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HOLBROOK 1
ANNEXATION AGREEMENT

This Annexation Agreement (this "Agreement") is made and entered into and made effective as of September 9, 2008 (the "Effective Date"), by and between Lehi City, a Utah municipal corporation (the "City"), by and through its Mayor, and the following (together with their respective successors and assigns, individually, a "Master Developer" and, collectively, "Master Developers" and together with the City, collectively, the "Parties" and, individually, a "Party"): Anderson Lehi LLC, a Utah limited liability company, and River Jordan, LLC, a Utah limited liability company. Each term used but not otherwise defined herein shall have the meaning ascribed thereto in Appendix 1 attached hereto and incorporated herein by this reference.

RECITALS

A. On January 22, 2008, the City adopted a resolution describing several parcels of real property located in Utah County, State of Utah, and owned by various Persons as such real property is more particularly described on Exhibit A attached hereto and incorporated herein by this reference (such real property being the "Annexation Parcel") and indicating the City Council's intent to annex the Annexation Parcel (a copy of which is set forth on Exhibit B attached hereto and incorporated herein by this reference) (the "Resolution").

B. Each Master Developer is a developer of a portion of the Annexation Parcel consisting of approximately 1,831 acres as more particularly described on Exhibit C (all such portions being collectively the "Property") as such Master Developer's portion of the Property is described on Exhibit C-1 and C-2.

C. The owners of the Property (individually, an "Owner" and, collectively, the "Owners") together with other Persons have also filed a petition (the "Petition") with the City requesting that the City annex the Annexation Parcel, including the Property.

D. The City has provided one or more municipal-type services to the Annexation Parcel continuously for more than one year.

E. The City Council has determined, as two separate and independent bases for the annexation of the Property, to annex the Property both (a) pursuant to Utah Code Ann. §10-2-

418 based on the Resolution and (b) pursuant to Utah Code Ann. §10-2-408(1)(b) based on the Petition.

F. The annexation of the Property on the terms and conditions of this Agreement satisfies the purposes of the Utah Municipal Land Use, Development and Management Act, Utah Code Ann. §10-9a-101, et seq. (“MLUDMA”); and the policy goals and objectives of the Lehi City General Plan and City Code.

G. As a condition to Master Developers and the Owners consenting to the annexation of the Property and not withdrawing their signatures from the Petition, Master Developers and the City have agreed to enter into this Agreement, providing for, among other things, to entitle each Master Developer to develop such Master Developer’s portion Property in accordance with the Project Plan (the “Project”).

H. The City, acting pursuant to the its authority under MLUDMA, the City’s Laws, including City Code Section 27.060, has made certain determinations with respect to the proposed project and, in the exercise of its legislative discretion, has elected to approve this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals (which are incorporated into this Agreement and are acknowledged to be true) and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

APPROVAL OF ANNEXATION, AGREEMENT, ZONING AND PROJECT PLAN

1.1 Annexation.

1.1.1 **Timing and Basis.** The City has adopted an annexation ordinance annexing the Property with such ordinance being effective upon execution of this Agreement. As separate and distinct bases for annexation, the City Council has determined to annex the Property, together with the Annexation Parcel, both (a) pursuant to Utah Code Ann. § 10-2-418 based on the Resolution and (b) pursuant to Utah Code Ann. § 10-2-408(1)(b) based on the Petition.

1.1.2 **Support.** If one or more protests or appeals are filed with respect to such annexation, then the City agrees to oppose such protest or appeal. Master Developers agree to cooperate reasonably with such effort.

- 1.2 **Approval of Agreement and Project Plan.** Following all necessary public hearings required for the approvals of such annexation, General Plan Amendment and zoning designations and this Agreement, the City Council, in the independent exercise of its legislative discretion, has elected to approve annexation of the Annexation Parcel and the Project Plan, including the zoning designations of the Property as indicated therein, including the planned uses, density, intensity and general configuration thereof.

ARTICLE II
VESTED RIGHTS AND RESERVED LEGISLATIVE POWERS

- 2.1 **Vested Rights.** Subject to compliance with the provisions of this Agreement and the City's Laws, each Master Developer shall have the right to develop and construct the residential and commercial uses permitted by the Project Plan applicable to such Master Developer's portion of the Property in accordance with the uses, densities, intensities, and general configuration of development approved by this Agreement. The rights of a particular Master Developer with respect to such Master Developer's portion of the Property shall not inure to or be for the benefit of any of the other Master Developers, except as such particular Master Developer shall indicate, if at all, in a separate written assignment of or other agreement regarding such rights.
- 2.2 **Reserved Legislative Powers.** Master Developers acknowledge that the City 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 that cannot be so limited. Notwithstanding the retained power of the City to enact such legislation under the police powers, such legislation shall only be applied to modify the applicable ordinances and regulations of the City that are in effect as of the Effective Date and therefore applicable to the Project under the terms of this Agreement based upon the policies, facts and circumstances meeting the compelling, countervailing public interest exception to the vested rights doctrine in the State of Utah. Any such proposed change affecting the vested rights of the Project shall be of general application to all development activity in the City; and, unless the City declares an emergency, each Master Developer shall be entitled to prior written notice and an opportunity to be heard with respect to the proposed change and its applicability to the Project under the compelling, countervailing public interest exception to the vested rights doctrine.

ARTICLE III
DEVELOPMENT OF PROJECT

- 3.1 **Development of Project.** All development of the Property by Master Developers shall be consistent with this Agreement, including the Project Plan, and the City's Laws; provided, however, that any Master Developer may, as market conditions or other circumstances dictate, apply to the City for approval of changes to plans or uses that depart from the foregoing.

- 3.2 **Zoning Designation.** The City has, by ordinance, given each Master Developer's portion of the Property, which is the subject of this Agreement, the zoning designations provided in the Project Plan; and each Master Developer has the right to develop such Master Developer's portion of the Property, and each portion thereof, consistent with the zoning, densities, uses, configurations and entitlements provided for such Master Developer's portion of the Property in the Project Plan, and each portion thereof, and pursuant to the City's Laws. If any lot or parcel of record as shown on the Project Plan falls into two or more different zoning districts, the portion of such lot designated within a particular zoning district shall be deemed to be located within the boundaries of such zoning district as depicted on the Project Plan and, for the purposes of the interpretation and application of City Code Section 02.030, neither zoning district within which such lot (or portion thereof) is located shall be deemed to be more restrictive than any other zoning district within which such lot (or portion thereof) is located.
- 3.3 **Site Planning, Platting and Phasing.** At any time after the Effective Date, each Master Developer shall be allowed to submit applications for platting and site planning of such Master Developer's portion of the Property. In addition to complying with the time frames stated pursuant to the City's Laws and MLUDMA, the City shall review each such application in a timely manner and determine whether such application is complete under the City's Laws. The City shall consider and determine whether to approve each completed application in a timely manner. Each Master Developer may proceed by planning, platting and constructing all of the Project at one time or by phasing portions of the Project as market and other conditions dictate, as long as each phase provides for a logical extension of roads, infrastructure and utilities through such Master Developer's portion of the Property, as approved by the City in conformance with the requirements of this Agreement and the City's Laws. Notwithstanding any other provision of the City's Laws, each subdivision plat and site plan approval given or issued by the City (or any council, office, commission or committee thereof) to any Master Developer or pursuant to this Agreement shall remain in full force and effect for a period of five (5) years from the date of such approval as long as such approval is pursued with reasonable diligence, with an option on the part of such Master Developer to request that such approvals be extended for an additional five (5) years; and such a request shall not be unreasonably denied by the City if this Agreement has been substantially complied with and such approvals are being pursued with reasonable diligence unless (a) such Master Developer applies to vacate such permit or approval in compliance with the City's Laws; or (b) such permit is a building permit or other permit that would be impacted by changes in the City's Design Standards and Public Improvement Specifications, in which case such permit shall have the term provided in the City's Laws.

3.4 Development Review Committee.

3.4.1 **Development Review Committee Status.** The City shall maintain its development review committee as currently provided in Section 03.060 of the City Code or a similar committee with substantially the same administrative authority (the “DRC”) for the purposes of review of subdivisions and site plans for the Project.

3.4.2 **Development Review Committee Process.** The DRC shall meet promptly on an as-needed basis, but is not obligated to meet more frequently than weekly, to review the applications for subdivision plats and site plans for the Project. Master Developer shall not be entitled to any scheduling priority for Development Review Committee meetings over other applicants.

3.5 **Negotiation With Other Governmental Service Providers.** Master Developer agrees to cooperate and negotiate in good faith with other governmental service providers including, but not limited to, the Alpine School District, for the purchase of property within such Master Developer’s portion of the Property for the location of facilities for such other third-party governmental service providers.

ARTICLE IV PUBLIC IMPROVEMENTS

4.1 **Public Improvements and Potential Reimbursement for System Improvements.** As part of the development of the Property, each Master Developer may elect, by agreement with the City, to voluntarily install, construct, finance or pay for certain public improvements in order to provide access, infrastructure, amenities and municipal services to the Property, and/or adjoining properties (such public improvements being, collectively, “Public Improvements”). Some of the Public Improvements may be “System Improvements” or “Project Improvements” (as such terms are defined in the Utah Impact Fees Act (UCA§ 11-36-101, *et seq.*) (the “Impact Fees Act”), the City’s Laws and MLUDMA). To the extent that the Public Improvements to be installed, financed, paid for or constructed by a Master Developer as part of the Project are System Improvements which are oversized, as defined in the City’s Laws, and thereby create excess or additional capacity to service other areas of Lehi City beyond the proportionate share or need created by the applicable portion of the Project at the level of service standards as defined, designated and included in the present or future City’s Capital Facilities Plans and Lehi City’s Design Standards and Public Improvements Specifications (“Reimbursable Improvements”), such Master Developer shall be entitled to reimbursement for the costs incurred by such Master Developer with respect to such Reimbursable Improvements in a manner consistent with the City’s Laws and as further provided below (“Reimbursable Costs”). Notwithstanding the definition of “City’s Laws” in Appendix 1 for other purposes in this Agreement, in the event that the definition of what constitutes Reimbursable Improvements as defined in the City’s Laws,

including, but not limited to, future amendments to the City's Capital Facilities Plans and/or Lehi City's Design Standards and Public Improvements Specifications changes in the future, Master Developer shall be entitled to the benefit and/or obligations of any such amendments.

4.1.1 Reimbursement Options. During the term of this Agreement, subject to the City's Capital Facilities Plans, the City's Laws, MLUDMA and the Impact Fees Act, the City shall either pay, credit or provide impact fee certificates as more fully set forth below to each Master Developer to reimburse such Master Developer in a manner as elected by the City from the impact fees collected for the Reimbursable Costs of the Reimbursable Improvements, as such fees are collected, until Master Developer has been fully reimbursed for the Reimbursable Costs for such Reimbursable Improvements.

4.1.2 Impact Fee Certificates. To the extent not paid directly or credited to a Master Developer as provided above, the City shall reimburse such Master Developer for such Master Developer's Reimbursable Costs of such Reimbursable Improvements as referenced in Sections 4.1 and 4.1.1 above as follows:

- (a) At the time that such Reimbursable Improvements are dedicated for public use by a Master Developer, the City shall issue an Impact Fee Certificate to such Master Developer in the face amount of such Master Developer's Reimbursable Costs for such Reimbursable Improvements.
- (b) Each Impact Fee Certificate shall:
 - (i) not entitle such Master Developer to reimbursement for any financing fees, interest or other financing costs incurred for funding construction of any Public Improvements.
 - (ii) entitle such Master Developer to reimbursement for funds paid for the design, engineering, installation and construction of Reimbursable Improvements
 - (A) to the City on behalf of the City's contractors and suppliers, or
 - (B) directly to contractors and suppliers as authorized by the City.
 - (iii) represent the right to reimbursement for impact fees of the type stated on the Impact Fee Certificate that have been paid or a credit against such impact fees to be paid within: (1) initially the area covered by such Master Developer's Project Plan with respect to

which such impact fees have been or are to be collected; (2) in the event that the projected impact fees to be paid within the area covered by such Master Developer's Project Plan are not anticipated to be sufficient to fully reimburse such Master Developer, and to the extent that such additional Reimbursable Costs for Reimbursable Improvements have not been otherwise paid or credit provided as set forth above, then such Impact Fee Certificates may be used or redeemed within both the Annexation Parcel and other areas of the City located west of the Jordan River (collectively the "Benefitted Area"), but such Impact Fee Certificates shall be subordinate to any Impact Fee Certificates issued to another Master Developer for the area covered by their respective Project Plans within the Benefitted Area until any such Impact Fee Certificates have fully redeemed.

- (iv) be fully transferrable and assignable by the Master Developer to which such Impact Fee Certificate was issued to any Person.

4.1.3 Assessment Area Financing. Upon application by any Master Developer, the City agrees to cooperate and consider in good faith the creation of one or more assessment areas pursuant to the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated, as such law may be amended from time to time, as well as other relevant Utah law, sufficient to finance the Public Improvements in connection with the development or redevelopment of the Property in a manner consistent with the Project Plan. In the event that any such assessment areas are created, they (a) shall be based on terms that are commercially reasonable and customary for such areas, (b) shall not require the City to pledge or commit the City's full faith and credit with respect to the financing obtained for such area, (c) shall have a term of no more than 20 years but no fewer than 10 years, (d) shall be cost-neutral to the City, including reimbursement to the City for its reasonable out-of-pocket expenses in administering such areas, and (e) shall assess only developable acreage within the Property. Funds made available to any Master Developer for Public Improvements pursuant to the Assessment Area Act shall not count as a reimbursement to such Master Developer. Each Master Developer shall reasonably cooperate with each other Master Developer that applies to the City to create one or more assessment areas described in this section in obtaining such creation and the financing of the Public Improvements through such assessment area.

4.1.4 Impact Fees. Nothing contained herein shall exempt, release, or excuse any Master Developer, its successors, assigns, or other developers that develop portions of the Property from paying and receiving credits for reasonable impact fees and charges required for development of the Property, or any portion thereof, in accordance with the City's Laws and MLUDMA.

- 4.1.5 **Pioneering Arrangement Among Master Developers.** Each Master Developer who signs this Agreement agrees as follows with respect to the construction and installation of Public Improvements and the improvement costs related thereto:
- (a) In the event one or more of the Master Developers desires to connect to, utilize or appropriate the use of any portion of the Public Improvements with respect to which any of the other Master Developers has not been fully reimbursed for the costs for such Public Improvements (such Master Developer who desires to connect to, utilize or appropriate the use of such Public Improvements being a "Connecting Party" and each Master Developer who has not been fully reimbursed being the "Pioneering Party"), such Connecting Party shall pay to the Pioneering Party such Connecting Party's fair and proportionate share for the use of any such Public Improvements to the extent that such Pioneering Party has not been reimbursed for the costs for such Public Improvements. The fair and proportionate share for such Connecting Party's connection to or utilization or appropriation of such Public Improvements shall include reimbursement of the reasonable costs incurred by each Pioneering Party in connection with such connection, utilization or appropriation of use including reasonable interest and administrative costs.
 - (b) For development consistent with the Project Plan, each Master Developer (the "Granting Party") shall provide or cause to be provided reasonable access and easements to or for the benefit of each other Master Developer (such other Master Developer being the "Receiving Party"), without compensation for such access or easements (except as the Granting Party obtains through reimbursements). To the extent that such reimbursements are not obtainable, the Receiving Party shall pay for the fair and proportionate costs of the Public Improvements at the time of its connection to the Public Improvements (See paragraph 4.1.5 (a) which shall govern in such event).
 - (c) Each Master Developer shall coordinate the location of stubs of Public Improvements on the boundaries of such Master Developer's portion of the Property with the Master Developers having an interest in the portion of the Property adjoining such boundary in a manner to reasonably minimize each such Master Developer's costs.
 - (d) The obligations of this section 4.1.5 shall be privately enforceable by the Master Developers among themselves only, and these obligations are not binding upon the City and the City shall not have any obligation to interpret or enforce the provisions of this section.

