

subdivision substituting three lots for the originally planned thirteen lots, but maintaining the eighty-eight lots for the remaining phases to be developed under the process previously set forth in the Development Agreement.

F. The Development Agreement did not specifically contemplate or allow for the small subdivision process.

G. Fernwood and County wish to amend the Development Agreement to allow Fernwood to proceed to develop phase 7A (also known as Ponderosa Phase 1) as a small subdivision and agree to amend the Development Agreement as it affects Fernwood and the Ponderosa Property as follows.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Fernwood hereby agree as follows:

1. Concept Plan. The Concept Plan attached to the Development Agreement as Exhibit C is amended as it applies to the Ponderosa Property to be as it appears in the attached **Exhibit 2**, which by this reference is incorporated into this Third Amendment.

2. Section 1.4.5. The Development Agreement, only insofar as it applies to Fernwood and the Ponderosa Property, is amended to include a new section, designated Section 1.4.5. This new section provides as follows:

Section 1.4.5. Small Subdivision. Fernwood is authorized by the County to use the small subdivision process found in Morgan County Ordinances 8-12-53 through 8-12-59 to obtain subdivision approval for phase 7A of the Rollins Ranch development (also known as Ponderosa Phase 1), so long as the small subdivision conforms to the other provisions of this Agreement, including the Concept Plan as amended by the Third Amendment. The definition of a Small Subdivision found at 8-12-53 is agreed to include the Ponderosa Phase 1, as the Development Agreement shall supersede and control where it conflicts with otherwise applicable ordinances.

3. Limitation of Amendment. This Amendment applies only to Fernwood and the Ponderosa Property. It does not affect any other property or any other portion of the Rollins Ranch development.

4. Declaration of Covenants, Conditions, and Restrictions and Architectural Guidelines. The County hereby approves Fernwood's substitute Declaration, as that term is described in paragraph 2.3 of the Development Agreement, attached as **Exhibit 3** and incorporated into this Third Amendment by this reference. The County also hereby approves Fernwood's substitute architectural guidelines for those described in paragraph 2.8 and Exhibit "M" to the Development Agreement, attached as **Exhibit 4** and incorporated into this Third Amendment by this reference.

5. Notices. All notices with respect to the Ponderosa Property shall be given in writing by certified mail, postage prepaid, at the following addresses:

If to County: Morgan County
 48 West Young Street
 Morgan, Utah 84050
 Attn: County Attorney

With a copy to: Morgan County Council
 48 West Young Street
 Morgan, Utah 84050
 Attn: County Council Chairperson

If to Fernwood: Fernwood, L.C.
 476 W. Heritage Park Blvd., Suite 200
 Layton, Utah 84041
 Attn: Douglas M. Durbano

With a copy to: Durbano Law Firm, P.C.
 476 W. Heritage Park Blvd., Suite 200
 Layton, Utah 84041
 Attn: Douglas M. Durbano

6. Miscellaneous. This Amendment contains the entire understanding of County and Fernwood and supersedes all prior oral or written understandings relating to the subject matter set forth herein. This Amendment may be executed in counterparts, each of which shall be deemed an original. This Amendment shall be binding upon and shall inure to the benefit of County and Fernwood and their respective grantees, transferees, lessees, heirs, devisees, personal representatives, successors, and assigns. In all respects, other than as specifically set forth in this Amendment, the Development Agreement and its applicable amendments shall remain unaffected by this Amendment and shall continue in full force and effect in all respects for an additional fifteen years from the original termination date thereof, subject to the terms and conditions thereof, and in the event of any conflict, inconsistency, or incongruity between the provisions of this Amendment and any provisions the Development Agreement as heretofore amended, the provisions of this Amendment shall in all respects govern and control.

[Signatures appear on the next two pages.]

IN WITNESS WHEREOF, this Amendment has been executed as of the date first set forth above.



EXHIBIT 1

Exhibit A-1 Property Description

Total Surveyed Parcel

Beginning at the Northeast Corner of Lot 149, Rollins Ranch Phase 1 Subdivision, said point being North 89°19'26" East 945.94 feet along the section line and the north line of said Rollins Ranch Phase 1 Subdivision from the South Quarter Corner of Section 24, Township 5 North, Range 1 East, Salt Lake Base and Meridian, and running;

Thence North 89°19'26" East 14.07 feet along the section line;

Thence North 11°00'07" East 409.08 feet;

Thence North 18°23'12" East 547.70 feet;

Thence North 21°50'28" East 81.01 feet;

Thence North 0°00'55" West 1636.23 feet to the quarter section line;

Thence North 89°59'51" East 1428.76 feet along the quarter section line to the East Quarter Corner of Section 24, Township 5 North, Range 1 East, Salt Lake Base and Meridian, being an existing 4-way fence post;

Thence South 0°00'16" West 2137.04 feet along the section line to a rebar and cap set by Gardner Engineering at the northerly point of the parcel owned by Browning Arms Company, Entry No. 40892, Book M15, Page 694 of the records of Morgan County;

Thence South 38°51'48" West 597.30 feet along an existing fence line to a rebar and cap set by Gardner Engineering at the westerly point of the parcel owned by Browning Arms Company, Entry No. 40892, Book M15, Page 694 of the records of Morgan County and being at a fence corner and continuing South 38°51'48" West 19.35 feet, (total distance of 616.65 feet) to the section line;

Thence South 89°19'26" West 957.86 feet along the quarter section line to the extension of the east line of Rollins Ranch Phase 3 Subdivision;

Thence South 0°12'44" West 136.02 feet along the extension of the east line to the Northeast Corner of Rollins Ranch Phase 3 Subdivision;

Thence South 89°47'00" West 97.22 feet along the north line of Rollins Ranch Phase 3 Subdivision;

Thence northwesterly 23.56 feet along the arc of a 15.00 foot radius curve to the right, (center bears North 0°13'00" West and long chord bears North 45°13'00" West 21.21 feet, with a central angle of 90°00'00") along the north line of Rollins Ranch Phase 3 Subdivision;

Thence North 0°13'00" West 5.00 feet along the north line of Rollins Ranch Phase 3 Subdivision;

Thence South 89°47'00" West 60.00 feet along the north line of Rollins Ranch Phase 3 Subdivision;

Thence South 0°13'00" East 5.00 feet along the north line of Rollins Ranch Phase 3 Subdivision;

Thence southwesterly 23.56 feet along the arc of a 15.00 foot radius curve to the right, (center bears North 89°47'00" West and long chord bears South 44°47'00" West 21.21 feet, with a central angle of 90°00'00") along the north line of Rollins Ranch Phase 3 Subdivision;

Thence South 89°47'00" West 197.48 feet along the north line, and beyond of Rollins Ranch Phase 3 Subdivision to the Southeast Corner of Lot 149, Rollins Ranch Phase 1 Subdivision;

Thence North 2°53'32" East 133.18 feet along the east line to the Northeast Corner of Lot 149 Rollins Ranch Phase 1 Subdivision, being the point of beginning.

