns is as follows:

It is in the best interest of all parties for Pleasant Grove City to eventually own 2000 West. The City can then pursue trades with UDOT or other interested parties as the City sees fit. The method of construction and re-imbusement for the costs associated with 2000 West will be mutually agreed upon by all parties and those agreements will be outlined in one or more development agreements.

It is in the best interest of all parties to allow the economies of scale to work in everyone's favor, such as favorable road costs, open space, schools, churches, parks, etc.

Frank will meet with Timp Sewer and further the discussions of their desire to run a sewer trunk up 2000 West.

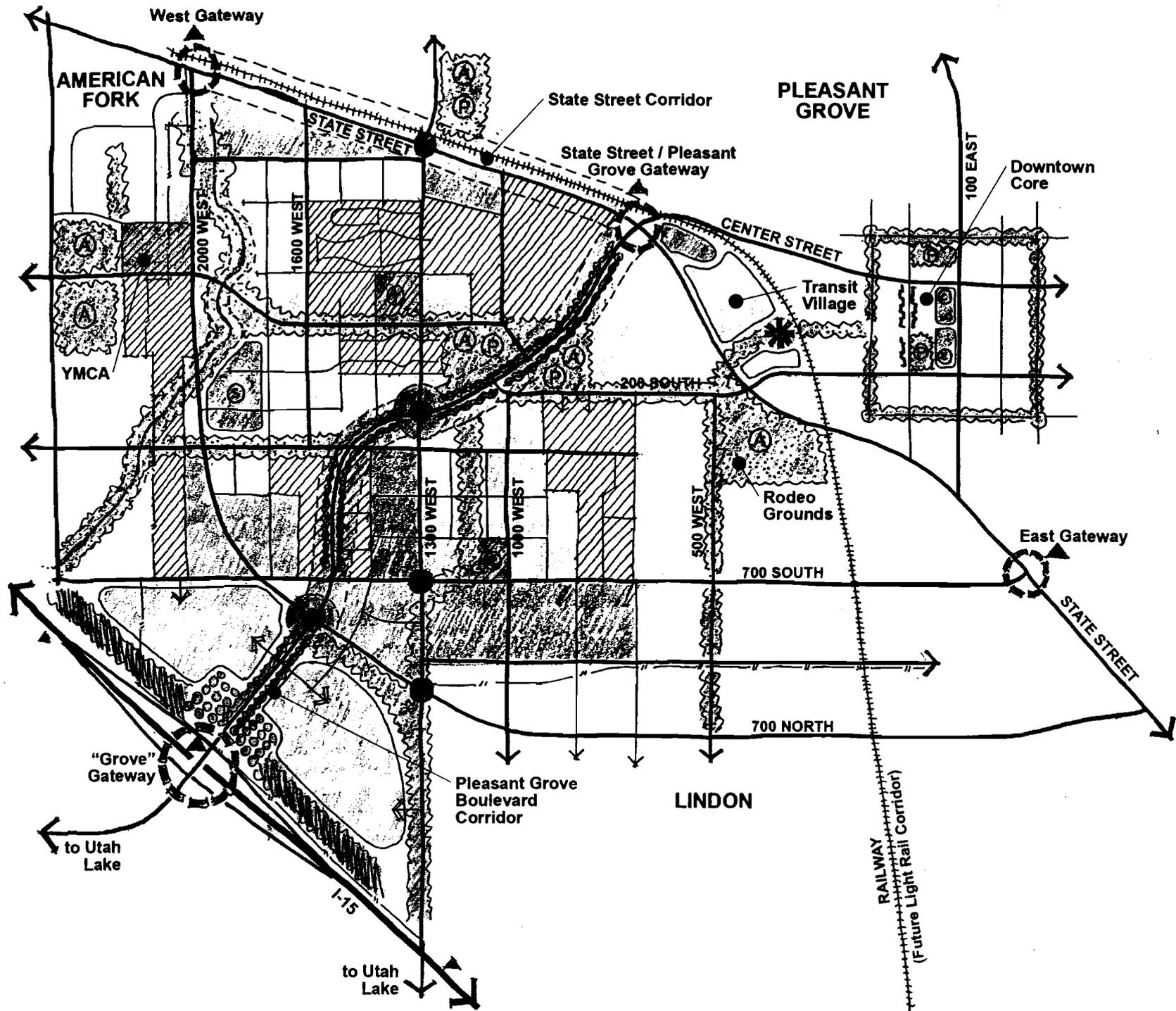
All matters pertaining to the construction of 2000 West will be coordinated with interested parties, Pleasant Grove City, the Smith Family, the Fusion Group, the engineers, the power company, the sewer company, etc.

It is our understanding that the Naterra development is grand-fathered in using the previous zoning ordinance. We will need a copy of the ordinance change with the exceptions map attached.

Thanks again for your time and efforts as we work together on this exciting development.

Dave Robinson
Fusion Group

cc: Stan Smith



Pleasant Grove R/UDAT Framework Plan

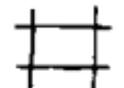
STREETS



Pleasant Grove Boulevard



Neighborhood Collector



Neighborhood Street



I-15 Interstate Intersection



Gateway Intersection



Secondary Intersection

OPEN SPACE



Active Recreation
Passive Recreation



Gateway "Grove"



Buffer / Screen

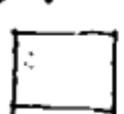
LAND USE



Existing / Approved Development



**Pleasant Grove Boulevard
Mixed-Use**



Mixed Residential



Retail / Mixed-Use



Business / Office Park



Institutional



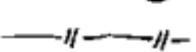
School



Church



Civic



City Boundary



Entry Landmark



Transit Station

January 27 – 30, 2006