- 4.2 **Possible Use of Eminent Doman for System Improvements.** Subject to compliance with all applicable state statutory requirements for the initiation of an eminent domain action and consistent with existing City policy to take such action to allow for construction of System Improvements, to the extent necessary to provide for the development of the Property (or any portion thereof) in accordance with, or to give effect to, the Project Plan, the City will cooperate in good faith to favorably consider utilizing its power of eminent domain and not unreasonably withhold such approval in order to provide rights-of-way to install the Public Improvements that are System Improvements in a manner to reasonably minimize each Master Developer's costs for such System Improvements.
- 4.3 **Parks, Trails and Pathways.** The Project Plan contemplates uses of land and open space for the development of a trail and pathway system. Each Master Developer shall cooperate with the City in the development of this trail and pathway system to ensure connectivity and consistency with existing City trails and pathways. In addition, each Master Developer shall coordinate with the City in the development of all parks and open space within the contemplated development area. To the extent that the trails and pathway systems are designated for public use and are constructed for the level of service standards included in the City's Capital Facilities Plan, the trails and pathways systems shall be publicly financed, owned and maintained, and the City shall arrange for reasonably satisfactory compensation to the Owners to the extent of their respective interests in the portion of the Property on which such trails and pathways are located; except to the extent that such trails or pathways are designated and located within the right-of-way for the anticipated extension by the Utah Department of Transportation of 2100 North and/or within the setbacks required by the City adjacent to such highway, the City shall have no obligation to compensate the owners for any portion of that particular trail or pathway.

ARTICLE V MUNICIPAL SERVICES

5.1 **Water Dedication.**

- 5.1.1 At or before the time any Master Developer records a subdivision plat containing residential building lots or receives approval of a building permit for commercial or industrial development, as applicable, with respect to the Property or any portion thereof, such Master Developer shall be required to comply with the City's Water Rights Conveyance Requirements as established by City ordinance and the Lehi City Water Rights Transfer Procedures attached hereto, and incorporated herein by reference, and as more specifically provided in Exhibits E and F, by dedicating, or causing to be dedicated, the required water rights and/or required shares in a water or irrigation company to the City for that portion of the Property being platted or receiving a building permit (the water rights and/or shares so dedicated for such portion being the "Water Dedication"). The Water

Dedication includes water which may be used for both irrigation and municipal uses.

- 5.1.2 Subject to the requirements outlined in Exhibit E, the quantity of the Water Dedication shall be based upon the per acre schedule provided in City Code Section 27.070; provided, however, such Water Dedication may be conveyed from any water source or company, so long as (a) the quantity and authorized use of and title to the water is reasonably equivalent to the water rights held by Lehi Irrigation Company, a Utah nonprofit corporation, ("Lehi Irrigation") that would be represented by the shares in Lehi Irrigation that would be required to be dedicated pursuant to Section 27.070 in connection with the recording of such plat or building permit approval, (b) the water rights or shares have been finally approved by the Utah State Engineer for diversion at a point reasonably acceptable to the City Engineer and from a source that is capable of delivering the minimum quantity and quality of water necessary for use by the City and (c) the water available pursuant to the Water Dedication shall be of a quality that is reasonably acceptable to the City engineer. In evaluating the quality of proposed water sources, the City Engineer shall use a water quality standard which limits total dissolved solids to no more than 1,000 parts per million. That water quality standard may be achieved as part of the Water Dedication for that particular Master Developer's portion of the Property in a flexible manner, including mixing from more than one of the Master Developer's approved points of diversion or sources of water in order to comply with this requirement. In the event that the City adopts, agrees to, or applies a new, different or more specific standard to address either the quantity and/or quality of the Water Dedication requirements in the future which pertains to the area included within the Annexation Parcel or the properties located west of the Jordan River, Master Developer shall be entitled to the benefits and/or obligations of any such amendments.
- 5.1.3 Any requirement to dedicate additional shares or water rights pursuant to City Code 27.070(B) with respect to an application to rezone any portion of the Property shall be no more than the net additional water rights resulting from the aggregate zoning changes on the Property at the time of such application. The water rights evidenced by a share of Lehi Irrigation shall presumptively be deemed to be sufficient in quality and annual quantity and rate of flow and to have an authorized use and point of diversion satisfactory to the City.
- 5.1.4 Upon application by any of the parties constituting Master Developer, the City agrees to cooperate and consider in good faith the use of water from Central Utah Water Conservancy District ("CUWCD"), to fulfill the City's water rights conveyance requirements. In the event that water from CUWCD is approved for use in the future by Lehi City, it will require review on a case-by-case basis to determine how such water will be transferred and paid for.

- 5.2 **Provision of Municipal Services.** The City agrees to maintain the public improvements associated with the Project and dedicated to the City except as otherwise provided herein following satisfactory completion thereof by the Master Developer undertaking to provide such public improvements and acceptance of the same by the City and to provide standard municipal services to the Project (including fire, police, sanitary sewer, storm sewer, culinary water, secondary water and electrical power) subject to the payment of all fees and charges charged or levied for such services by the City in accordance with the City's Laws and MLUDMA. If any revisions or corrections of plats or plans already approved by the City shall be required by any other governmental entity having jurisdiction over the Project or lending institutions involved in financing, each Master Developer and the City shall cooperate where appropriate to obtain or develop reasonable, mutually acceptable alternative plans or plats. The obligation of the City to provide municipal water service to the Property or any portion thereof is contingent upon delivery of the Water Dedication for such Property or such portion, respectively. No Owner or subsequent purchaser shall have the right to receive municipal water service from the City with respect to any portion of the Property until the Water Dedication for such portion has occurred.

ARTICLE VI DEFAULT AND REMEDIES

- 6.1 **Default.** An "Event of Default" shall occur under this Agreement if any Party fails to perform its obligations under this Agreement where those obligations are due and such Party has not performed the delinquent obligations within thirty (30) days following delivery to such Party of written notice of such delinquency (a "Notice of Default") (such Party being the "Defaulting Party"). Notwithstanding the foregoing, if such failure to perform cannot be reasonably cured within the 30-day period, such failure to perform shall not be an Event of Default so long as such Party commences to cure such failure to perform within such 30-day period and diligently continues to pursue such cure in good faith until complete. Insolvency, bankruptcy or any voluntary or involuntary general assignment for the benefit of creditors by a Master Developer or the City, to the extent such are unresolved for a period of 180 days shall be deemed to be a default under this Agreement.
- 6.2 **Remedies.** Upon the occurrence of an Event of Default, the non-defaulting party shall have the right to exercise all of the following rights and remedies:
- 6.2.1 All rights and remedies available at law or in equity, including injunctive relief (without the obligation to prove damages or post any security), specific performance and damages.
- 6.2.2 The right to withhold all further approvals, licenses, permits or other rights associated with the Project or any development described in this Agreement until such default has been cured.

6.2.3 The right to draw upon any security posted or provided in connection with the Project.

6.2.4 To terminate this Agreement.

6.3 **Notice and Cure.** Any Party that issues or receives a Notice of Default shall, within three (3) business days, deliver a copy of that Notice of Default to each other Party to this Agreement. Any Party shall have the right, after the cure period provided in Section 6.1, to cure the related failure to perform and seek reimbursement from the Defaulting Party for the costs incurred in effecting such cure (the Party effecting such cure being the “Curing Party”). Notwithstanding any provision herein to the contrary, the Defaulting Party shall reimburse the Curing Party for such costs of curing such Event of Default within 15 days following delivery to the Defaulting Party of a written notice of such costs along with reasonable support documentation.

6.4 **Cross Default.** Only the Defaulting Party shall be subject to remedies and none of the other parties governed by this Agreement shall be deemed to be in default in any manner. For example, if one Master Developer shall create an Event of Default, the City may exercise its rights and remedies only against the Master Developer that is the Defaulting Party, but shall not take any action that would prohibit or revoke approvals, licenses, permits, uses or other rights associated with any other Master Developer for its respective portions of the Project.

ARTICLE VII GENERAL

7.1 **Assignment and Transfer.**

7.1.1 No Master Developer shall assign its obligations under this Agreement or any rights or interests herein without the prior written consent of the City which shall not be unreasonably withheld. It is contemplated that one or more Master Developers will transfer various portions of the Property to one or more Persons that will develop specific projects on their respective portions of the Property. Each Master Developer shall be entitled to transfer the Property or any portion thereof or interest therein to any Person subject to the terms of this Agreement that are applicable to such portion of or interest in the Property. In the event of any such transfer of a Master Developer’s interest in the Property (or any portion thereof or interest therein), the transferee shall be deemed to be Master Developer with respect to such portion of or interest in the Property for all purposes under this Agreement.

7.1.2 Nothing in this Section shall prohibit any Master Developer from selling such Master Developer’s portion of the Property (or any portion thereof or interest

therein) in the ordinary course of the business of developing the Property, nor shall any Master Developer be prohibited from selling such Master Developer's portion of the Property (or any portion thereof or interest therein) to one or more Persons for the purpose of erecting, constructing, maintaining and/or operating (or causing to be erected, constructed, maintained and/or operated) improvements thereon consistent with the requirements of this Agreement and the other applicable provisions of the City's Laws. Nothing in this Agreement shall prohibit the granting of one or more trust deeds and/or security interests for financing the acquisition and development of residential housing or other development on parcels within the Property.

- 7.1.3 Except in the Event of Default by a Master Developer, the City shall not have the right to convey, assign or be released from its obligations under this Agreement with respect to any Master Developer other than such defaulting Master Developer.
- 7.2 **Release of Master Developers.** In the event of a transfer of a Master Developer's portion of the Property or any portion thereof or interest therein and upon assumption by the transferee of such Master Developer's obligations under this Agreement with respect to such portion or interest, the respective transferee shall have the same rights and obligations as such Master Developer under this Agreement, and the Person that executed this Agreement as such Master Developer shall be released from any further future obligations with respect to that portion of the Property.
- 7.3 **Recordation.** After its execution, the Agreement shall be recorded in the office of the County Recorder at the expense of Master Developers. The terms and provisions of this Agreement, including the Project Plan, shall be a burden on the Property, shall be appurtenant to and for the benefit of the Property and shall run with the land, including the Property.
- 7.4 **Consents and Approvals.** Any consent, approval, permit, license or other authorization required hereunder from the City shall be given or withheld by the City in compliance with the City's Laws, MLUDMA, the Impact Fees Act and other applicable law.
- 7.5 **Representations.** Each Party represents and warrants to the other Party that the following statements are true, complete and not misleading with respect to the representing and warranting Party: (a) such Party has full authority to enter into this Agreement and to perform all of its obligations hereunder, (b) each individual executing this Agreement on behalf of such Party is doing so with the full authority of such Party, and (c) this Agreement constitutes the legal, valid and binding obligation of such Party enforceable in accordance with its terms.
- 7.6 **Time of the Essence.** Time is expressly of the essence with respect to the performance of each and every obligation under this Agreement.

- 7.7 **Amendments.** Any alteration or change to this Agreement shall be made only after complying with the notice and hearing provisions of MLUDMA and, to the extent not inconsistent with applicable provisions of the other City's Laws and other applicable law.
- 7.8 **Construction.** This Agreement shall be construed according to its fair meaning and as if prepared by all of the Parties. Each Master Developer and the City acknowledge that they have read this Agreement and each has been represented by legal counsel in negotiating this Agreement and that neither party shall have any provision of this Agreement construed against such Party as a result of such Party's involvement, or any other Party's lack of involvement, in the drafting of this Agreement. Each Party has executed this Agreement voluntarily. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. Furthermore, this Agreement shall be construed so as to effectuate the public purposes, objectives and benefits set forth in Section 1.2 while protecting any compelling countervailing public interest and providing to Master Developers vested development rights as defined herein. As used in this Agreement, the words "include" and "including" shall mean "including, but not limited to" and shall not be interpreted to limit the generality of the terms preceding such word. The rights and remedies of the Parties shall not be mutually exclusive, and the exercise of one or more of the provisions of this Agreement shall not preclude the exercise of any other provisions hereof. Each reference to "Master Developer's portion of the Property" shall be deemed to refer to the portion of the Property identified on Exhibit C as relating to such Master Developer.
- 7.9 **Performance.** To the extent allowed by law, each Party or other Person governed or affected by this Agreement shall perform its respective obligations under this Agreement in a manner that will not unreasonably or materially delay, disrupt or inconvenience the enjoyment by any Party of its rights under this Agreement.
- 7.10 **Modifications of Use Restrictions.** Each of the Owners and each Master Developer shall have the right, without the consent or approval of any other Person that owns or has any interest in any other part of the Project, to modify any zoning, use, density, design, setback, size, height, open space, road design and dedication, traffic configuration, site plan or other requirements or restrictions (collectively the "Use Restrictions") associated with any portion of the Project or the development thereof so long as modifications (a) are approved by the City in accordance with the City's standard approval processes; and (b) otherwise comply with all applicable laws. Nothing in this Agreement is intended to waive, eliminate or negate the right of any of the Owners to voice concerns or otherwise participate in public hearings and the other standard approval processes of the City. Any modification to the Use Restrictions for any portion of the Project that satisfies the foregoing requirements shall be effective without the need for any further consents, approvals or amendments to the Agreement or documents related thereto.

- 7.11 **Laws and Forum.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, and shall be construed in accordance with the City's Laws and Utah law. Any action brought in connection with this Agreement shall be brought in a court of competent jurisdiction located in Utah County, Utah.
- 7.12 **Court Costs and Attorneys Fees.** In the event of any legal action or defense between the parties arising out of or related to this Agreement, or any of the documents provided for herein, the prevailing party or parties shall be entitled, in addition to the remedies and damages, if any awarded in such proceedings, to recover their costs and reasonable attorneys' fees.
- 7.13 **Non-Liability of Related Persons.** Except in the event of fraud or other ultra vires conduct, no officer, representative, agent or employee of any Party (the "Related Party") shall be personally liable to the other Party or any successor in interest or assignee of such other Party in the event of any default or breach by the Related Party, or for any amount which may become due to such other Party, or such other Party's successors or assigns, or for any obligation(s) arising under the terms of this Agreement.
- 7.14 **No Third Party Rights.** Unless otherwise expressly provided herein, the obligations of Master Developers and the City set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.
- 7.15 **Notices.** All notices shall be in writing and shall be deemed to have been sufficiently given or served when presented personally or when deposited in the United States mail, by registered or certified mail, addressed as follows:

The City: City of Lehi
 Attn: Jamie Davidson
 City Administrator
 153 North 100 East
 Lehi, Utah 84043

Master Developers: Anderson Lehi, LLC
 Attention: Gerald D. Anderson
 9537 South 700 East
 Sandy, Utah 84070

 River Jordan, LLC
 Attention: Scott McLachlan
 P.O. Box 37
 Lehi, Utah 84043

Such addresses may be changed by notice to the other party given in the same manner as above provided. Any notice given hereunder shall be deemed given as of the date delivered or mailed.