Contains 3,860,156 square feet, 88.617 acres.

Ex 1.

EXHIBIT 2

LAYTON
 1000 S. 1000 W. #204
 LAYTON, UT 84040
 Phone: 801-547-1100
 Fax: 801-591-8115

SALT LAKE CITY
 Phone: 801-225-9229

TOOELE
 Phone: 435-843-3590

CEDAR CITY
 Phone: 435-865-4653

WWW.ENSIGN.COM

OPERA/LAYTON
 1000 S. 1000 W. #204
 LAYTON, UT 84040
 Phone: 801-547-1100
 Fax: 801-591-8115

MT. GREEN UTAH
RANCH BOULEVARD & HIDDEN VALLEY DRIVE
EXHIBIT 2
PONDEROSA CONCEPT PLAN

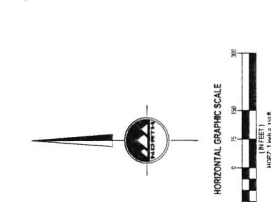


CONCEPT PLAN
EXHIBIT 2
PONDEROSA

1 of 1

LEGEND

- RECTANGULAR CORNER
- EXISTING IMPROVEMENT
- PROPOSED IMPROVEMENT
- EXISTING DRIVEWAY
- PROPOSED DRIVEWAY
- EXISTING SIDEWALK
- PROPOSED SIDEWALK
- EXISTING CURB
- PROPOSED CURB
- EXISTING PAVEMENT
- PROPOSED PAVEMENT
- EXISTING GRADE
- PROPOSED GRADE
- EXISTING STREET LIGHTS
- PROPOSED STREET LIGHTS



Notes:

1. ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
2. ALL DIMENSIONS ARE TO CENTER UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
4. ALL DIMENSIONS ARE TO THE CENTER OF THE ROAD UNLESS OTHERWISE NOTED.
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GENERAL NOTES:

1. THIS CONCEPT PLAN IS A PRELIMINARY DESIGN AND IS NOT TO BE USED FOR CONSTRUCTION.
2. THE DESIGNER HAS CONDUCTED VISUAL INSPECTIONS OF THE SITE AND HAS FOUND IT TO BE SUITABLE FOR THE PROPOSED DEVELOPMENT.
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PROPOSED IMPROVEMENTS:

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LAND USE TABLE

USE	AREA (ACRES)	PERCENTAGE
RESIDENTIAL	4.18	67%
COMMERCIAL	2.03	33%
TOTAL	6.21	100%

ADDRESS BLOCK

LOT NO.	ADDRESS
LOT 101	101 NORTH HIDDEN VALLEY ROAD
LOT 102	102 NORTH HIDDEN VALLEY ROAD
LOT 103	103 NORTH HIDDEN VALLEY ROAD
LOT 104	104 NORTH HIDDEN VALLEY ROAD
LOT 105	105 NORTH HIDDEN VALLEY ROAD

PROPOSED IMPROVEMENTS:

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CURVE TABLE

CURVE NO.	LENGTH (FEET)	DELTA (DEGREES)	CHORD (FEET)
C1	120.00	20.00	119.50
C2	150.00	25.00	149.50
C3	180.00	30.00	179.50
C4	210.00	35.00	209.50
C5	240.00	40.00	239.50
C6	270.00	45.00	269.50
C7	300.00	50.00	299.50
C8	330.00	55.00	329.50
C9	360.00	60.00	359.50
C10	390.00	65.00	389.50
C11	420.00	70.00	419.50
C12	450.00	75.00	449.50
C13	480.00	80.00	479.50
C14	510.00	85.00	509.50
C15	540.00	90.00	539.50
C16	570.00	95.00	569.50
C17	600.00	100.00	599.50
C18	630.00	105.00	629.50
C19	660.00	110.00	659.50
C20	690.00	115.00	689.50
C21	720.00	120.00	719.50
C22	750.00	125.00	749.50
C23	780.00	130.00	779.50
C24	810.00	135.00	809.50
C25	840.00	140.00	839.50
C26	870.00	145.00	869.50
C27	900.00	150.00	899.50
C28	930.00	155.00	929.50
C29	960.00	160.00	959.50
C30	990.00	165.00	989.50
C31	1020.00	170.00	1019.50
C32	1050.00	175.00	1049.50
C33	1080.00	180.00	1079.50
C34	1110.00	185.00	1109.50
C35	1140.00	190.00	1139.50
C36	1170.00	195.00	1169.50
C37	1200.00	200.00	1199.50
C38	1230.00	205.00	1229.50
C39	1260.00	210.00	1259.50
C40	1290.00	215.00	1289.50
C41	1320.00	220.00	1319.50
C42	1350.00	225.00	1349.50
C43	1380.00	230.00	1379.50
C44	1410.00	235.00	1409.50
C45	1440.00	240.00	1439.50
C46	1470.00	245.00	1469.50
C47	1500.00	250.00	1499.50
C48	1530.00	255.00	1529.50
C49	1560.00	260.00	1559.50
C50	1590.00	265.00	1589.50
C51	1620.00	270.00	1619.50
C52	1650.00	275.00	1649.50
C53	1680.00	280.00	1679.50
C54	1710.00	285.00	1709.50
C55	1740.00	290.00	1739.50
C56	1770.00	295.00	1769.50
C57	1800.00	300.00	1799.50
C58	1830.00	305.00	1829.50
C59	1860.00	310.00	1859.50
C60	1890.00	315.00	1889.50
C61	1920.00	320.00	1919.50
C62	1950.00	325.00	1949.50
C63	1980.00	330.00	1979.50
C64	2010.00	335.00	2009.50
C65	2040.00	340.00	2039.50
C66	2070.00	345.00	2069.50
C67	2100.00	350.00	2099.50
C68	2130.00	355.00	2129.50
C69	2160.00	360.00	2159.50
C70	2190.00	365.00	2189.50
C71	2220.00	370.00	2219.50
C72	2250.00	375.00	2249.50
C73	2280.00	380.00	2279.50
C74	2310.00	385.00	2309.50
C75	2340.00	390.00	2339.50
C76	2370.00	395.00	2369.50
C77	2400.00	400.00	2399.50
C78	2430.00	405.00	2429.50
C79	2460.00	410.00	2459.50
C80	2490.00	415.00	2489.50
C81	2520.00	420.00	2519.50
C82	2550.00	425.00	2549.50
C83	2580.00	430.00	2579.50
C84	2610.00	435.00	2609.50
C85	2640.00	440.00	2639.50
C86	2670.00	445.00	2669.50
C87	2700.00	450.00	2699.50
C88	2730.00	455.00	2729.50
C89	2760.00	460.00	2759.50
C90	2790.00	465.00	2789.50
C91	2820.00	470.00	2819.50
C92	2850.00	475.00	2849.50
C93	2880.00	480.00	2879.50
C94	2910.00	485.00	2909.50
C95	2940.00	490.00	2939.50
C96	2970.00	495.00	2969.50
C97	3000.00	500.00	2999.50
C98	3030.00	505.00	3029.50
C99	3060.00	510.00	3059.50
C100	3090.00	515.00	3089.50
C101	3120.00	520.00	3119.50
C102	3150.00	525.00	3149.50
C103	3180.00	530.00	3179.50
C104	3210.00	535.00	3209.50
C105	3240.00	540.00	3239.50
C106	3270.00	545.00	3269.50
C107	3300.00	550.00	3299.50
C108	3330.00	555.00	3329.50
C109	3360.00	560.00	3359.50
C110	3390.00	565.00	3389.50
C111	3420.00	570.00	3419.50
C112	3450.00	575.00	3449.50
C113	3480.00	580.00	3479.50
C114	3510.00	585.00	3509.50
C115	3540.00	590.00	3539.50
C116	3570.00	595.00	3569.50
C117	3600.00	600.00	3599.50
C118	3630.00	605.00	3629.50
C119	3660.00	610.00	3659.50
C120	3690.00	615.00	3689.50
C121	3720.00	620.00	3719.50
C122	3750.00	625.00	3749.50
C123	3780.00	630.00	3779.50
C124	3810.00	635.00	3809.50
C125	3840.00	640.00	3839.50
C126	3870.00	645.00	3869.50
C127	3900.00	650.00	3899.50
C128	3930.00	655.00	3929.50
C129	3960.00	660.00	3959.50
C130	3990.00	665.00	3989.50
C131	4020.00	670.00	4019.50
C132	4050.00	675.00	4049.50
C133	4080.00	680.00	4079.50
C134	4110.00	685.00	4109.50
C135	4140.00	690.00	4139.50
C136	4170.00	695.00	4169.50
C137	4200.00	700.00	4199.50
C138	4230.00	705.00	4229.50
C139	4260.00	710.00	4259.50
C140	4290.00	715.00	4289.50
C141	4320.00	720.00	4319.50
C142	4350.00	725.00	4349.50
C143	4380.00	730.00	4379.50
C144	4410.00	735.00	4409.50
C145	4440.00	740.00	4439.50
C146	4470.00	745.00	4469.50
C147	4500.00	750.00	4499.50
C148	4530.00	755.00	4529.50
C149	4560.00	760.00	4559.50
C150	4590.00	765.00	4589.50
C151	4620.00	770.00	4619.50
C152	4650.00	775.00	4649.50
C153	4680.00	780.00	4679.50
C154	4710.00	785.00	4709.50
C155	4740.00	790.00	4739.50
C156	4770.00	795.00	4769.50
C157	4800.00	800.00	4799.50
C158	4830.00	805.00	4829.50

EXHIBIT 3

November 20, 2006

When Recorded, Please Return to:

Morgan County
Attention: County Attorney
48 West Young Street
Morgan, Utah 84050

Ent 105900 Bk 241 Pg 2
Date: 05-JAN-2007 12:01PM
Fee: \$197.00 Check
Filed By: BDN
BRENDA NELSON, Recorder
MORGAN COUNTY
For: ROLLINS RANCH LLC

DEVELOPMENT AGREEMENT
FOR ROLLINS RANCH,
MORGAN COUNTY, UTAH

THIS DEVELOPMENT AGREEMENT FOR ROLLINS RANCH, MORGAN COUNTY, UTAH (this "**Agreement**") is entered into as of this 20th day of November, 2006, by and between ROLLINS RANCH, L.L.C., a Utah limited liability company ("**Developer**"), and MORGAN COUNTY, a political subdivision of the State of Utah, by and through its County Council (the "**County**").

RECITALS:

A. Developer owns or has the contractual right to acquire approximately 249 acres of land, located in Morgan County, Utah, more particularly described on Exhibit "A" attached hereto and made a part hereof (the "**Property**"), on which Developer has proposed the development of a master planned community in accordance with the site plans attached hereto as "Exhibit "B" (the "**Site Plan**").

B. Pursuant to a duly noticed public hearings on May 14, 2005 and August 11, 2005, the County's Planning Commission voted to recommend to the County Council that the Property be rezoned from A-20 and MU-160 to RR-1 and RR-5.

C. Pursuant to a duly noticed public hearings on June 14, 2005 and September 6, 2005, the County Council considered and adopted the recommendation of the County's Planning Commission and the Property was rezoned from A-20 and MU-160 to RR-1 and RR-5 (the "**Zone Change**").

D. Pursuant to the County's Land Use Management Code Chapter 48 (the "**PRUD Ordinance**") the Developer submitted to the County, and after appropriate public hearings the [Concept Plan] attached hereto as "Exhibit "C" and made a part hereof (the "**Concept Plan**"), and the County has approved the Concept Plan.

E. The County has required that Developer and County negotiate and adopt a development agreement which advances the policies, goals and objectives of the Morgan County General Plan (the "**General Plan**"), the Morgan County Land Use Management Code (the "**Land Use Code**") and the PRUD Ordinance, and contributes to capital improvements, business growth, and development which substantially benefit the County.

F. Developer will design and develop the Property in order to harmonize the use of the Property in accordance with the objectives of the General Plan, the PRUD Ordinance and the Land Use Code to promote the long-range County development objectives and policies.

G. Developer and the County desire to address specific planning issues as set forth below and in the exhibits hereto and to clarify certain standards that will be applied in connection with the development of the Property.