- 7.16 **Entire Agreement.** This Agreement, together with the exhibits and appendices attached hereto, documents referenced herein and all regulatory approvals given by the City for the Property, contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior promises, representations, warranties, inducements or understandings between the parties which are not contained in such agreements, regulatory approvals and related conditions. It is expressly agreed by the parties that this Agreement is intended to and shall govern the development of the Property pursuant to the City's Laws and other applicable law. It is expressly acknowledged by the parties that additional agreements may be entered into by the parties and, potentially, other parties relating to the development and financing of the Property ("Additional Agreements").
- 7.17 **Severability.** If any term, provision, commitment, or restriction of this Agreement or the application thereof to any party or circumstances shall, to any extent, be determined by a court of law or equity to be invalid or unenforceable, the remainder of this instrument shall remain in full force and the parties shall act in good faith and the City and the Owners shall cooperate to cure each such legal defect, including amending those portions of the Agreement determined to be invalid or unenforceable without diminishing the rights and authority of the parties.
- 7.18 **Effectiveness.** This Agreement shall be effective upon the signing and execution of this Agreement by both parties with due approval by the Lehi City Council which, upon its occurrence, shall be deemed to have occurred as of the Effective Date.
- 7.19 **Termination.** This Agreement shall continue until the twenty-second annual anniversary of the Effective Date with two additional terms of four years each to run consecutively following the initial term of this Agreement with such additional term commencing automatically with respect to each Master Developer that is in substantial compliance with this Agreement at the time such additional term is scheduled to commence.
- 7.20 **Waiver.** No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, agreement, term or condition. Any Party may, by notice delivered in the manner provided in this Agreement, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Party. No waiver shall affect or alter the remainder of this Agreement but each and every other covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

7.21 **Financing.** Notwithstanding any provisions to the contrary as may be provided elsewhere in this Agreement, the holders of Senior Mortgages shall have the following rights:

7.21.1 **Definitions.**

- (a) Mortgage. The term "Mortgage" means any duly recorded and valid mortgage or deed of trust encumbering any portion of the Property.
- (b) Senior Mortgage. The term "Senior Mortgage" shall mean any Mortgage that secures an obligation with an original principal sum in excess of \$1,000,000.
- (c) Senior Mortgage Holder. The term "Senior Mortgage Holder" shall mean the holder of the beneficial interest in any Senior Mortgage.

7.21.2 **Notice of Default.** Any Senior Mortgage Holder shall be entitled to receive from the Parties, if such Senior Mortgage Holder has so requested in writing of those Parties, a copy of any Notice of Default issued by such Parties to the owner of the land mortgaged in favor of such Senior Mortgage Holder.

7.21.3 **Mortgage Protection Clause.** No breach of the covenants, conditions or restrictions herein contained shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any owner whose title is derived through foreclosure or trustee's sale, or otherwise.

7.22 **Priority and Subordination.** This Agreement shall be recorded against the Property senior to all liens (other than liens of non-delinquent taxes and assessments as of the Effective Date) and/or trust deeds encumbering the Property. All future lenders, lien holders, trustees and trust deed holders of any type holding liens or encumbrances on any portion of the Property from and after the Effective Date hereby are notified (a) that such liens or encumbrances shall automatically be subordinate to this Agreement and all future amendments to this Agreement, and (b) to execute and deliver within 10 days following delivery of a written request for the same, any additional documentation that may be reasonably required by the City or any Master Developer to confirm that subordination.

7.23 **Estoppel Certificates.** Within ten business days following delivery to any Party of a written request for an estoppel certificate respecting the status of performance under this Agreement and including a proposed form for that estoppel certificate, the Party to which that request was delivered shall deliver to the requesting Party a reasonable estoppel certificate respecting such matters. That certificate shall be addressed to any lenders, purchasers, government agencies or other individuals or entities designated by the requesting Party. A Party's failure to deliver such estoppel certificate shall be presumed to mean that such Party is not aware of any defaults or delinquencies under the

Agreement and does not object to the form of estoppel certificate proposed by the requesting Party and is later estopped from asserting a contrary position.

- 7.24 **Survival.** All agreements, covenants, representations and warranties contained herein shall survive the execution of this Agreement and shall continue in full force and effect throughout the term of this Agreement.
- 7.25 **Further Action.** The parties hereby agree to execute and deliver such additional documents and to take all further actions as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.
- 7.26 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[remainder of page intentionally left blank; signatures set forth on following page]

IN WITNESS WHEREOF, the parties have executed this Annexation Agreement.

DATED this 9th day of September, 2008.

CITY OF LEHI, a municipal corporation organized and existing under the laws of the State of Utah

By: Howard Johnson
Howard Johnson, Mayor

ATTEST:

Connie Ashton
Connie Ashton, City Recorder



ANDERSON LEHI, LLC
a Utah limited liability company,
by its Manager

ANDERSON HOLDINGS, LLC
a Utah limited liability company

By: Gerald D. Anderson
Gerald D. Anderson, Manager

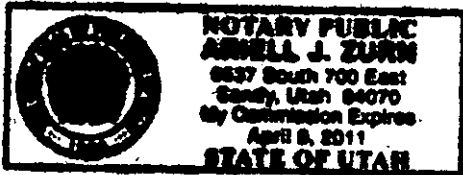
RIVER JORDAN, LLC

By: Scott McLachlan
Scott McLachlan, Manager

ANDERSON LEHI, LLC ACKNOWLEDGEMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this 4th day of September 2008, before the undersigned notary public in and for the said state, personally appeared GERALD D. ANDERSON, known or identified to me to be the Manager of Anderson Holdings, LLC, a Utah limited liability company, which is the Manager of Anderson Lehi, LLC, a Utah limited liability company, and the person that executed the foregoing instrument.



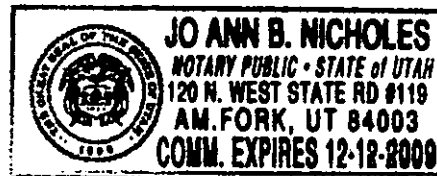
Annell J. Zurn
Notary Public for Utah
Residing at: Sandy, Utah 84070
My Commission Expires: April 09, 2011

RIVER JORDAN, LLC ACKNOWLEDGEMENT

STATE OF UTAH)
 : ss.
County of Utah)

On this 9th day of September 2008, before the undersigned notary public in and for the said state, personally appeared SCOTT McLACHLAN, known or identified to me to be the Manager of River Jordan, LLC, a Utah limited liability company, and the person that executed the foregoing instrument.

Jo Ann B. Nicholes
Notary Public for Utah
Residing at: American Fork
My Commission Expires: 12/12/09



CRYSTAL ANIMAL FOODS INC.

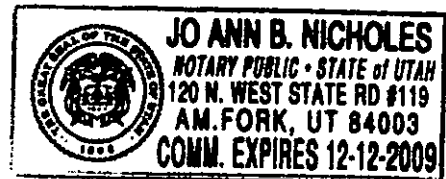
By: Scott McEachern

CRYSTAL ANIMAL FOODS, INC. ACKNOWLEDGEMENT

STATE OF UTAH)
 :SS.
County of Utah)

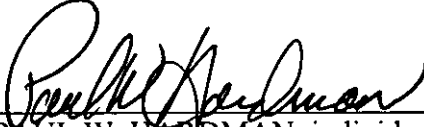
On this 9th day of September 2008, before the undersigned notary public in and for the state, personally appeared Scott McEachern for Crystal Animal Foods, Inc., known or identified to me to be the person that executed the foregoing instrument.

Jo Ann B. Nicholes
Notary Public for Utah
Residing at: American Fork, Ut
My Commission Expires: 12/12/09




CONSENT, ACKNOWLEDGEMENT AND AUTHORIZATION OF OWNERS

I hereby voluntarily consent to the terms of this Agreement and authorize Anderson Lehi, LLC, to execute it. I have read the Agreement in full and have had sufficient time and opportunity to review it with independent counsel. This consent, acknowledgement and authorization is made with knowledge that the Agreement will have binding legal effects and benefits upon my property interests and will be recorded in the Utah County Recorder's office. I am satisfied with the conduct of Anderson Lehi, LLC, and Anderson Development Services, Inc., and their counsel in connection with this Agreement and hereby agree to the terms thereof.




PAUL W. HARDMAN, individually and as Trustee of the Trusts, namely the W&E Hardman Trust dated January 28, 1992, and its resulting W&E Hardman Marital Trust and the W&E Hardman Family Trust



CLYDE ALVIN STARKS, individually and as Trustee of the Clyde Alvin and Zina Kathleen Campbell Starks Family Trust



LORA M. HARDMAN



ZINA KATHLEEN CAMPBELL, individually and as Trustee of the Clyde Alvin and Zina Kathleen Campbell Starks Family Trust

LISA E. HARDMAN

GARY R. HARDMAN

BONNIE HARDMAN

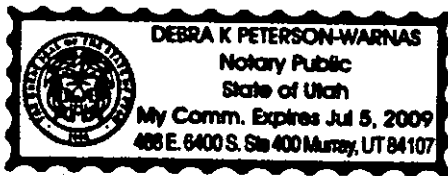
STAN LEWIS

PEGGY LEWIS

OWNER ACKNOWLEDGEMENTS

STATE OF UTAH)
County of Salt Lake : ss.

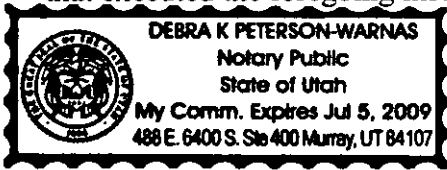
On this 3 day of Sept. 2008, before the undersigned notary public in and for the said state, personally appeared Paul W. Hardman, individually and as Trustee of the Trusts, namely the W&E Hardman Trust dated January 28, 1992, and its resulting W&E Hardman Marital Trust and the W&E Hardman Family Trust, known or identified to me, and the person that executed the foregoing instrument.



Debra K. Peterson-Warnas
Notary Public for Utah
Residing at: Salt Lake, Utah
My Commission Expires: 7-5-09

STATE OF UTAH)
County of Salt Lake : ss.

On this 3 day of Sept. 2008, before the undersigned notary public in and for the said state, personally appeared Lora M. Hardman, known or identified to me, and the person that executed the foregoing instrument.



Debra K. Peterson-Warnas
Notary Public for Utah
Residing at: Salt Lake, Utah
My Commission Expires: 7-5-09

STATE OF UTAH)
County of _____ : ss.

On this ____ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Lisa E. Hardman, known or identified to me, and the person that executed the foregoing instrument.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

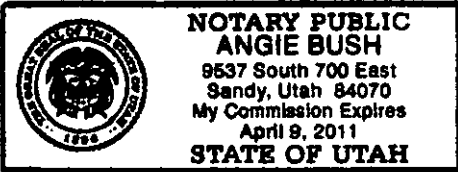
STATE OF UTAH)
 : ss.
County of _____)

On this ___ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Peggy Lewis, known or identified to me, and the person that executed the foregoing instrument.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this 3rd day of September 2008, before the undersigned notary public in and for the said state, personally appeared Clyde Alvin Starks, individually and as Trustee of Clyde Alvin and Zina Kathleen Campbell Starks Family trust, known or identified to me, and the person that executed the foregoing instrument.

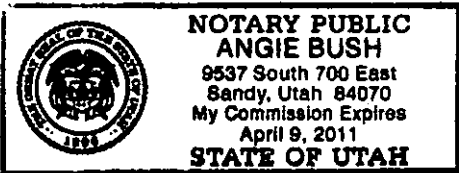


Angie Bush

Notary Public for Utah
Residing at: Salt Lake County
My Commission Expires: 9 Apr 2011

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this 3rd day of September 2008, before the undersigned notary public in and for the said state, personally appeared Zina Kathleen Campbell Starks, individually and as Trustee of Clyde Alvin and Zina Kathleen Campbell Starks Family trust, known or identified to me, and the person that executed the foregoing instrument.



Angie Bush

Notary Public for Utah
Residing at: Salt Lake County
My Commission Expires: 9 Apr 2011

CONSENT, ACKNOWLEDGEMENT AND AUTHORIZATION OF OWNERS

I hereby voluntarily consent to the terms of this Agreement and authorize Anderson Lehi, LLC, to execute it. I have read the Agreement in full and have had sufficient time and opportunity to review it with independent counsel. This consent, acknowledgement and authorization is made with knowledge that the Agreement will have binding legal effects and benefits upon my property interests and will be recorded in the Utah County Recorder's office. I am satisfied with the conduct of Anderson Lehi, LLC, and Anderson Development Services, Inc., and their counsel in connection with this Agreement and hereby agree to the terms thereof.

PAUL W. HARDMAN, individually and as
Trustee of the Trusts, namely the W&E
Hardman Trust dated January 28, 1992,
and its resulting W&E Hardman Marital
Trust and the W&E Hardman Family Trust

CLYDE ALVIN STARKS, individually and
as Trustee of the Clyde Alvin and Zina
Kathleen Campbell Starks Family Trust

LORA M. HARDMAN

ZINA KATHLEEN CAMPBELL, individually
and as Trustee of the Clyde Alvin and Zina
Kathleen Campbell Starks Family Trust



LISA E. HARDMAN

GARY R. HARDMAN

BONNIE HARDMAN

STAN LEWIS

PEGGY LEWIS

OWNER ACKNOWLEDGEMENTS

STATE OF UTAH)
 : ss.
County of _____)

On this ___ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Paul W. Hardman, individually and as Trustee of the Trusts, namely the W&E Hardman Trust dated January 28, 1992, and its resulting W&E Hardman Marital Trust and the W&E Hardman Family Trust, known or identified to me, and the person that executed the foregoing instrument.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

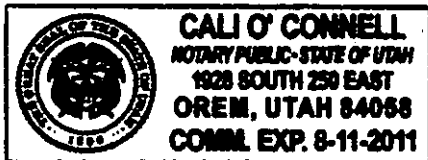
STATE OF UTAH)
 : ss.
County of _____)

On this ___ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Lora M. Hardman, known or identified to me, and the person that executed the foregoing instrument.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

STATE OF UTAH)
 : ss.
County of Utah)

On this 3 day of September 2008, before the undersigned notary public in and for the said state, personally appeared Lisa E. Hardman, known or identified to me, and the person that executed the foregoing instrument.



Cali O'Connell
Notary Public for Utah
Residing at: Orem, UT
My Commission Expires: 8-11-2011

CONSENT, ACKNOWLEDGEMENT AND AUTHORIZATION OF OWNERS

I hereby voluntarily consent to the terms of this Agreement and authorize Anderson Lehi, LLC, to execute it. I have read the Agreement in full and have had sufficient time and opportunity to review it with independent counsel. This consent, acknowledgement and authorization is made with knowledge that the Agreement will have binding legal effects and benefits upon my property interests and will be recorded in the Utah County Recorder's office. I am satisfied with the conduct of Anderson Lehi, LLC, and Anderson Development Services, Inc., and their counsel in connection with this Agreement and hereby agree to the terms thereof.

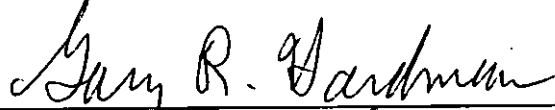
PAUL W. HARDMAN, individually and as
Trustee of the Trusts, namely the W&E
Hardman Trust dated January 28, 1992,
and its resulting W&E Hardman Marital
Trust and the W&E Hardman Family Trust

CLYDE ALVIN STARKS, individually and
as Trustee of the Clyde Alvin and Zina
Kathleen Campbell Starks Family Trust

LORA M. HARDMAN

ZINA KATHLEEN CAMPBELL, individually
and as Trustee of the Clyde Alvin and Zina
Kathleen Campbell Starks Family Trust

LISA E. HARDMAN



GARY R. HARDMAN



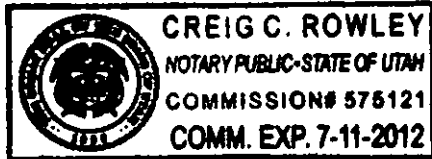
BONNIE HARDMAN

STAN LEWIS

PEGGY LEWIS

STATE OF UTAH)
 : ss.
County of Utah)

On this 2 day of September 2008, before the undersigned notary public in and for the said state, personally appeared Gary R. Hardman, known or identified to me, and the person that executed the foregoing instrument.



Creig C Rowley
Notary Public for Utah
Residing at: American Fork, UT
My Commission Expires: 7/11/2012

STATE OF UTAH)
 : ss.
County of Utah)

On this 2 day of September 2008, before the undersigned notary public in and for the said state, personally appeared Bonnie Hardman, known or identified to me, and the person that executed the foregoing instrument.



Creig C Rowley
Notary Public for Utah
Residing at: American Fork, UT
My Commission Expires: 7/11/2012

STATE OF UTAH)
 : ss.
County of _____)

On this ____ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Stan Lewis, known or identified to me, and the person that executed the foregoing instrument.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

ENT 102207:2008 P6 29 of 61

CONSENT, ACKNOWLEDGEMENT AND AUTHORIZATION OF OWNERS

I hereby voluntarily consent to the terms of this Agreement and authorize Anderson Lehi, LLC, to execute it. I have read the Agreement in full and have had sufficient time and opportunity to review it with independent counsel. This consent, acknowledgement and authorization is made with knowledge that the Agreement will have binding legal effects and benefits upon my property interests and will be recorded in the Utah County Recorder's office. I am satisfied with the conduct of Anderson Lehi, LLC, and Anderson Development Services, Inc., and their counsel in connection with this Agreement and hereby agree to the terms thereof.

PAUL W. HARDMAN, individually and as Trustee of the Trusts, namely the W&E Hardman Trust dated January 28, 1992, and its resulting W&E Hardman Marital Trust and the W&E Hardman Family Trust

CLYDE ALVIN STARKS, individually and as Trustee of the Clyde Alvin and Zina Kathleen Campbell Starks Family Trust


LORA M. HARDMAN

ZINA KATHLEEN CAMPBELL, individually and as Trustee of the Clyde Alvin and Zina Kathleen Campbell Starks Family Trust


LISA E. HARDMAN

GARY R. HARDMAN

BONNIE HARDMAN



STAN LEWIS



PEGGY LEWIS

ENT 102207:2008 PG 30 of 61

STATE OF UTAH)
: ss.
County of _____)

On this ____ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Gary R. Hardman, known or identified to me, and the person that executed the foregoing instrument.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

STATE OF UTAH)
: ss.
County of _____)

On this ____ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Bonnie Hardman, known or identified to me, and the person that executed the foregoing instrument.

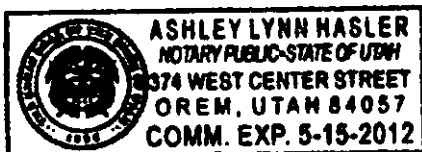
Notary Public for Utah
Residing at: _____
My Commission Expires: _____

X STATE OF UTAH)
: ss.
County of Utah)

On this 2 day of September 2008, before the undersigned notary public in and for the said state, personally appeared Stan Lewis, known or identified to me, and the person that executed the foregoing instrument.

Ashley Lynn Hasler

Notary Public for Utah
Residing at: Orem, UT
My Commission Expires: 5-15-2012



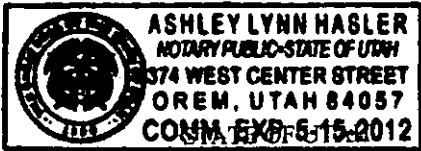
ENT 102207:2008 PG 31 of 61

STATE OF UTAH)
: ss.
County of Utah)

x

On this 2 day of September 2008, before the undersigned notary public in and for the said state, personally appeared Peggy Lewis, known or identified to me, and the person that executed the foregoing instrument.

Ashley Lynn Hasler
Notary Public for Utah
Residing at: OREM, UT
My Commission Expires: 6-15-2012



)
: ss.
County of _____)

On this _____ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Clyde Alvin Starks, individually and as Trustee of Clyde Alvin and Zina Kathleen Campbell Starks Family trust, known or identified to me, and the person that executed the foregoing instrument.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

STATE OF UTAH)
: ss.
County of _____)

On this _____ day of _____ 2008, before the undersigned notary public in and for the said state, personally appeared Zina Kathleen Campbell Starks, individually and as Trustee of Clyde Alvin and Zina Kathleen Campbell Starks Family trust, known or identified to me, and the person that executed the foregoing instrument.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

APPENDIX 1

Definitions

Each of the terms set forth in quotes below shall have the meaning ascribed thereto herein:

“City Code” means the Lehi City Code.

“City Council” means the Lehi City Council.

“City’s Laws” means, collectively, the following as in effect on the Effective Date, (i) the City’s ordinances, resolutions, Design Standards and Public Improvements Specifications, policies, plans, procedures, regulations, goals, objectives, moratoria and other applicable requirements, including the General Plan and the City Code.

“Impact Fee Certificates” means a certificate issued by the City representing the right to receive reimbursements of or credits toward the payment of impact fees payable to the City and of the type specified on such certificate.

“Person” means any natural person or any corporation, partnership, limited liability company, trust, organization, association, entity or other legally recognized form of person.

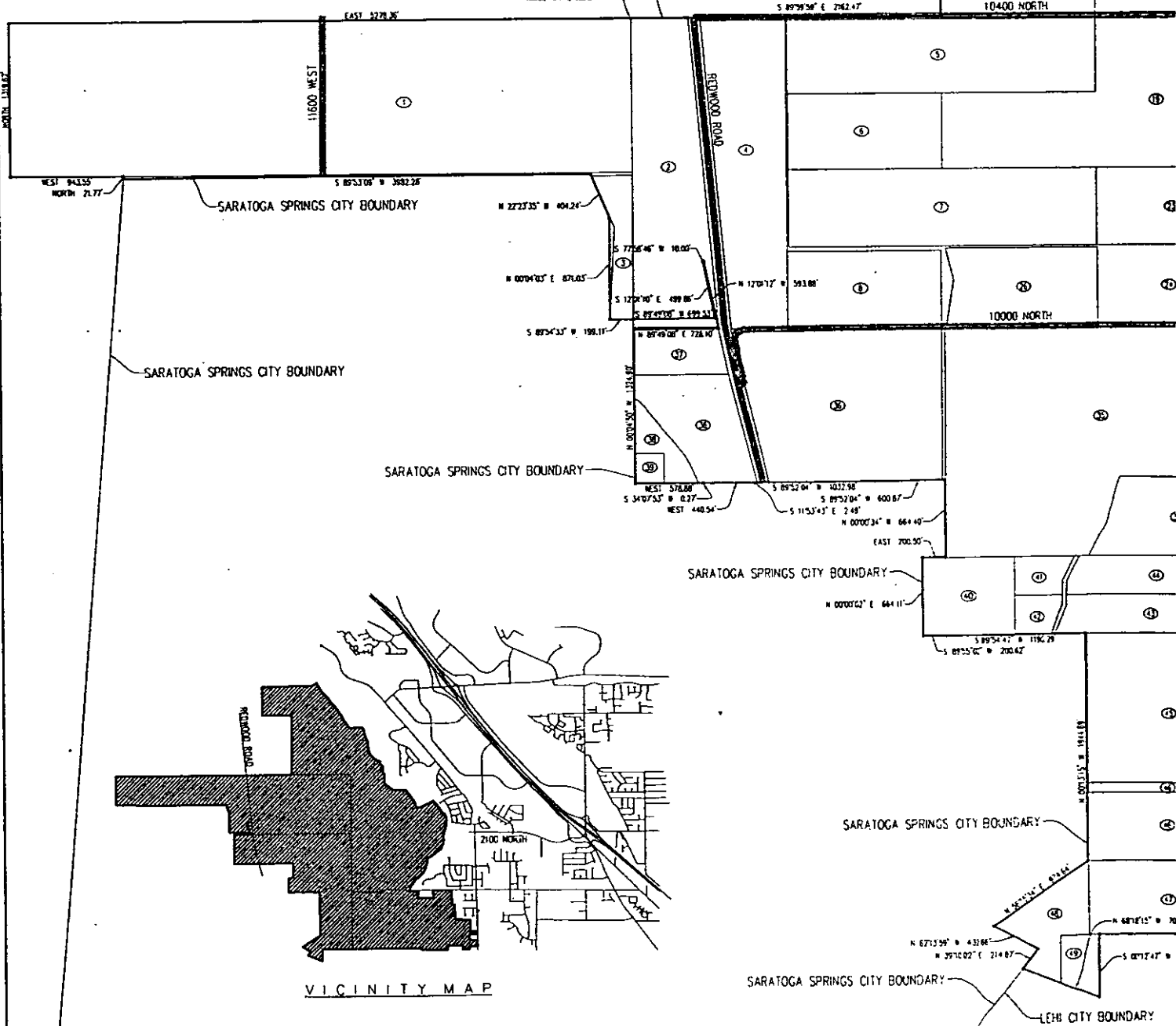
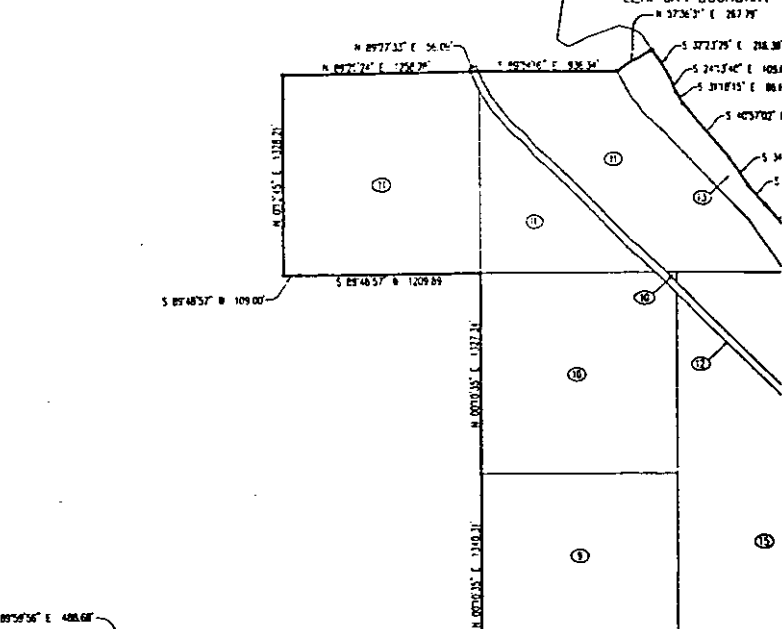
“Project Plan” means the plans and agreements for development and/or redevelopment of each Master Developer’s portion of the Property as set forth in Exhibit D attached hereto and incorporated herein by this reference as such may be modified or supplemented from time to time with the consent of such Master Developer and the City.

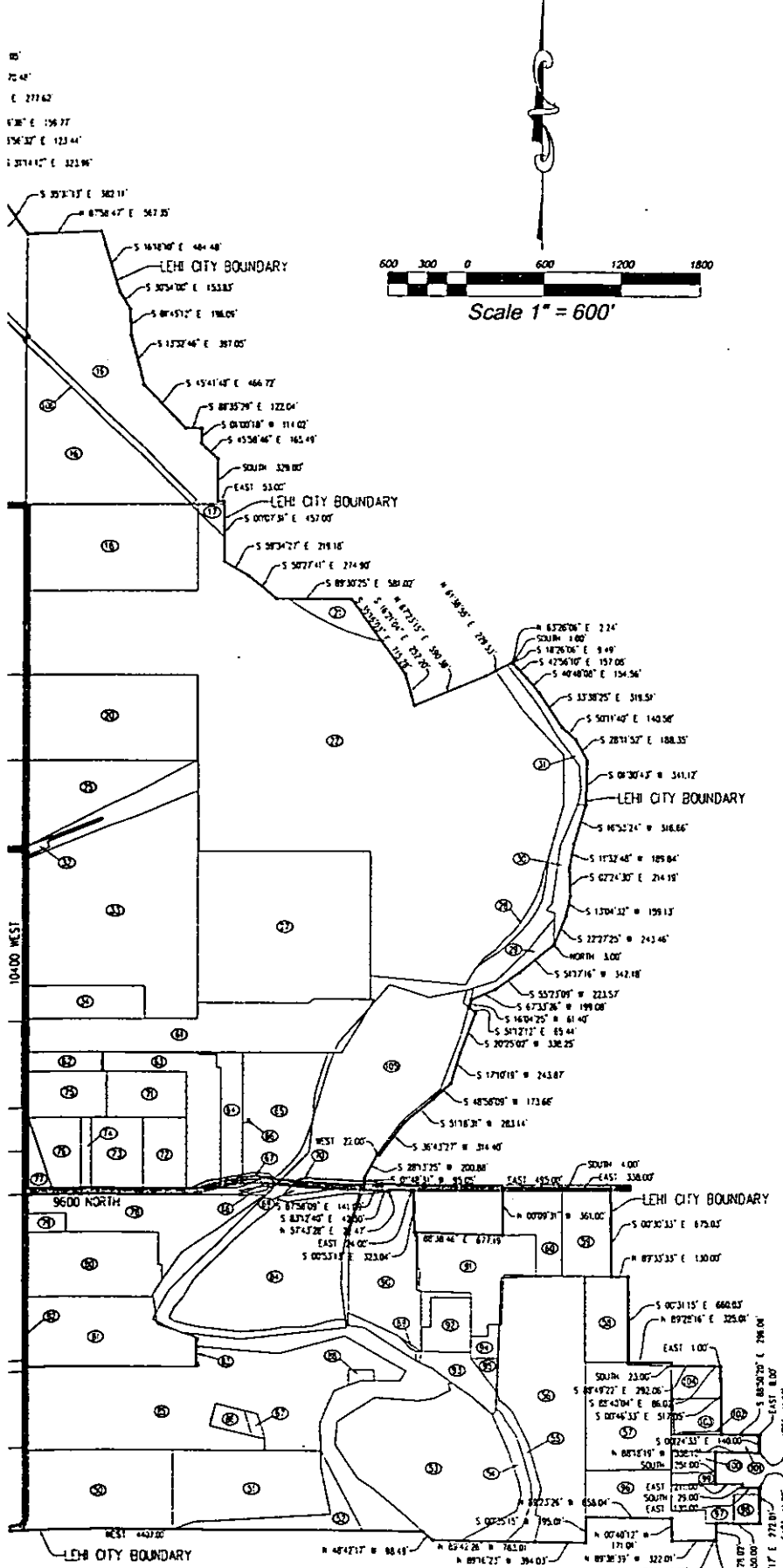
EXHIBIT A

THE ANNEXATION PARCEL

[see attached – City to provide]

| NO. | PROPERTY OWNER | AREA | NO. | PROPERTY OWNER | AREA | |
|-----|------------------|-------------|-------------|----------------|----------------------------|-------------|
| 1 | HOLDRON FARMS LC | 38 021 0000 | 51.26 ACRES | 61 | WELTON, JUDITH C & MARCY B | 4.200 ACRES |
| 2 | HOLDRON FARMS LC | 38 021 0000 | 35.77 ACRES | 62 | ALJED, NEVA B & LARRY | 2.800 ACRES |
| 3 | HOLDRON FARMS LC | 38 021 0000 | 5.94 ACRES | 63 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 4 | HOLDRON FARMS LC | 38 021 0000 | 27.95 ACRES | 64 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 5 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 65 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 6 | HOLDRON FARMS LC | 38 021 0000 | 48.80 ACRES | 66 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 7 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 67 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 8 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 68 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 9 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 69 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 10 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 70 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 11 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 71 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 12 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 72 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 13 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 73 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 14 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 74 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 15 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 75 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 16 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 76 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 17 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 77 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 18 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 78 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 19 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 79 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 20 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 80 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 21 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 81 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 22 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 82 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 23 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 83 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 24 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 84 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 25 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 85 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 26 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 86 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 27 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 87 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 28 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 88 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 29 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 89 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 30 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 90 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 31 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 91 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 32 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 92 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 33 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 93 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 34 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 94 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 35 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 95 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 36 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 96 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 37 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 97 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 38 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 98 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 39 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 99 | ALJED, NEVA B & LARRY | 3.800 ACRES |
| 40 | HOLDRON FARMS LC | 38 021 0000 | 38.80 ACRES | 100 | ALJED, NEVA B & LARRY | 3.800 ACRES |





SURVEYOR'S CERTIFICATE

I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE MAP OF THE TRACT OF LAND TO BE ANNEXED TO LEHI CITY, UTAH COUNTY, UTAH.