H. The execution of this Agreement has been affirmatively recommended by the County Planning Commission and approved by the County Council based on specific findings of fact that the development of the Property in accordance with this Agreement, the Site Plan and the PRUD Ordinance is consistent with the goals, policies and objectives of the General Plan and is in harmony with the community character and that the use of the Property as contemplated by this Agreement, the Site Plan, the General Plan and the PRUD Ordinance and thereby is essential to the enjoyment of a substantial property right possessed by other property in the same district.

I. The County, acting pursuant to its authority under Utah Code Ann. (the "**Utah Code**") § 17-27a-101, et seq., the PRUD Ordinance, and in furtherance of its land use policies, goals, objectives, ordinances, resolutions, and regulations, has made certain determinations with respect to the Property, and, in the exercise of its administrative powers, has elected to approve this Agreement and the Site Plan, including, without limitation, the density and use standards set forth herein and therein, on this the 20th day of November, 2006.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter to be fully kept and performed, the parties hereby agree as follows:

1. **Zoning, Construction Drawings, and Plat Approval.**

1.1. **Re-Zoning of the Property.**

1.1.1. The County has amended the General Plan and the County's zoning maps to reflect the Zone Change, it being agreed by the County that all necessary public hearings necessary for the implementation of the Zone Change have been accomplished prior to the date hereto. The County Council, after holding all necessary public hearings, has adopted the Concept Plan.

1.1.2. This Agreement supplements, and to the extent of any inconsistencies, modifies the Concept Plan. To the extent of any inconsistencies

between the terms of this Agreement and the Concept Plan, this Agreement shall control. The County Council, after holding all necessary public hearings, has adopted this Agreement.

1.2. Planning Commission Preliminary Plat Approval.

1.2.1. Prior to commencing construction the Property, and simultaneously with the submission of this Agreement, Developer shall submit a preliminary plat, the Declaration, construction drawings and specifications (each, as may be subsequently amended from time to time in accordance with the provisions of this Agreement, a "Plat") and all required submittals (cost estimates, surety, title report, will serves, drainage etc.) for the Property to the County Planning Commission. Each Plat submitted to the County Planning Commission shall comply with all technical requirements of the Land Use Code and subdivision ordinances and all applicable federal, state and local laws, rules, regulations and ordinances. Developer shall pay fees for each Plat as are generally required by the County at the time of the submission of the Plat to the County Planning Commission. Timing of said submission and review by County Staff prior to the Planning Commission shall be in accordance with the adopted Planning Department submittal deadline policy.

1.2.2. The County Planning Commission shall review the Plat and all required submittals (cost estimates, surety, title report, will serves, drainage etc.) associated with the applicable Phase for completeness, and conformity with this Agreement and the Concept Plan (as amended by this Agreement). To the extent that such Plat is complete and consistent with the Concept Plan (as amended by this Agreement), this Agreement and all applicable federal, state and local laws, rules, regulations and ordinances, the County Planning Commission shall make a recommendation to the County Council for the approval of such Plat. The County Planning Commission shall hold all duly noticed public hearings required for the approval of such Plat under the Utah Code, the PRUD Ordinance, the Land Use Code and other County ordinances, as applicable; provided, however, nothing herein shall prevent the County Planning Commission in its discretion from holding any public hearings not required by applicable law. In the event the County Planning Commission determines that such Plat is not complete and consistent with the Concept Plan (as amended by this Agreement, all applicable federal, state and local laws, rules, regulations and ordinances and this Agreement, the County Planning Commission will provide Developer with a reasonably detailed description of any such inconsistencies, in which case Developer shall revise such Plat to remediate any such inconsistencies and resubmit such Plat to the County Planning Commission for approval pursuant to the process set forth above.

1.3. County Council Preliminary Approval of Plat. Following the recommendation from the County Planning Commission that a Plat be approved by the County Council pursuant to Section 1.2 above, such Plat shall be submitted to the County Council for approval. Developer shall be entitled to approval of the Plat provided that the Plat is complete and complies with this Agreement, Concept Plan (as amended by this Agreement) and all applicable federal, state and local laws, rules, regulations and ordinances. The County Council shall review the Plat for completeness, and conformity with this Agreement, all applicable federal, state and local laws, rules, regulations and ordinances and the Concept Plan (as amended by this Agreement). To the extent that such Plat is complete and consistent with the Concept Plan (as amended by this Agreement), this Agreement, the Land Use Code, and all applicable federal, state and local laws and ordinances, the County Council shall approve the Plat. The County Council shall hold all duly noticed public hearings required for the approval of such Plat under the Utah Code and the PRUD Ordinance, the Land Use Code and other applicable County ordinances; provided, however, nothing herein shall prevent the County Planning Commission in its discretion from holding any public hearings not required by applicable law. In the event the County Council determines that the Plat is not consistent with the Concept Plan (as amended by this Agreement) and this Agreement, the County Council will provide Developer with a reasonably detailed description of any such inconsistencies, in which case Developer shall revise such Plat to remediate any such inconsistencies and resubmit such Plat to the County Council for approval pursuant to the process set forth above.

1.4. Final Plat Approval. Following the preliminary approval of the Plat by the County Council pursuant to Section 1.3 above, the County Council shall authorize Developer to submit a final Plat to the County Staff for review. The County Staff shall review a paper Plat for completeness and conformance to the preliminary approval of the Plat (including any conditions for approval) pursuant to the provisions of Section 1.3 above. If such Plat is complete and conforms to the preliminary approval, the County Staff shall authorize Developer to submit a mylar copy of the final Plat for approval. Developer shall be responsible for obtaining all required signatures on the mylar with the exception of the County Planning Commission and County Council. The signed mylar shall be placed on the agenda of the County Planning Commission for review, approval and signature. Following receipt of the final Plat signature from the County Planning Commission, the County Staff shall place the mylar and final Overlay Ordinance on the agenda for the County Council for signature and adoption. The final Plat will then be released to the Developer for recordation.

1.5. Building Permits. Following the recordation of the final Plat, Developer is hereby authorized to sell lots in accordance with State and local law. The County Staff will issue building permits in accordance with this Agreement, the Declaration, the Land Use Code and applicable federal, state and local laws, rules, regulations and ordinances. Building permits shall only be issued when required infrastructure for the applicable Plat has been installed and inspected and approved by the County Engineer, which approval shall be limited to confirming that such infrastructure is completed in accordance with this

Agreement, Declaration, the Land Use Code and applicable federal, state and local laws, rules, regulations and ordinances. No permit shall be issued unless proof of approval from the architectural committee has been submitted to the County.