BOUNDARY DESCRIPTION

Beginning at the Northwest Corner of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian,

thence North 87°36'36" East, a distance of 488.66 feet, thence South 87°36'36" East, a distance of 2,852.47 feet, thence North 02°24'45" East, a distance of 1,205.20 feet, thence East 87°36'36" West, a distance of 1,277.33 feet, thence South 87°46'57" West, a distance of 1,209.28 feet, thence North 87°46'57" East, a distance of 1,025.02 feet, thence North 02°24'45" East, a distance of 1,328.71 feet, thence North 87°27'24" East, a distance of 1,258.28 feet, thence North 87°27'33" East, a distance of 56.09 feet, thence South 87°54'04" East, a distance of 836.34 feet, thence North 57°36'38" East, a distance of 267.79 feet, thence South 57°27'29" East, a distance of 276.34 feet, thence South 24°12'47" East, a distance of 826.88 feet, thence South 34°08'15" East, a distance of 48.61 feet, thence South 42°57'27" East, a distance of 402.62 feet, thence South 43°08'17" East, a distance of 221.25 feet, thence South 43°08'17" East, a distance of 176.48 feet, thence South 41°17'44" East, a distance of 777.82 feet, thence South 37°56'36" East, a distance of 120.77 feet, thence South 22°56'32" East, a distance of 123.44 feet, thence South 37°41'17" East, a distance of 323.96 feet, thence South 37°38'15" East, a distance of 382.11 feet, thence North 87°36'47" East, a distance of 267.25 feet, thence South 16°18'05" East, a distance of 454.48 feet, thence South 30°34'05" East, a distance of 753.83 feet, thence South 07°45'17" East, a distance of 486.72 feet, thence South 08°25'29" East, a distance of 122.84 feet, thence South 07°56'19" East, a distance of 144.02 feet, thence South 15°36'46" East, a distance of 163.49 feet, thence South, a distance of 329.09 feet, thence East, a distance of 33.00 feet, thence South 82°07'38" East, a distance of 437.00 feet, thence South 20°34'27" East, a distance of 216.18 feet, thence South 20°27'41" East, a distance of 274.80 feet, thence South 87°36'25" East, a distance of 528.02 feet, thence South 33°46'25" East, a distance of 715.28 feet, thence South 34°08'15" East, a distance of 252.26 feet, thence North 67°17'15" East, a distance of 869.28 feet, thence North 61°38'25" East, a distance of 228.53 feet, thence North 63°36'38" East, a distance of 2.26 feet, thence South, a distance of 1.00 feet, thence North 16°28'36" East, a distance of 8.46 feet, thence South 42°56'46" East, a distance of 151.08 feet, thence South 40°48'04" East, a distance of 154.26 feet, thence South 33°38'25" East, a distance of 204.58 feet, thence South 50°11'40" East, a distance of 146.36 feet, thence South 20°12'52" East, a distance of 188.25 feet, thence South 16°18'25" West, a distance of 63.40 feet, thence South 30°17'12" East, a distance of 85.44 feet, thence South 20°25'20" West, a distance of 138.25 feet, thence South 17°07'44" West, a distance of 243.83 feet, thence South 08°30'25" West, a distance of 113.88 feet, thence South 57°15'21" West, a distance of 283.16 feet, thence South 26°42'27" West, a distance of 34.48 feet, thence East, a distance of 22.00 feet, thence South 87°56'28" East, a distance of 203.88 feet, thence South 07°48'34" West, a distance of 85.02 feet, thence South 87°56'28" East, a distance of 149.08 feet, thence South 87°12'40" East, a distance of 42.28 feet, thence North 57°47'28" East, a distance of 22.47 feet, thence South 87°27'49" East, a distance of 155.00 feet, thence East, a distance of 24.00 feet, thence South 07°35'13" East, a distance of 128.20 feet, thence South 07°35'13" East, a distance of 87.25 feet, thence North 07°57'47" West, a distance of 31.00 feet, thence East, a distance of 495.00 feet, thence South, a distance of 4.00 feet, thence East, a distance of 138.00 feet, thence South 07°35'13" East, a distance of 695.00 feet, thence North 87°33'15" East, a distance of 130.00 feet, thence South 07°35'13" East, a distance of 216.00 feet, thence North 87°38'36" East, a distance of 325.00 feet, thence South, a distance of 218.00 feet, thence South 07°49'22" East, a distance of 282.88 feet, thence South 08°10'14" East, a distance of 86.00 feet, thence East, a distance of 1.00 foot, thence South 08°52'54" West, a distance of 61.00 feet, thence East, a distance of 272.28 feet, thence South 02°48'23" East, a distance of 317.05 feet, thence South 08°32'25" East, a distance of 206.25 feet, thence East, a distance of 6.00 feet, thence South 02°15'15" East, a distance of 140.00 feet, thence West, a distance of 11.00 feet, thence North 08°18'15" West, a distance of 184.89 feet, thence South, a distance of 238.00 feet, thence East, a distance of 211.00 feet, thence South, a distance of 293.00 feet, thence East, a distance of 128.80 feet, thence South 08°28'08" West, a distance of 12.00 feet, thence East, a distance of 1.00 foot, thence South, a distance of 132.00 feet, thence East, a distance of 300.00 feet, thence South 02°25'12" East, a distance of 272.28 feet, thence East, a distance of 228.00 feet, thence South 02°15'15" East, a distance of 158.00 feet, thence North 02°38'36" West, a distance of 757.50" West, a distance of 412 feet, thence East, a distance of 16.00 feet, thence North 02°38'36" West, a distance of 322.88 feet, thence North 02°40'12" West, a distance of 171.88 feet, thence North 02°28'26" West, a distance of 658.04 feet, thence South 02°25'15" West, a distance of 958.88 feet, thence North 07°42'04" East, a distance of 263.88 feet, thence North 40°42'17" West, a distance of 16.16 feet, thence North, a distance of 14.67 feet, thence South, a distance of 138.00 feet, thence North 06°18'15" West, a distance of 105.28 feet, thence North 20°18'02" East, a distance of 214.87 feet, thence North 02°33'29" West, a distance of 432.88 feet, thence North 30°15'34" East, a distance of 674.84 feet, thence North 02°35'15" West, a distance of 1,944.89 feet, thence North 08°34'47" West, a distance of 1,950.28 feet, thence South 08°35'02" West, a distance of 853.42 feet, thence North 02°40'12" East, a distance of 684.71 feet, thence East, a distance of 308.00 feet, thence North 02°35'15" West, a distance of 84.00 feet, thence South 08°52'54" West, a distance of 800.87 feet, thence North 02°40'12" East, a distance of 1,023.88 feet, thence South 11°52'47" East, a distance of 2.49 feet, thence West, a distance of 440.54 feet, thence South 34°08'15" West, a distance of 8.27 feet, thence West, a distance of 578.88 feet, thence North 02°40'12" West, a distance of 1,324.88 feet, thence North 02°40'12" East, a distance of 728.16 feet, thence North 12°01'12" West, a distance of 383.88 feet, thence North 37°56'46" West, a distance of 48.88 feet, thence North 12°01'12" East, a distance of 493.88 feet, thence South 08°49'02" West, a distance of 888.53 feet, thence South 08°52'54" West, a distance of 188.25 feet, thence North 02°40'12" East, a distance of 871.83 feet, thence North 22°23'25" West, a distance of 404.24 feet, thence South 08°52'54" West, a distance of 1,982.28 feet, thence North, a distance of 21.71 feet, thence East, a distance of 943.35 feet, thence North, a distance of 1,814.82 feet, thence East, a distance of 5,278.31 feet to the POINT OF BEGINNING,

Containing 79,740,283 square feet or 1,830,588 acres, more or less.

SURVEYOR

DATE

SURVEYOR'S SEAL

ACCEPTANCE BY LEGISLATIVE BODY

THIS IS TO CERTIFY THAT THE LEHI CITY COUNCIL HAVE RECEIVED A PETITION SIGNED BY A MAJORITY OF THE OWNERS OF THE TRACT SHOWN HEREON REQUESTING THAT SAID TRACT BE ANNEXED TO THE CITY OF LEHI AND THAT A COPY OF THE ORDINANCE HAS BEEN PREPARED FOR FILING HEREIN ALL IN ACCORDANCE WITH THE UTAH BOUNDARY COMMISSION ACT (1979) 10-1-04 & 10-2-401 THRU 423 AS REVISED AND THAT WE HAVE EXAMINED AND DO HEREBY APPROVE AND ACCEPT THE ANNEXATION OF THE TRACT AS SHOWN AS A PART OF SAID CITY AND THAT SAID TRACT IS TO BE KNOWN HEREAFTER AS THE HOLBROOK 1 ANNEXATION.

DATED THIS _____ DAY OF _____ 20____

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ATTEST _____
RECORDER

RECORDER'S SEAL

ANNEXATION PLAT

HOLBROOK 1

LEHI CITY UTAH COUNTY, UTAH
SCALE 1" = 600 FEET

EXHIBIT B

THE RESOLUTION

[see attached – City to provide]

RESOLUTION NO. 01-22-08.2

**RESOLUTION OF INTENT OF LEHI CITY COUNCIL TO
ANNEX REAL PROPERTY
(HOLBROOK I ANNEXATION)**

WHEREAS, the Lehi City Council has determined that certain parcels of real property described on Attachment "A" constitute an unincorporated island and/or peninsula which is contiguous to Lehi City Corporation and should be annexed to Lehi City Corporation; and

WHEREAS, the area to be annexed consists of one or more unincorporated islands or unincorporated peninsulas contiguous to the municipality, each of which has fewer than 800 residents; and

WHEREAS, Lehi City Corporation has provided one or more municipal-type services to the area for at least one year; and

WHEREAS, the Lehi City Council does hereby determine that annexing the unincorporated island or peninsula to which the subject parcels belong is in the best interest of Lehi City Corporation;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Lehi City Council does hereby determine that annexing the unincorporated island or peninsula to which the subject parcels belong is in the best interest of Lehi City Corporation at this time.

2. Pursuant to the provision of Section 10-2-418 of the Utah Code, the Lehi City Council hereby intends to annex those parcels of real property owned by Holbrook Farms LC, Utah County, Eva C. Johnson ET AL, Ross & Elaine Schaugaard, Harker Family Limited Partnership, Terry H. & Nancy A. Martin JT, Jordan River Farm &

Ranch LTD, Scott C. & Julie A McLachlan JT, Kerry M. & Lawana Beckstead, Bradley J. & Juliene R. Allred, Gary R. & Paul W. Hardman TEE, Bishop 9642 West LLC, Steven E. & Carol Streadbeck JT, Stanley G. & Peggy J. Lewis TEE, Utah Power & Light Company, Lisa E. & Paul W. Hardman TEE, United States of America The Department of the Army, Kraig Johnson, Paul H. & Lora M. Hardman JT, Paul W. & Lora M. ET AL, Josh & Scott S. McLachlan JT, Jeanette Ellen Turpin Koka & David L. Turpin, Joseph C. & Nancy R. Nielson TEE, Alan A. Johnson, Barbara Frances Merrill & Scott McLachlan, Brent E. & Janet A. Beckstead TEE, Summer RAASS, Thanksgiving Point LC, Alona O. Bennett & Phyllis Crookston ET AL, Gulbrandsen Investments LLC, Terry H. & Nancy A. Martin JT, Carol Evon Oxborrow TEE, David L. & Cathy Allred ET AL, William S. & Ida C. McLachlan, Devin D. & Laura Allred, Vondelle E. & Cherie K. Clement JT, Crystal Animal Foods INC, Cody & Megan Warren JT, City of Saratoga Springs, Lake Mountain Mutual Water Company, Utah County ET AL, Salt Lake City, Alan A. & Sharon Johnson JT, Newman Investments LLC, Robert N. & Phyllis Crookston TEE, Utah Yuan ET AL, Debra Kae Nelson, Bradley M. & Jan Thacker JT, Esther Hebrew, Edward A. & Donald K. Peay, Noah McKinnon, and Douglas K. & Shirley Smith JT, located between approximately 900 North - City (County - 9200 North) and 3600 North - City (County - 11000 North) and between approximately 2300 West - City (County - 9550 West) and Redwood Road and West of Redwood Road from about 1800 North - City (County - 9800 North) to 4200 North - City (County - 10400 North), Lehi, Utah, consisting of about 1831 acres and further described by Attachment "A".

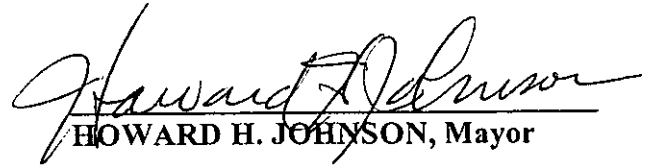
3. Staff is directed to publish notice of this proposed annexation in a newspaper of general circulation within Lehi City, once a week for three successive weeks.

Said notice shall comply with the requirements of Section 10-2-418(2)(b) of the Utah Code.

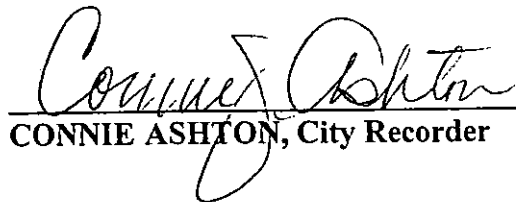
4. This Resolution shall be effective upon the date of its adoption.

PASSED AND APPROVED by the City Council of Lehi City, Utah this

22nd day of January, 2008.


HOWARD H. JOHNSON, Mayor

ATTEST:


CONNIE ASHTON, City Recorder

NOTICE OF INTENT TO ANNEX REAL PROPERTY

Notice is hereby given that Lehi City Corporation has adopted a resolution indicating its intent to annex real property owned by Holbrook Farms LC, Utah County, Eva C. Johnson ET AL, Ross & Elaine Schaugaard, Harker Family Limited Partnership, Terry H. & Nancy A. Martin JT, Jordan River Farm & Ranch LTD, Scott C. & Julie A McLachlan JT, Kerry M. & Lawana Beckstead, Bradley J. & Juliene R. Allred, Gary R. & Paul W. Hardman TEE, Bishop 9642 West LLC, Steven E. & Carol Streadbeck JT, Stanley G. & Peggy J. Lewis TEE, Utah Power & Light Company, Lisa E. & Paul W. Hardman TEE, United States of America The Department of the Army, Kraig Johnson, Paul H. & Lora M. Hardman JT, Paul W. & Lora M. ET AL, Josh & Scott S. McLachlan JT, Jeanette Ellen Turpin Koka & David L. Turpin, Joseph C. & Nancy R. Nielson TEE, Alan A. Johnson, Barbara Frances Merrill & Scott McLachlan, Brent E. & Janet A. Beckstead TEE, Summer RAASS, Thanksgiving Point LC, Alona O. Bennett & Phyllis Crookston ET AL, Gulbrandsen Investments LLC, Terry H. & Nancy A. Martin JT, Carol Evon Oxborrow TEE, David L. & Cathy Allred ET AL, William S. & Ida C. McLachlan, Devin D. & Laura Allred, Vondelle E. & Cherie K. Clement JT, Crystal Animal Foods INC, Cody & Megan Warren JT, City of Saratoga Springs, Lake Mountain Mutual Water Company, Utah County ET AL, Salt Lake City, Alan A. & Sharon Johnson JT, Newman Investments LLC, Robert N. & Phyllis Crookston TEE, Utah Yuan ET AL, Debra Kae Nelson, Bradley M. & Jan Thacker JT, Esther Hebrew, Edward A. & Donald K. Peay, Noah McKinnon, and Douglas K. & Shirley Smith JT, located between approximately 900 North - City (County - 9200 North) and 3600 North - City (County - 11000 North) and between approximately 2300 West - City (County - 9550 West) and Redwood Road and West of Redwood Road from about 1800 North - City (County - 9800 North) to 4200 North - City (County - 10400 North), Lehi, Utah, consisting of about 1831 acres and further described as follows:

(See Attachment A)

Beginning at a Northwest Corner of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian;

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thence North 89°59'56" East, a distance of 488.68 feet; thence South 89°59'59" East, a distance of 2,162.47 feet; thence North 00°10'35" East, a distance of 1,340.31 feet; thence continue northerly along said line, a distance of 1,327.33 feet; thence South 89°48'57" West, a distance of 1,209.89 feet; thence continue westerly along said line, a distance of 109.00 feet; thence North 00°12'45" East, a distance of 1,328.21 feet; thence North 89°25'24" East, a distance of 1,258.28 feet; thence North 89°27'33" East, a distance of 267.79 feet; thence South 89°54'16" East, a distance of 936.34 feet; thence North 57°36'31" East, a distance of 218.39 feet; thence South 24°13'40" East, a distance of 109.66 feet; thence South 31°18'15" East, a distance of 86.61 feet; thence South 40°57'02" East, a distance of 480.62 feet; thence South 34°07'17" East, a distance of 221.05 feet; thence South 43°20'11" East, a distance of 170.48 feet; thence South 41°47'16" East, a distance of 277.62 feet; thence South 32°59'38" East, a distance of 159.77 feet; thence South 25°56'32" East, a distance of 123.44 feet; thence South 31°14'12" East, a distance of 323.96 feet; thence South 35°31'13" East, a distance of 382.11 feet; thence North 87°58'47" East, a distance of 567.35 feet; thence South 16°18'10" East, a distance of 484.48 feet; thence South 30°54'00" East, a distance of 153.83 feet; thence South 01°45'12" East, a distance of 196.09 feet; thence South 13°32'46" East, a distance of 397.05 feet; thence South 45°41'40" East, a distance of 466.72 feet; thence South 88°35'29" East, a distance of 122.04 feet; thence South 01°00'18" West, a distance of 114.02 feet; thence South 45°58'46" East, a distance of 165.49 feet; thence South, a distance of 329.00 feet; thence East, a distance of 53.00 feet; thence South 00°07'31" East, a distance of 457.00 feet; thence South 59°34'27" East, a distance of 219.18 feet; thence South 50°27'41" East, a distance of 274.90 feet; thence South 89°30'25" East, a distance of 581.02 feet; thence South 35°16'03" East, a distance of 715.28 feet; thence South 16°21'04" East, a distance of 252.20 feet; thence North 67°23'15" East, a distance of 590.38 feet; thence North 61°38'55" East, a distance of 229.53 feet; thence North 63°26'06" East, a distance of 2.24 feet; thence South, a distance of 1.00 feet; thence South 18°26'06" East, a distance of 9.49 feet; thence South 42°56'10" East, a distance of 157.08 feet; thence South 40°48'08" East, a distance of 154.56 feet; thence South 33°38'25" East, a distance of 319.51 feet; thence South 50°11'40" East, a distance of 140.58 feet; thence South 28°11'52" East, a distance of 188.35 feet; thence South 01°30'43" West, a distance of 341.12 feet; thence South 16°53'24" West, a distance of 316.66 feet; thence South 11°32'48" West, a distance of 189.84 feet; thence South 02°24'30" East, a distance of 214.19 feet; thence South 13°04'32" West, a distance of 159.13 feet; thence South 22°27'25" West, a distance of 243.46 feet; thence North, a distance of 3.00 feet; thence South 51°17'16" West, a distance of 342.18 feet; thence South 55°23'09" West, a distance of 223.57 feet; thence South 67°33'26" West, a distance of 199.08 feet; thence South 16°04'25" West, a distance of 61.40 feet; thence South 51°12'12" East, a distance of 65.44 feet; thence South 20°25'02" West, a distance of 338.25 feet; thence South 17°10'19" West, a distance of 243.87 feet; thence South 48°58'09" West, a distance of 173.66 feet; thence South 51°18'31" West, a distance of 283.14 feet; thence South 36°43'27" West, a distance of 314.40 feet; thence West, a distance of 22.00 feet; thence South 28°13'25" West, a distance of 200.88 feet; thence South 01°48'31" West, a distance of 95.05 feet; thence South 87°58'09" East, a distance of 141.09 feet; thence South 83°12'40" East, a distance of 42.30 feet; thence North 57°43'28" East, a distance of 22.47 feet; thence South 89°37'49" East, a distance of 155.00 feet; thence East, a distance of 24.00 feet; thence South 00°53'13" East, a distance of 323.04 feet; thence South 88°38'46" East, a distance of 677.19 feet; thence North 00°09'31" West, a distance of 361.00 feet; thence East, a distance of 495.00 feet; thence South, a distance of 4.00 feet; thence East, a distance of 338.00 feet; thence South 00°30'33" East, a distance of 675.03 feet; thence North 89°33'33" East, a distance of 130.00 feet; thence South 00°31'15" East, a distance of 660.03 feet; thence North 89°28'16" East, a distance of 325.01 feet; thence South, a distance of 23.00 feet; thence South 88°49'22" East, a distance of 292.06 feet; thence South 88°40'04" East, a distance of 86.02 feet; thence East, a distance of 1.00 feet; thence South 00°46'33" East, a distance of 517.05 feet; thence South 88°50'20" East, a distance of 296.06 feet; thence East, a distance of 8.00 feet; thence South 00°24'33" East, a distance of 140.00 feet; thence West, a distance of 11.00 feet; thence North 88°18'19" West, a distance of 338.15 feet; thence South, a distance of 251.00 feet; thence East, a distance of 211.00 feet; thence South, a distance of 29.00 feet; thence East, a distance of 130.00 feet; thence continue easterly along said line, a distance of 11.00 feet; thence South 00°25'17" East, a distance of 272.01 feet; thence West, a distance of 350.00 feet; thence South 00°53'43" East, a distance of 128.02 feet; thence South 75°57'50" West, a distance of 4.12 feet; thence West, a distance of 16.00 feet; thence North 89°38'39" West, a distance of 322.01 feet; thence North 00°40'12" West, a distance of 171.01 feet; thence North 89°23'26" West, a distance of 658.04 feet; thence South 00°35'15" West, a distance of 195.01 feet; thence North 89°16'23" West, a distance of 394.03 feet; thence North 89°42'26" West, a distance of 783.01 feet; thence North 48°42'17" West, a distance of 98.49 feet; thence West, a distance of 4,407.00 feet; thence South 00°12'47" West, a distance of 538.00 feet; thence North 68°18'15" West, a distance of 705.38 feet; thence North 39°10'02" East, a distance of 214.87 feet; thence North 62°13'59" West, a distance of 432.66 feet; thence North 56°15'34" East, a distance of 974.64 feet; thence North 00°13'15" West, a distance of 1,944.69 feet; thence South 89°54'47" West, a distance of 1,190.29 feet; thence South 89°55'02" West, a distance of 200.62 feet; thence North 00°00'02" East, a distance of 664.11 feet; thence East, a distance of 200.50 feet; thence North 00°00'34" West, a distance of 664.40 feet; thence South 89°52'04" West, a distance of 600.87 feet; thence continue westerly along said line, a distance of 1,032.98 feet; thence South 11°53'43" East, a distance of 2.49 feet; thence West, a distance of 440.54 feet; thence South 34°07'53" West, a distance of 0.27 feet; thence West, a distance of 578.88 feet; thence North 00°04'50" West, a distance of 1,324.90 feet; thence North 89°49'08" East, a distance of 728.10 feet; thence North 12°01'12" West, a distance of 593.88 feet; thence South 77°58'46" West, a distance of 10.00 feet; thence South 12°01'10" East, a distance of 499.86 feet; thence South 89°49'08" West, a distance of 699.53 feet; thence South 89°54'33" West, a distance of 199.11 feet; thence North 00°04'03" East, a distance of 871.03 feet; thence North 22°23'35" West, a distance of 404.24 feet; thence South 89°53'09" West, a distance of 3,982.28 feet; thence North, a distance of 21.77 feet; thence West, a distance of 943.55 feet; thence North, a distance of 1,319.62 feet; thence East, a distance of 5,278.36 feet to the POINT OF BEGINNING.

Containing 79,740,063 square feet or 1,830.58 acres, more or less.

ADARY

A public hearing has been scheduled before the Lehi City Council on the 26th day of February, 2008, at 7:00 p.m. for the purpose of receiving public comment.

The Lehi City Council will annex the above described parcels unless, at or before the public hearing, written protests to the annexation are filed by the owners of real property located within the area proposed for annexation covering a majority of the total private land area within the entire area proposed for annexation and also is equal to at least ½ the value of all private real property within the entire area proposed for annexation.

EXHIBIT C

THE PROPERTY

[see Exhibits C-1 and C-2 attached]

EXHIBIT C-1

PORTION OF THE PROPERTY RELATING TO ANDERSON LEHI, LLC

580050002

The Northwest Quarter of the Southeast Quarter of Section 35, Township 4 South, Range 1 West, Salt Lake Base and Meridian,

LESS AND EXCEPTING therefrom any portion of said land lying within that certain tract of land conveyed to Salt Lake and Utah Railroad Company, a corporation organized and existing under the Laws of the State of Maine and doing business in the State of Utah, in that certain Warranty Deed recorded November 17, 1913 as Entry No, 5186 of Official Records.

ALSO, LESS AND EXCEPTING therefrom that certain tract of land conveyed to Utah County, a body corporate and politic, in that certain Warranty Deed recorded May 16, 1928 as Entry No. 4319 being more particularly described as follows:

A strip of land two rods wide and extending one rod on each side of the following described center line:

Beginning at a point 20.21 chains South and 3.45 chains West from the Northeast corner of the Northwest Quarter of Section 35, Township 4 South, Range 1 West, Salt Lake Base and Meridian, and running thence South 41 1/2° East 5.20 chains; thence South 16.31 chains,

ALSO, LESS AND EXCEPTING therefrom any portion of said land lying within that certain tract of land conveyed to The United States of America, in that certain Warranty Deed recorded November 3, 1988 as Entry No. 33539, in Book 2555, at Page 141 of Official Records.

Parcel Identification No. 58-005-0002

580050014

Lot 4 of Section 35, Township 4 South, Range 1 West, Salt Lake Base and Meridian,

LESS AND EXCEPTING therefrom any portion of said land lying within that certain tract of land conveyed to Salt Lake and Utah Railroad Company, a corporation organized and existing under the Laws of the State of Maine and doing business in the State of Utah, in that certain Warranty Deed recorded November 17, 1913 as Entry No, 5186 of Official Records.

ALSO, LESS AND EXCEPTING therefrom that certain tract of land conveyed to Utah County, a body corporate and politic, in that certain Warranty Deed recorded May 16, 1928 as Entry No. 4319 being more particularly described as follows:

A strip of land two rods wide and extending one rod on each side of the following described center line:

Beginning at a point 20.21 chains South and 3.45 chains West from the Northeast corner of the Northwest Quarter of Section 35, Township 4 South, Range 1 West, Salt Lake Base and Meridian, and running thence South 41 1/2° East 5.20 chains; thence South 16.31 chains.

ALSO, LESS AND EXCEPTING therefrom any portion of said land lying within that certain tract of land conveyed to The United States of America, in that certain Warranty Deed recorded November 3, 1988 as Entry No, 33539, in Book 2555, at Page 141 of Official Records,

Parcel Identification No. 58-005-0014.

580050015

The Southeast Quarter of the Northwest Quarter of Section 35, Township 4 South, Range 1 West, Salt Lake Base and Meridian.

LESS AND EXCEPTING therefrom any portion of said land lying within that certain tract of land conveyed to Utah Lake Irrigation Company, a corporation, in that certain Warranty Deed dated July 26, 1913 and recorded July 28, 1913 as Entry No, 3651 of Official Records.

ALSO, LESS AND EXCEPTING therefrom any portion of said land lying within that certain tract of land conveyed to Salt Lake and Utah Railroad Company, a corporation organized and existing under the Laws of the State of Maine and doing business in the State of Utah, in that certain Warranty Deed recorded November 17, 1913 as Entry No. 5186 of Official Records,

ALSO, LESS AND EXCEPTING therefrom that certain tract of land conveyed to Utah County, a body corporate and politic, in that certain Warranty Deed recorded May 16, 1928 as Entry No. 4319 being more particularly described as follows:

A strip of land two rods wide and extending one rod on each side of the following described center line:

Beginning at a point 20.21 chains South and 3.45 chains West from the Northeast corner of the Northwest Quarter of Section 35, Township 4 South, Range 1 West, Salt Lake Base and Meridian, and running thence South 41 1/2° East 5.20 chains; thence South 16.31 chains.

ALSO, LESS AND EXCEPTING therefrom any portion of said land lying within that certain tract of land conveyed to The United States of America, in that certain Warranty Deed recorded November 3, 1988 as Entry No, 33539, in Book 2555, at Page 141 of Official Records,

Parcel Identification No. 58-005-0015.

580200074

BEGINNING AT A POINT ON THE SOUTH BOUNDARY LINE OF THE RIGHT-OF-WAY OF S.P.L.A. AND S.L.R.R., 1.30 CHAINS SOUTH OF THE WEST QUARTER CORNER OF SECTION 1, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE MERIDIAN; THENCE SOUTH 18.70 CHAINS TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 1; THENCE EAST 20 CHAINS; THENCE NORTH 26.76 CHAINS TO THE SOUTHWESTERN LINE OF SAID RAILWAY COMPANY'S LAND; THENCE ALONG SAID LAND SOUTH 67°50' WEST 21.60 CHAINS TO THE PLACE OF BEGINNING.

LESS THE FOLLOWING:

ALL OF LOTS 1 AND 2, PLAT A, HUNTER ESTATES SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF, AS RECORDED IN THE OFFICE OF THE UTAH COUNTY RECORDER AS ENTRY NO, 49523.

PARCEL IDENTIFICATION NO, 58-020-0074

5800210002

BEGINNING at the Northwest corner of the Southwest Quarter of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence East 729 feet to Right-of-Way of Redwood Road; thence South 11°50' East 400 feet along said Right-of-Way; thence West 811.02 feet; thence North 391.48 feet, more or less, to the point of beginning.

Parcel Identification No. 58-021-0002

580210012

COMMENCING 20 CHAINS SOUTH OF THE NORTHEAST CORNER OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN: THENCE WEST 20 CHAINS: THENCE SOUTH 10 CHAINS; THENCE EAST 20 CHAINS; THENCE NORTH 10 CHAINS TO THE POINT OF BEGINNING,

LESS AND EXCEPTING THEREFROM ANY PORTION OF THE ABOVE DESCRIBED PROPERTY WHICH LIES WITHIN THE BOUNDS OF 10400 WEST STREET.