2. Approved Use, Density, General Configuration, and Development Standards Affecting the Rollins Ranch.

2.1. Property Affected by this Agreement. The legal description of the Property contained within or that may be contained within boundaries of the development to be known as Rollins Ranch is attached and specifically described in Exhibit "A". No additional property may be added to this description for purposes of this Agreement except by written amendment to this Agreement executed and approved by the parties hereto.

2.2. Approved Use, Density, and General Configuration. The approved use, density, and general configuration for the Property are set forth in "Exhibit "D"" attached hereto and made a part hereof.

2.3. Declaration of Covenants, Conditions and Restrictions. Upon the recording of a Plat, Developer shall record the covenants and restrictions with respect to the Rollins Ranch substantially in the form of "Exhibit "E"" which are on file in the Community Development Office (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Declaration**"). The County may not condition its approval of the Plat on the inclusion of more restrictive development standards than those set forth in the Declaration except as required under applicable federal, state and local laws, rules, regulations and ordinances, or upon finding of compelling public interest related to public health, safety and welfare. The entire Property shall be subject to the Declaration, but the Declaration shall establish two (2) neighborhoods (each a "**Neighborhood**") within the Property. Each Neighborhood is generally depicted on "Exhibit "F"" attached hereto and made a part hereof. The development and construction of the Property shall proceed pursuant to and consistent with the Declaration. The Declaration shall establish a single home owner's association for the Property (the "**HOA**"), which HOA shall be responsible for the maintenance of the Common Areas (as such term is defined in the Declaration). At such time as Developer submits the Plat, Developer shall prepare a budget for the HOA showing the costs and expenses expected to be incurred by the HOA during the next succeeding three (3) year period (the "**HOA Budget**"). During the period that Developer controls the HOA pursuant to the provisions of the Declaration, Developer shall contribute such amounts to the HOA as are necessary for the HOA to meet its obligations under HOA Budget (taking into account any amounts assessed against lots subject to the Declaration and owned by third parties). From and after the date that Developer relinquishes control (when 75% of the homes are occupied) of the HOA pursuant to the Declaration, Developer shall only be required to pay to the HOA such amounts as are assessed by the HOA in accordance with the Declaration

against the residential lots owned by Developer. In no event shall the County be responsible or liable for the enforcement of the Declaration.

2.4. Open Space. In connection with development of the Property, Developer shall preserve a portion of the Property as open space. The location of, and the portion of, the Property to be preserved as improved open space and natural open space shall be as set forth "Exhibit "G" attached hereto and made a part hereof (the "**Open Space Plan**"). The open spaces shall be shown on the Plat. The open space shall be maintained and owned in accordance with the Concept Plan (as amended by this Agreement) and the Plat.

2.4.1. Parks. Those portions of the open space which are to be developed as parks, shall be developed by Developer substantially in accordance with the plans shown on "Exhibit "H" attached hereto and made a part hereof. Each park shall be developed in connection with the Neighborhood in which such park is located. The parks shall be owned by the HOA and, except as provided below, shall be limited to the use of the members and guests of the HOA. So long as the Developer and HOA, as applicable, are afforded the same or greater limitations on liability as set forth in the Utah Code § 57-14-101, et seq., such parks shall be open to the general public. Upon the filing of the Plat, Developer shall convey to the HOA each of the parks to be maintained by the HOA.

2.4.2. Trails. Those portions of the open space which are to be developed as public trails shall be developed by Developer substantially as set forth in "Exhibit "I" attached hereto and made a part hereof (the "**Trail Plans**"). The trails shown in the Trail Plans shall be developed in connection with the development of the Neighborhood in which such trails are located. In connection with the development of such trails, Developer shall grant to the County a public easement for the use of all paved trails. The County shall own the improvements on the paved trails, but only retains an easement on the underlying real property. The County shall maintain the paved trails and parkways; provided, however, in lieu of removing snow and ice from the trails during the winter, the County may elect to temporarily close the trails which the County is required to maintain during the periods which snow or ice is covering such trails. The HOA shall be responsible for maintaining the open space surrounding the trails and all unpaved trails. The trails maintained by the County shall be open for the use and enjoyment by the general public. The trails maintained by the HOA and, except as provided below, shall be limited to the use and enjoyment of the members of the HOA and their guests. So long as the Developer and the HOA, as applicable, are afforded the same or greater limitations on liability as set forth in the Utah Code § 57-14-101, et seq., the trails maintained by the HOA shall be open to the general public. Any gates within the Property shall not unreasonably prevent the general public from accessing those trails and parkways which are open to the general public.

2.4.3. Native Open Space. Those portions of the open space which are not being improved by Developer and are to remain as native open space are shown on the Open Space Plan. The HOA shall own such native open space and shall be responsible for the maintenance thereof. The ownership and maintenance requirements for the native open space are outlined on "Exhibit "J"" attached hereto and made a part hereof. The native open space shall be conveyed to the HOA at the time of the filing of the Plat.

2.5. Height Restrictions. Except as provided below, each residential unit shall not exceed a height of thirty-five feet (35') measured from the lowest finished grade elevation to the ridge line of such unit.

2.6. Air Quality. All residential housing shall comply with air quality control standards set forth on "Exhibit "K"" attached hereto and made a part hereof, and with the air quality restrictions, if any, set forth in the Declaration.

2.7. Night Sky. The development of the Property shall at all times comply with the night sky provisions set forth on "Exhibit "L"" attached hereto and made a part hereof, including both public street lighting and private dwelling lighting and the applicable provisions of the Land Use Code. Such restrictions shall also be incorporated into the Declaration.

2.8. Architectural Guidelines. During the development of the Property, Developer shall comply with all architectural guidelines set forth in the Declaration and the provisions set forth on "Exhibit "M"" attached hereto and made a part hereof.

2.9. Proximity to Airport. Each Plat shall contain an avigation easement in favor of Morgan County Airport for the free and unrestricted passage of aircraft of any and all kinds for the purpose of transporting persons or property through the air, in, through, across and about the airspace over the Property. Such easement shall grant the right of flight for the passage of aircraft in airspace, together with the right to cause or create, or allow to be caused or created, such annoyances as may be inherent in, or may arise or occur from or during the operation of, aircraft in compliance with all federal, state or local aviation laws, regulations and ordinances, and other aeronautical activities therein. Further, lot owners within the Rollins Ranch agree to release and hold County harmless for accidents, damages and nuisances related to such use of said avigation easement.

2.10. Browning Agreement. Developer shall enter into an agreement with Browning ("Browning"), pursuant to which Developer shall agree to (a) construct a fence which is not less than six feet (6') high, and otherwise complies with the Declaration, between the Property and the neighboring land owned by Browning (the "Browning Property"), (b) landscape the area between the Property and the Browning Property with trees, (c) post appropriate signage on the Property warning of the potential gun hazard dangers of trespassing on Browning Property, and (d) each Plat submitted to the County

Planning Commission shall specifically acknowledge the existence of the gun range on the neighboring Browning Property, which shall be described as follows: "Browning Arms operates a fire arms test range on nearby property and periodic gun fire will be audible within the boundaries of the Property".

3. **Vested Rights and Reserved Legislative Powers.**

3.1. **Vested Rights.** Subject to Sections 3.2, 6.2 and 6.3, Developer shall have the vested right to develop and construct the Property in accordance with the zoning, subdivision, development, growth management, transportation, environmental, open space, and other land use plans, policies, processes, ordinances, and regulations (together, the "Land Use Laws") in existence and effective on the date of final approval of this Agreement (the "Vesting Date"), and applying the terms and conditions of this Agreement and the Concept Plan (as amended by this Agreement).

3.2. **Reserved Legislative Powers.** Nothing in this Agreement shall limit the County's future exercise of its police power in enacting generally applicable Land Use Laws after the Vesting Date. Notwithstanding the retained power of the County to enact such legislation under the police powers, such legislation shall only be applied to modify the vested rights of Developer under this Agreement based upon 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 Rollins Ranch shall be of general application to all development activity in the County; and, unless the County declares an emergency, Developer shall be entitled to notice and an opportunity to be heard with respect to the proposed change and its applicability to The Rollins Ranch under the compelling, countervailing public policy exception to the vested rights doctrine. Developer acknowledges that the County cannot control changes in federal or state laws, rules and regulations that might affect a developer's right to develop property, including, without limitation, state and federal environmental laws.

4. **Further Approvals.**

4.1. **Subdivision, Plat Approval and Compliance with Design Conditions.** Subject to Section 3.1, Developer expressly acknowledges and agrees that nothing in this Agreement shall be deemed to relieve it from the obligation to comply with all applicable requirements necessary for approval and recordation of the Plat as set forth in Sections 1.2 and 1.3 above. Developer has a vested right to have the Plat approved, subject to Developer's compliance with the requirements of Sections 1.2 and 1.3 hereof.

4.2. **Phasing of the Rollins Ranch.** The Rollins Ranch may be developed in three (3) or more phases, as determined by Developer, in accordance with a Plat approved pursuant to Section 1.2 hereof. The County hereby agrees that Developer is permitted to develop the first three (3) plats simultaneously, which shall consist of 117 lots. Phasing of

the Rollins Ranch shall take into account orderly development of the Rollins Ranch, coordination in connection with the installation of infrastructure improvements, future utility capacity needs, availability of access, adequacy of utilities and related considerations, and provision of open space as provided herein. The second phase of the development shall consist of not more than eighty-six (86) lots. Sales for the second phase shall not commence until 2007. The third phase of the development shall consist of not more than one-hundred and one (101) lots. Sales for the third phase shall not commence until 2009. Nothing herein shall require the Developer to develop the Property in more than three (3) phases. In the event Developer elects to develop the Property in more than three (3) phases, Developer shall not be required to develop a phase in any particular order so long as the development of such project is in accordance with the provision of the third sentence of this Section 4.2.

4.3. Timeliness. Where further approvals from the County are necessary, the County agrees to cooperate in processing requests for such approvals.

5. **Public Improvements.**

5.1. Improvements. All public improvements located within the Rollins Ranch shall be bonded, constructed and installed at the Developer's sole expense in accordance with the Plat (including the approved construction drawings and specifications), the Concept Plan (as amended by this Agreement) and this Agreement and all applicable federal, state and local laws, rules, regulations and ordinances.

5.2. Roadways. Streets within the Property shall be developed in accordance with the Concept Plan (as amended by this Agreement) and the Plat and shall be constructed prior to or concurrent with development of adjacent lots or parcels and in accordance with the Land Use Code and all applicable federal, state and local laws, rules, regulations and ordinances. Developer shall not be required to expand, operate and/or maintain any roadways outside of the Property. Developer acknowledges and agrees that the County may enact impact fees to cover the costs of constructing, maintaining and operating such roadways in accordance with the provisions of Utah Code § 11-306-201, et seq.

5.3. Sewer, Pressure Irrigation, and Storm Drainage. Developer shall install sanitary sewer, pressure irrigation culinary water supply systems and surface water drain systems for the entire Property required to serve the Phase shown on the Construction Drawings, which have been filed with the county. In addition, Developer shall cause to be brought to the Property such other utilities as are customary and necessary for the use of a residential lot. All such installation shall be done according to the reasonable and customary design and construction standards of the utility providers and the County Engineer and shall be installed underground to the extent reasonably possible. Developer shall develop water supply and storage systems and sanitary sewer systems in accordance with the provisions shown on the Construction Drawings, which have been filed with the

county. As a condition of the approval of a Plat, Developer shall obtain for each dwelling unit all necessary will-serve letters from the local water, sewer and utility providers.

6. **Miscellaneous Provisions.**

6.1. **Term of this Agreement.** The rights of the Developer under this Agreement shall continue for a period of fifteen (15) years following the approval and acceptance by the county of all phases of the development, unless the Agreement is earlier terminated or its term modified by written amendment to this Agreement. Developer's obligations under this Agreement shall continue until the earlier to occur of (a) Developer fully performing its obligations under this Agreement, or (b) the release of Developer from its obligations in accordance with Section 7.2. Notwithstanding the foregoing, any indemnification given by Developer under this Agreement shall survive the term of this Agreement.

6.2. **Fees.** Developer acknowledges that filing fees may increase over the life of the Rollins Ranch consistent with the County's exercise of its jurisdiction in accordance with applicable law.

6.3. **Construction Standards.** Construction standards for all portions of the development of the infrastructure for the Property shall be governed by the most current edition of the Land Use Code, the Utah State Building, Plumbing, Mechanical, Electrical Codes, and the International Building Code as enforced by the County as the primary governing agency, at the time of application for building permit. No part of this Agreement shall be deemed to supersede these standards. Developer shall be required to comply will all conditions necessary for the insurance of a building permit, including, without limitation, any bonding or guaranty requirements generally applied by the County.