PARCEL IDENTIFICATION NO. 58-021-0012

580210015

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN, THENCE RUNNING WEST 19.62 CHAINS: THENCE NORTH 8° EAST 6.00 CHAINS: THENCE NORTH 13° WEST 4.20 CHAINS: THENCE EAST 10.725 CHAINS: THENCE SOUTH 10.00 CHAINS TO THE PLACE OF BEGINNING.

PARCEL IDENTIFICATION NO. 58-021-0015

580210031

COMMENCING 2062.5 FEET WEST FROM THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN; THENCE WEST 792.0 FEET; THENCE NORTH 660.0 FEET; THENCE EAST 792.0 FEET; THENCE SOUTH 660.0 FEET TO THE PLACE OF BEGINNING. (BASIS OF BEARING: SOUTHEAST CORNER TO SOUTHWEST CORNER OF SECTION 2 TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN AS WEST)

TOGETHER WITH A RIGHT OF WAY FOR INGRESS AND EGRESS TO AND FROM THE PROPERTY DESCRIBED ABOVE:

COMMENCING AT A POINT IN THE SOUTH SECTION LINE OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, WHICH IS SOUTH 89°55'01" WEST 174.22 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE SOUTH 89°55'01" WEST ALONG SAID SECTION LINE 1085.50 FEET TO THE EXISTING RIGHT OF WAY FENCE ALONG STATE ROAD 68; THENCE NORTH 12°49'09" WEST 21.53 FEET ALONG EXISTING SAID RIGHT OF WAY FENCE: THENCE NORTH 89°55'01" EAST 1090.25 FEET; THENCE SOUTH 0°04'56" EAST 21.00 FEET TO THE POINT OF BEGINNING (BASIS OF BEARING; UTAH STATE PLANE COORDINATE SYSTEM)

PARCEL IDENTIFICATION NO, 58-021-0031

580210064

The North half of the Southwest Quarter of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian.

LESS AND EXCEPTING therefrom the following:

BEGINNING at the Northwest corner of the Southwest Quarter of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence East 729 feet to Right-of-Way of Redwood

Road; thence South 11'50' East 400 feet along said Right-of-Way; thence West 811.02 feet; thence North 391.48 feet, more or less, to the point of beginning.

ALSO, LESS AND EXCEPTING therefrom that property conveyed in that certain Warranty Deed recorded February 25, 2004 as Entry No. 20764:2004 in the office of the Utah County Recorder. Said property being more particularly described as follows:

BEGINNING at the West Quarter Corner of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence South 585.11 feet to the point of beginning; thence South a distance of 734.54 feet; thence East a distance of 544.46 feet; thence North 24°43'38" West a distance of 67.42 feet; thence North 23°16'43" West a distance of 90.72 feet; thence North 29°23'33" West a distance of 54.07 feet; thence North 32°06'29" West a distance of 52.90 feet; thence North 38°38'53" West a distance of 161.88 feet; thence North 45°21'16" West a distance of 52.85 feet; thence North 39°06'30" West a distance of 56.56 feet; thence North 35°16'39" West a distance of 55.71 feet; thence North 39°53'46" West a distance of 107.09 feet; thence North 37°13'58" West a distance of 54.84 feet; thence North 35°17'17" West a distance of 54.10 feet; thence North 45°36'33" West a distance of 53.04 feet; thence North 52°44'18" West a distance of 49.92 feet; thence North 47°18'09" West a distance of 11.48 feet to the point of beginning.

ALSO, LESS AND EXCEPTING therefrom any portion lying within the bounds of Redwood Road and specifically excepting therefrom that portion conveyed to the State Road Commission of Utah in that certain Right of Way Deed recorded May 18, 1943 as Entry No. 5151, in Book 387, at Page 573, and also conveyed in that certain Right of Way Deed recorded June 17, 1943 as Entry No. 6411, in Book 389, at Page 409 of Official Records.

Parcel Identification No. 68-021-0064.

580210088

Commencing at a point located North 0°07'06" West 1327.48 feet along the section line and West 27.62 feet from the Southeast corner of Section 2, Township 5 south, Range 1 west, Salt Lake Base and Meridian; thence North 89°19'48" West 704.76 feet; thence North 00°03'27" West 428.58 feet; thence East 704.70 feet; thence South 00°03'27" East 436.82 feet to the point of beginning.

580210089

Commencing at a point located North 0°07'06" West 660 feet along the section line and West 27.23 feet from the Southeast corner of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence West to the East bank of o irrigation ditch 1394.49 feet; thence North 27°45'12" East 94.41 feet; thence North 26'38'13" East 110.94 feet; thence along said irrigation ditch as follows: North 34°07'10" East 77.16 feet; thence North 29°53'29" East 33.75 feet; thence North 22°15'26" East 41.33 feet; thence North 14°01'27" East 81.45 feet; thence North 19°10'50"

East 63.52 feet; thence North $13^{\circ}11'02''$ East 76.50 feet; thence North $14^{\circ}48'54''$ East 56.86 feet; thence North $19^{\circ}42'33''$ East 104.04 feet; thence North $21^{\circ}18'33''$ East 269.98 feet; thence North $48^{\circ}49'17''$ East 225.18 feet; thence North $32^{\circ}30'18''$ East 28.45 feet; thence East 127.56 feet; thence South $00^{\circ}03'27''$ East 428.58 feet; thence South $89^{\circ}19'48''$ East 704.76 feet; thence South $00^{\circ}09'07''$ East 667.48 feet along a fence line on 10400 West street to the point of beginning.

580210090

Commencing North 660 feet from the Southeast corner of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian; thence West 28.59 feet; thence North $00^{\circ}09'07''$ West 667.48 feet; thence North $00^{\circ}03'27''$ West 436.82 feet; thence West 832.26 feet; thence South $32^{\circ}30'18''$ West 28.45 feet; thence South $48^{\circ}49'17''$ West 225.18 feet; thence South $21^{\circ}18'33''$ West 269.98 feet; thence South $19^{\circ}42'33''$ West 104.04 feet; thence South $14^{\circ}48'54''$ West 56.86 feet; thence South $13^{\circ}11'02''$ West 76.5 feet; thence South $19^{\circ}10'50''$ West 63.52 feet; thence South $14^{\circ}01'27''$ West 81.45 feet; thence South $22^{\circ}15'26''$ West 41.33 feet; thence South $29^{\circ}53'29''$ West 33.75 feet; thence South $34^{\circ}07'10''$ West 77.16 feet; thence South $26^{\circ}38'13''$ West 110.94 feet; thence South $27^{\circ}45'12''$ West 94.41 feet; thence West 1216.92 feet; thence North 1980 feet; East 2640 feet; thence South 1980 feet to the point of beginning.

EXHIBIT C-2

PORTION OF THE PROPERTY RELATING TO RIVER JORDAN, LLC

[see attached – Ryan Bybee to provide]

Project Area Plan



1,500 750 0 1,500
Feet

ENT 102207:2008 P6 51 of 61

Legend



Street Lights (UDOT Facility)



Major Arterial (80')

Major Collector (70')



Minor Collector (66')



Principal Arterial (106')



State Road



Owned by River Jordan LLC



Annexation Boundary



R-1-15 Residential



R-1-8 Residential



R-2 Medium Density Residential



R-3 High Density Residential

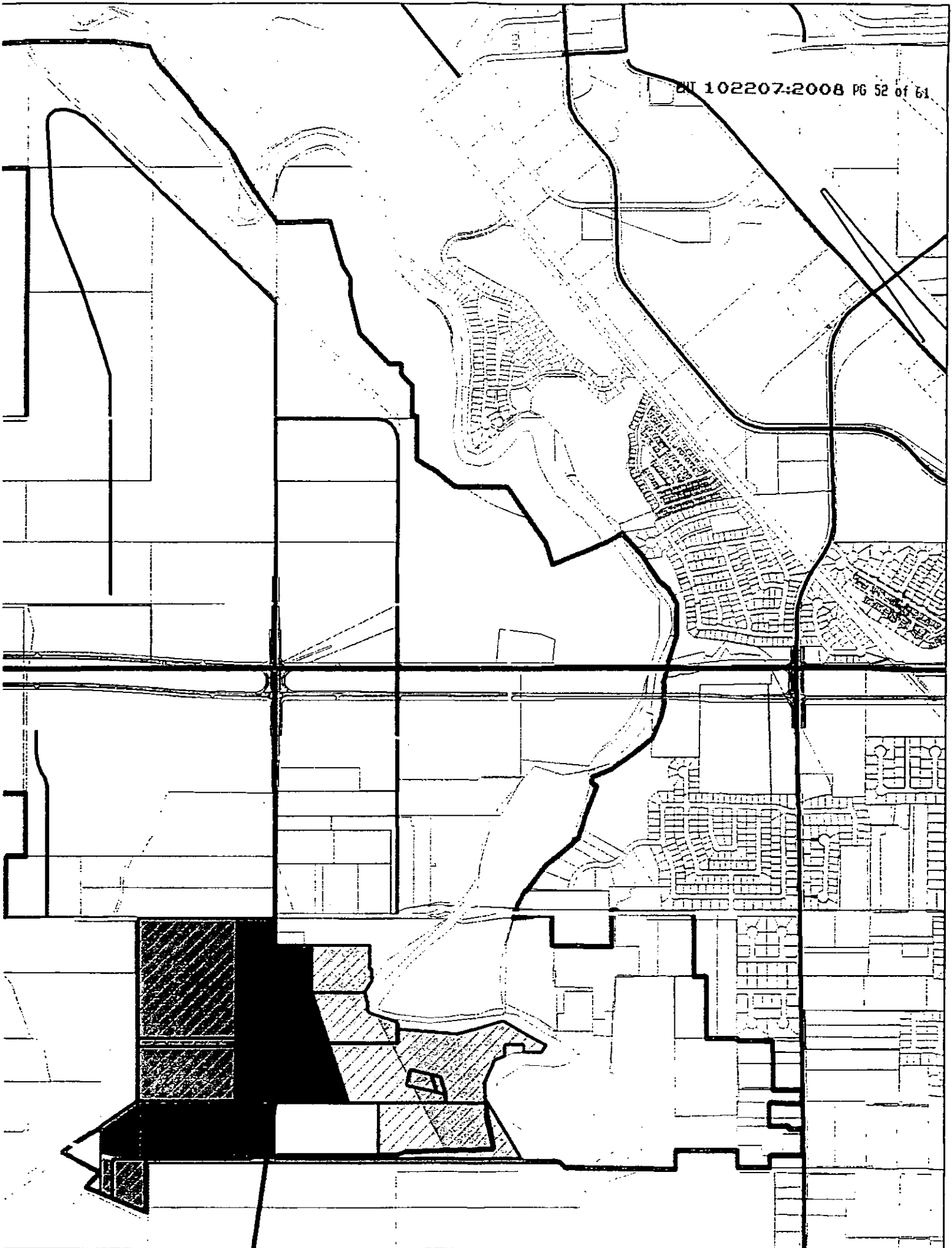


EXHIBIT D-1

PROJECT PLAN FOR ANDERSON LEHI'S PORTION OF THE PROPERTY

[see attached – Ryan Mecham to provide]

Project Area Plan

1,500 750 0 1,500
Feet



Legend



Street Lights (UDOT Facility)



Major Arterial (80')

Major Collector (70')



Minor Collector (66')



Principal Arterial (106')