6.4. **Dedication, Conveyance, and Preservation of Roadways and Open Space.** Upon the filing of the Plat, and except to the extent otherwise expressly set forth in this Agreement, Developer voluntarily agrees to dedicate and convey by special warranty deed or by plat dedication, at no cost to the County and free and clear of liens and encumbrances, except those existing on the Property on the date of acquisition by Developer and those agreed to by the parties (excluding any monetary liens or encumbrances), any areas designated on any plat or site plan to be used as roadways, storm water detention basins, parks open to the general public, and amenities open to the general public, in order to assure use of the land consistent with the policies, goals, and objectives of the General Plan. All parcels to be dedicated or conveyed to the County pursuant to the terms hereof shall be conveyed at the time of recordation of the Plat or at any earlier time agreed to by the parties. The County agrees to operate, maintain, repair and replace, as provided by law all public roadways and dedicated parks and trails after their approval and acceptance by the County and subject to exist warranties, if any. The County shall not be required to maintain or remove snow from any private roadways, parks and trails.

6.5. Minor Development Changes. In the event Developer desires to make minor changes to the approved Plat, plans and specifications and construction drawings which have been approved in accordance with the provisions of Sections 1.2 and 1.3 hereof, following the commencement of the development of the Property in accordance with the provisions of this Agreement and the Concept Plan (as amended by this Agreement), Developer shall submit such changes to the County Engineer for approval. So long as such changes are consistent with this Agreement, and applicable federal, state and local laws, rules, regulations and ordinances, including, without limitation, the provisions of Section 6.3 hereof, and the Concept Plan (as amended by this Agreement), the County Engineer shall approve of such changes. In the event the County Engineer determines that such changes are inconsistent with the provisions of this Agreement or the Overlay Report, Developer must seek the approval of such changes from the County Planning Commission and the County Council.

7. **Successors and Assigns.**

7.1. Binding Effect. This Agreement shall be binding on the successors and assigns of the Developer in the ownership or development of any portion of the Rollins Ranch, and the successors and assigns of the County.

7.2. Assignment.

7.2.1. Developer may from time to time and without the consent of the County, convey any or all of the Phases in their entirety to a Successor Developer, together with the rights granted by this Agreement to develop one or more of the Phases so transferred or conveyed in accordance with this Agreement; provided, however, such assignment shall in no way relieve Developer of its obligations under this Agreement and Developer shall remain jointly and severally liable with Developer's assignee to perform all obligations under the terms of this Agreement which are specified to be performed by Developer. Developer may request the written consent of the County of an assignment of Developer's interest in the Agreement. In such cases, the proposed assignee shall have the qualifications and financial responsibility necessary and adequate, as required by the County, to fulfill the obligations undertaken in this Agreement by Developer. The County shall be entitled to review and consider the ability of the proposed assignee to perform, including financial ability, past performance and experience. After review, if the County gives its written consent to the assignment, Developer shall be released from its obligations under this Agreement for that portion of the Property for which such assignment is approved.

7.2.2. Nothing in this Section 7 shall prohibit Developer, without the consent of the County, from selling residential lots in the ordinary course of the business of Developer, or prohibit the Developer from selling a portion of Rollins

Ranch to one or more occupants for the purpose of erecting, constructing, maintaining, and operating (or causing to be erected, constructed, maintained, and operated) improvements thereon consistent with the requirements of the Overlay Report and this Agreement. The provisions of this Section shall not prohibit the granting of any security interests for financing the acquisition and development of dwelling units, residential lots, commercial structures, or other development parcels within Rollins Ranch, subject to Developer complying with the Overlay Report, this Agreement and applicable federal, state and local laws, rules, regulations and ordinances.

7.2.3. Liability of Assignee. In the event of a transfer of all or any remaining portions of Rollins Ranch and upon assumption by the transferee of the Developer's obligations under this Agreement, the transferee shall be fully substituted as the Developer under this Agreement, and shall agree to be subject to all of the conditions and restrictions to which the Developer and the Property are subject to.

8. **General Terms and Conditions.**

8.1. Agreement to Run With the Land. Except as specifically provided below, this Agreement shall be recorded in the Office of the Morgan County Recorder against the Property and shall be deemed to run with the land, shall encumber the same, and shall be binding on all successors in the ownership of any portion of the Property. Notwithstanding the foregoing, this Agreement shall not be deemed a covenant running with the land with respect to the enforcement of the zoning and land use regulations imposed hereby for any portion of the Property that would otherwise be exempt from compliance with zoning and land use regulations generally under applicable federal or state laws, rules and regulations by reason of the ownership thereof. Except as set forth in Utah Code §17-27a-305, to Developer's actual knowledge no portion of the Property is currently exempt from compliance with zoning and land use regulations. No party hereto shall, by reason of the covenants, conditions and restrictions established hereunder, have authority to take action forbidden by Utah Code §17-27a-305.

8.2. Construction of Agreement. This Agreement should be construed so as to effectuate the public purpose of implementing long-range planning objectives, obtaining public benefits, and protecting any compelling, countervailing public interest while providing reasonable assurances of continuing vested development rights.

8.3. State and Federal Law. The parties agree, intend, and understand that the obligations imposed by this Agreement are only such as are consistent with applicable state and federal laws, rules, regulations and ordinances. The parties further agree that if any provision of this Agreement becomes, in its performance, inconsistent with applicable state and federal laws, rules, regulations and ordinances or is declared invalid, this Agreement shall be deemed amended to the extent necessary to make it consistent with

applicable state and federal laws, rules, regulations and ordinances, as the case may be, and the balance of this Agreement shall remain in full force and effect.

8.4. Relationship of Parties and No Third Party Rights. This Agreement does not create any joint venture, partnership, undertaking, or business arrangement between the parties hereto nor any rights or benefits to third parties. It is specifically understood by the parties that: (a) the Rollins Ranch is a private development; (b) County has no interest in or responsibilities for or duty to third parties concerning any improvements to the Property unless the County accepts the improvements in connection with a dedication plat or deed approval; and (c) Developer shall have the full power and exclusive control of the Property subject to the obligations of Developer set forth in this Agreement.

8.5. Laws of General Applicability. Where this Agreement refers to laws of general applicability to the Rollins Ranch, this Agreement shall be deemed to refer to laws of general applicability to other developed and subdivided properties in the County.