State Road



Annexation Boundary



RA-1 Residential / Agriculture



R-1-8 Residential



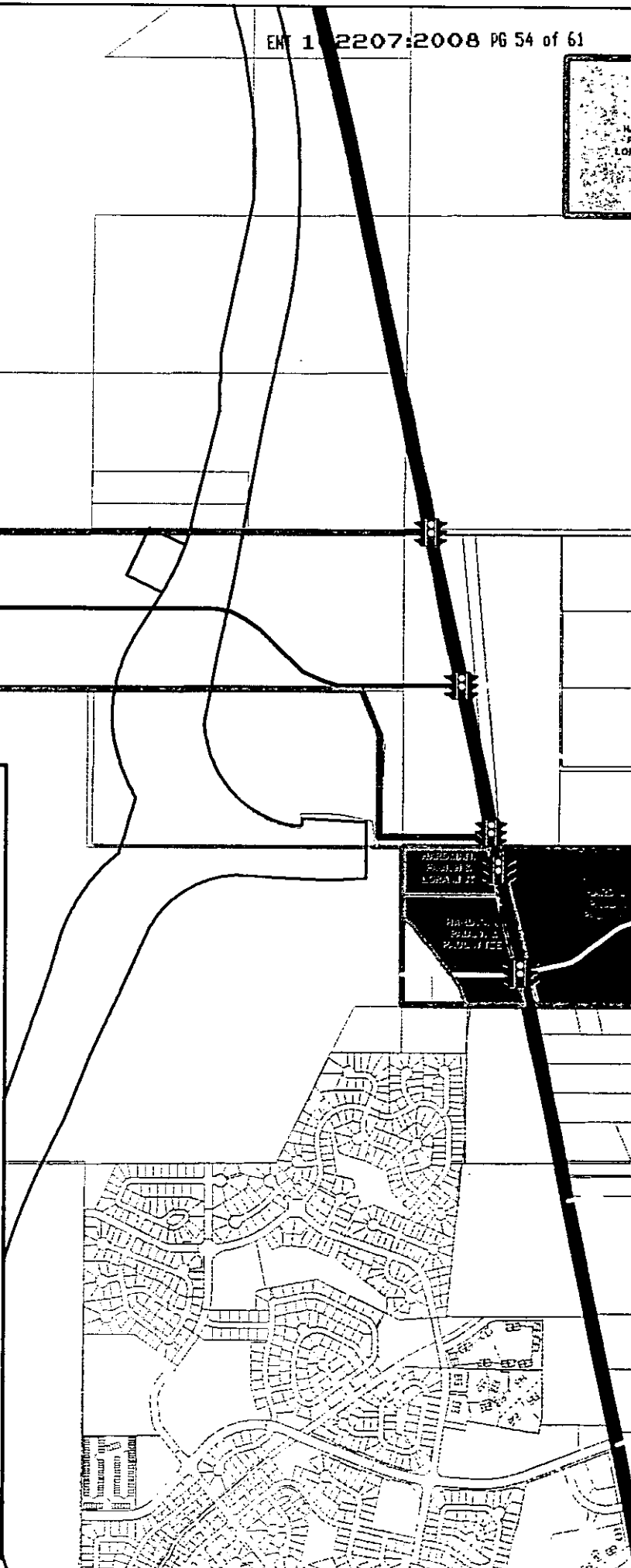
R-2 Medium Density Residential



R-3 High Density Residential



C Commercial



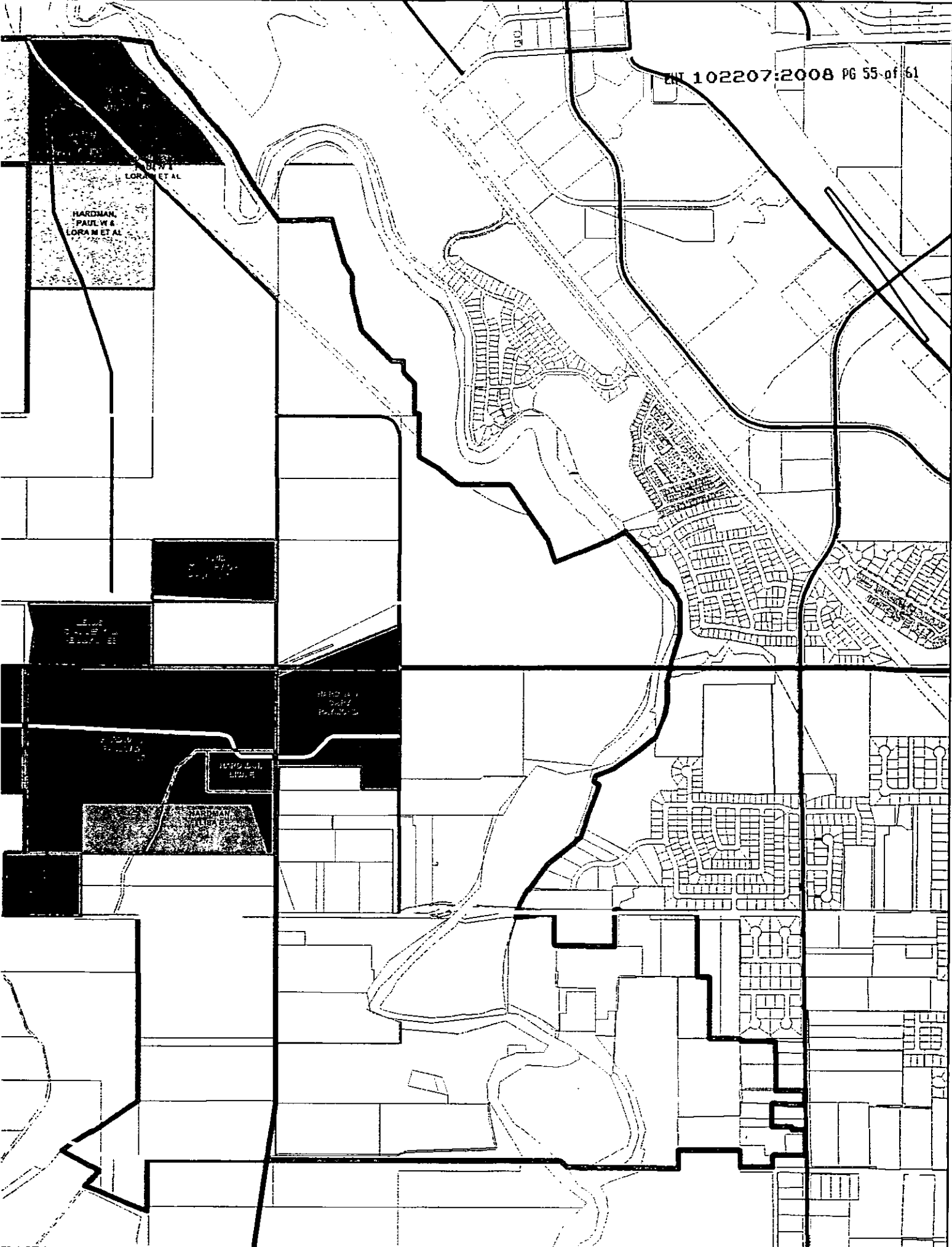
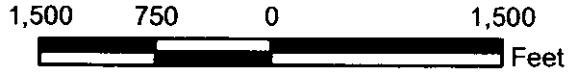


EXHIBIT D-2

PROJECT PLAN FOR RIVER JORDAN, LLC'S PORTION OF THE PROPERTY

[see attached – Ryan Bybee to provide]

Project Area Plan



Legend



Street Lights (UDOT Facility)



Major Arterial (80')

Major Collector (70')



Minor Collector (66')



Principal Arterial (106')



State Road



Owned by River Jordan LLC



Annexation Boundary



R-1-15 Residential



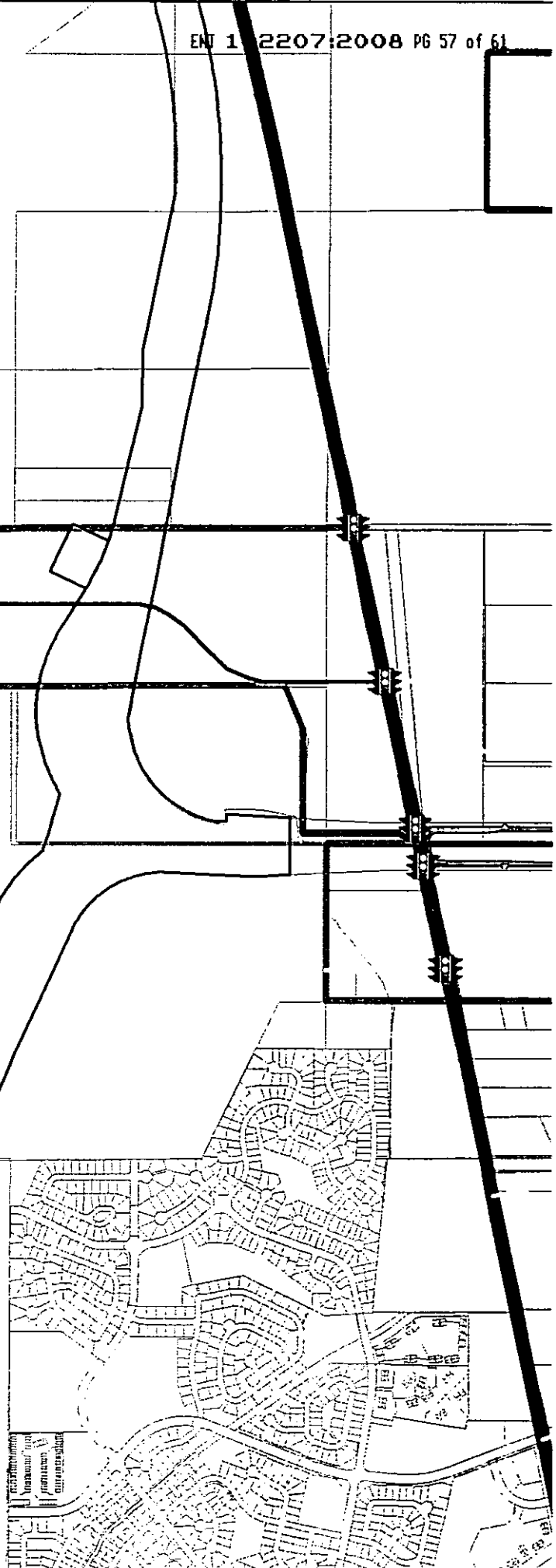
R-1-8 Residential



R-2 Medium Density Residential



R-3 High Density Residential



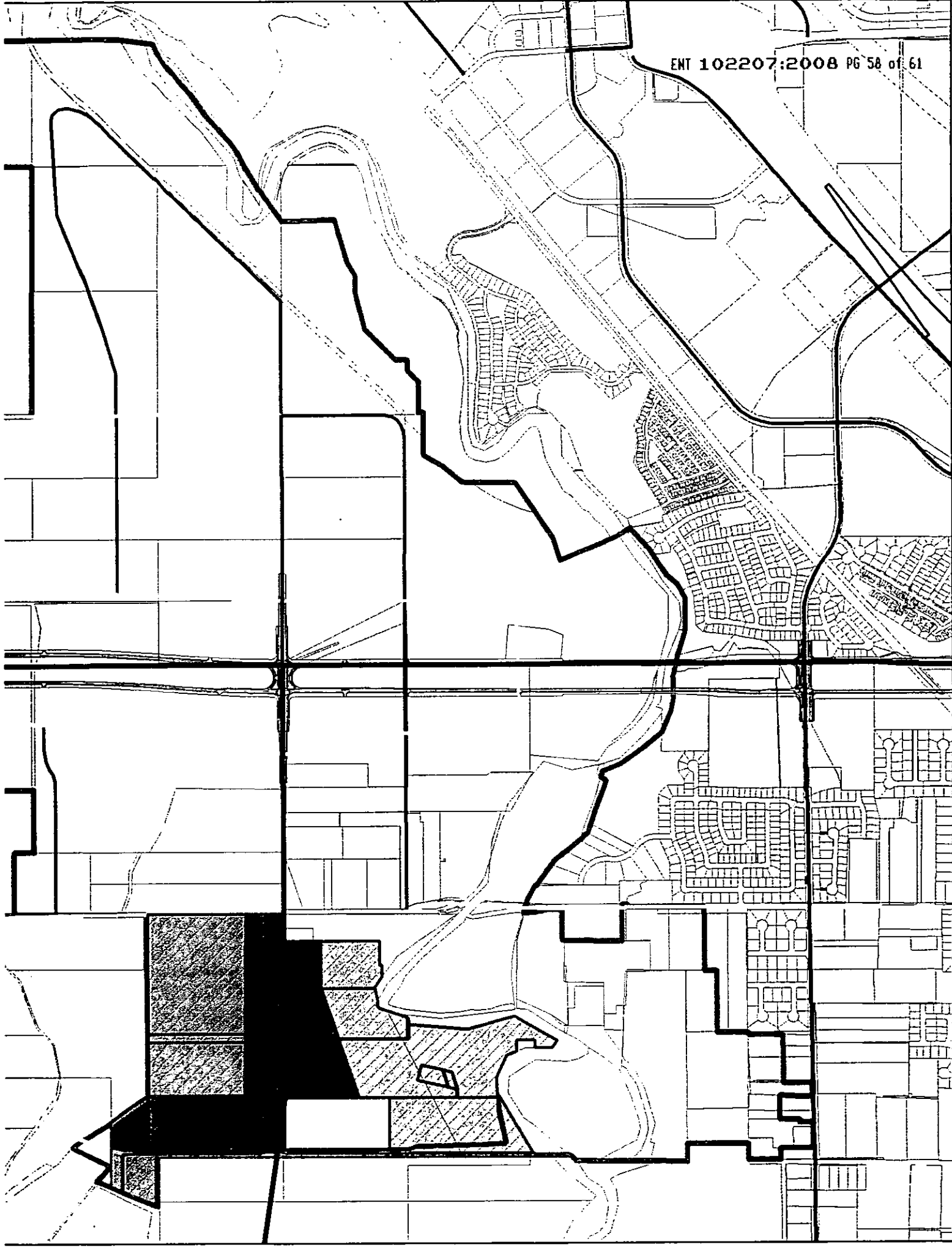


EXHIBIT E**LEHI CITY WATER RIGHTS TRANSFER PROCEDURES**

The procedures in this exhibit pertain to all transfers of water rights to Lehi City such as transfers related to annexation, zone changes, etc.

1. **General Requirements.** The amount of the City's water rights dedication requirement is based on the zoning designation assigned at the time of annexation and as reflected in the Project Plan for each Master Developer's portion of the Property. Should the zone be changed subsequent to annexation, an adjustment will be made in order to conform to the water dedication schedule for the new zone. Acre-feet will be rounded up to the next whole number if the sum total in acre-feet of the dedicated shares of stock in the irrigation company and any water rights ("Stock/Water Rights") do not exactly match the required amount. Lehi Irrigation Company shares shall be used as the standard in determining the number of shares of water stock or number of acre-feet of water rights to be dedicated. Owner shall provide good and marketable title to the Stock/Water Rights so that such Stock/Water Rights will be transferred free and clear of all liens, encumbrances and security interests other than those normally associated with water rights and water shares of the type of such Stock/Water Rights. Owner shall pay all liens, encumbrances, debts, taxes, charges and assessments against said Stock/Water Rights existing as of the date that the Owner transfers Stock/Water Rights to Lehi City.

2. **Fee In Lieu of Future Assessments.** Shares of stock in mutual irrigation companies are subject to payment of an annual fee to cover assessments levied by the irrigation company board of directors pursuant to Utah Code Annotated § 16-4-4, et seq. In consideration for the City's additional obligation created herein for all future assessments levied by the irrigation company, and in consideration that the City may incur additional pumping costs to facilitate use of the water in the City's secondary system, Owner agrees to make a one time payment to Lehi City equal to the most recent annual assessments levied against the shares being transferred to the City multiplied by 15.

3. **Irrigation Company Shares Directly Usable by City Without an Approved Change Application.** If the shares of stock in an irrigation company can be used directly in the Lehi City water systems without an approved change application as reasonably determined by the Lehi City Engineer, the shares shall be transferred into the name of Lehi City through the applicable irrigation company and the certificates delivered to Lehi City. If the shares require pumping and an assessment, the fee in lieu described in Item #2 above shall be paid at the time the certificates are transferred to and accepted by the City.

4. Water Rights and Irrigation Company Shares Which Require Change Application Approval for Use in the City System. The Owner must prepare, submit, pay appropriate fees and receive final approval from the State Engineer's Office for a joint application with Lehi City to change the point of diversion and nature of use for said water rights to allow (1) municipal use (2) diversion of the water rights from a source approved by the Lehi City Engineer, and (3) use within the municipal boundaries of Lehi City. The City shall cooperate in good faith in supporting any such application that is required and shall not unreasonably withhold its signature and approval for any such application. The decision on the change application shall be considered final when the time for filing a request for reconsideration with the Utah State Engineer's office (20 days after issuance of the Utah State Engineer's decision) and the time for filing a judicial review action in the district court (30 days after the later of the issuance of the Utah State Engineer's decision or a denial of a request for reconsideration) has run and no judicial review action has been filed. If the number of acre-feet required for the Water Dedication is not approved by the State Engineer, the Owner shall convey additional water rights in conformance with these procedures to make up the difference. When the change application is final Owner shall comply with Sections 4.1.1 or 4.1.2 as applicable:

4.1.1 Water Rights.

- a. Prepare a special warranty deed to transfer good and marketable title to Lehi City substantially in the form attached as Exhibit F.
- b. Present the deed, along with a preliminary water rights title report when required, for review and approval by Lehi City of the deed content and of compliance with the general requirements of Section 1 above. For water rights equal to or greater than 20 acre-feet, a preliminary title report shall be required from and paid by the Owner and submitted to Lehi City. For water rights less than 20 acre-feet, a preliminary title report may be required from and paid by the Owner as determined by Lehi City.
- c. Execute and record the approved deed at the Utah County Recorder's Office.
- d. Prepare all Reports of Conveyance necessary to update title to the Water Rights with the State Engineer's Office, and submit them to Lehi City for signing.
- e. File signed Reports of Conveyance with the State Engineer's Office and have ownership records transferred to the name of Lehi City.
- f. Deliver recorded deed to Lehi City.

4.1.2 Irrigation Company Shares. If the change application is based on shares of stock in an irrigation or other water company, Owner shall pay all outstanding items outlined in Section 1 above, transfer the shares into the name of Lehi City through the irrigation company, deliver the stock certificates to Lehi City and pay the in lieu fee if required under Section 2 above.

EXHIBIT F

WATER RIGHTS SPECIAL WARRANTY DEED

After recording return to:

WATER RIGHTS
SPECIAL WARRANTY DEED

_____ of _____, Utah,
("Grantor") hereby grants and conveys and warrants against all who claim by, through, or under
Grantor, to LEHI CITY, a municipal corporation of the State of Utah, ("Grantee") for the sum of
TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION the following
described water rights:

This conveyance is subject to the following matters:

[Insert the specific liens, encumbrances, security interests and other matters which are associated
with the water rights to be conveyed by the deed. As per the annexation agreement Exhibit E,
the Lehi City Engineer will then have the opportunity to review the content of the deed and may
find any of the inserted matters not acceptable.]

WITNESS the hand of said Grantor this _____ day of _____,
200__.

STATE OF UTAH)
 : ss.
COUNTY OF _____)

On _____, 200__, personally appeared before me, _____,
the signer of the foregoing instrument, who being by me duly sworn, acknowledged to me that
he/she executed the same.

NOTARY PUBLIC