8.6. Integration. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and integrates all prior conversations, discussions, or understandings of whatever kind or nature and may only be modified by a subsequent writing duly executed and approved by the parties hereto.

8.7. No Third Party Beneficiary. The provisions of this Agreement are and will be for the benefit of Developer and the County only and are not for the benefit of any third person or entity.

8.8. Confidentiality. This Agreement and all exhibits and attachments are subject to the provisions of the Government Records Access Management Act, Utah Code Ann. § 63-2-101 et seq. as amended.

8.9. Events of Default.

8.9.1. Upon the happening of one or more of the following events or conditions Developer or County, as applicable, shall be in default ("Default") under this Agreement:

8.9.1.1. A warranty, representation or statement made or furnished by Developer under this Agreement is intentionally false or misleading in any material respect when it was made.

8.9.1.2. A determination by County made upon the basis of substantial evidence that Developer has not complied in good faith with one or more of the material terms or conditions of this Agreement.

8.9.1.3. Any other act or omission, either by County or Developer, which (i) violates the terms of this Agreement, or (ii) materially interferes with the intent and objectives of this Agreement.

8.9.2. Procedure Upon Default.

8.9.2.1. Upon the occurrence of Default, the non-defaulting party shall give the other party thirty (30) days written notice specifying the nature of the alleged default and, when appropriate, the manner in which said Default must be satisfactorily cured. In the event that the Default cannot reasonably be cured within thirty (30) days, the defaulting party shall have such additional time as may be necessary to cure such default so long as the defaulting party takes action to begin curing such default within such thirty (30) day period and thereafter proceeds diligently to cure the default. After proper notice and expiration of said thirty (30) day or other appropriate cure period without cure, the non-defaulting party may declare the other party to be in breach of this Agreement and may take the action specified in Section 8.10.

8.9.2.2. Any Default or inability to cure a Default caused by strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, regulations, or controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other similar causes beyond the reasonable control of the party obligated to perform an obligation under this Agreement, shall excuse the performance of such obligation by such party for a period equal to the period during which any such event prevented, delayed or stopped any required performance or effort to cure a Default.

8.10. Breach of Agreement. Following the occurrence of a Default by Developer, after the expiration of all application notice and cure periods set forth in Section 8.9 above, County may declare Developer to be in breach of this Agreement and County (i) may elect to withhold approval of any or all building permits or certificates of occupancy applied for in the Project, but not yet issued; and (ii) shall be under no obligation to approve or to issue any additional building permits or certificates of occupancy for any building within the Project until Developer has cured such Default. In addition to such remedies, either County or Developer may pursue whatever additional remedies it may have at law or in equity, including injunctive and other equitable relief.

8.11. Enforcement. The parties to this Agreement recognize that County has the right to enforce its rules, policies, regulations, ordinances, and the terms of this Agreement by seeking an injunction to compel compliance, or by withholding building permits or any other lawful means. In the event Developer violates the rules, policies, regulations or

ordinances of County applicable to the Property or otherwise violates the terms of this Agreement, County may, without declaring a Default hereunder or electing to seek an injunction, upon given thirty (30) days written notice to Developer specifying the nature of the alleged violation and, when appropriate, the manner in which said violation must be satisfactorily cured (or such longer period as may be reasonably required by Developer so long as Developer has commenced the cure of such violation within such thirty (30) day period and has thereafter diligently proceeded to cure such default), take such actions as shall be deemed appropriate under law until such violations have been rectified by Developer, including the withholding of building permits. County shall be free from any liability arising out of the proper exercise of its rights under this paragraph.

8.12. No Waiver. Failure of a party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such party to exercise at some future time said right or any other right it may have hereunder. Unless this Agreement is amended by vote of the County Council taken with the same formality as the vote approving this agreement, no officer, official or agent of County has the power to amend, modify or later this Agreement or waive any of its conditions as to bind County by making any promise or representation not contained herein.

8.13. Attorneys Fees. Should any party hereto employ an attorney for the purpose of enforcing this Agreement, or any judgment based on this Agreement, for any reason or in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, including appeals or rehearings, and whether or not an action has actually commenced, the prevailing party shall be entitled to receive from the other party thereto reimbursement for all attorney's fees and all costs and expenses. Should any judgment or final order be issued in any proceeding, said reimbursement shall be specified therein.

8.14. Notices.

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

If to the County: Morgan County
 P.O. Box 886
 48 West Young Street
 Morgan, Utah 84050
 Attn: County Attorney
 Fax No.: (801) 945 6006

With a copy to: Morgan County Council

48 West Young Street
Morgan, Utah 84050
Attn: County Council Chairman
Fax No.: (801) 945 6006

If to Developer: Rollins Ranch, LLC
Union Pacific Depot
12 South, 400 West, Suite 250
Salt Lake City, Utah 84101
Attn: Rulon Gardner
Fax No.: (801) 943-2948

With copy to: Robert A. McConnell
Parr Waddoups Brown Gee & Loveless
185 South State Street, Suite 1300
Salt Lake City, Utah 84111
Fax No.: (801) 532-7750

8.15 Effectiveness of Notice. Any notices sent by certified mail shall be effective on the date on which such notice is sent. Any party may change its address or notice by giving written notice to the other party in accordance with the provisions with this section.

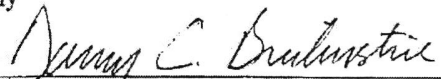
8.16 Applicable Law. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Utah.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first set forth above.

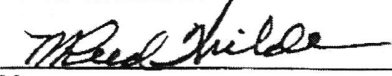
DEVELOPER:

ROLLINS RANCH, L.L.C., a Utah limited liability company

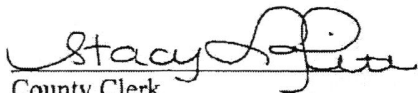
By: 
Name: Danny C. Bridenstine
Title: Managing Member

COUNTY:

COUNTY OF MORGAN

By: 
Name:
Title: County Council Chairman

Attest:

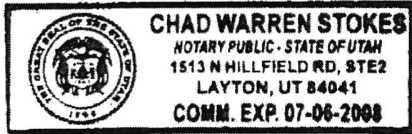

County Clerk

STATE OF UTAH)

:ss.

COUNTY OF SALT LAKE)

The above instrument was acknowledged before me by DANNY L. BRADSHAW, a Manager of Rollins Ranch, L.C., a Utah limited liability company, this 25th day of NOVEMBER, 2006.



CHAD WARREN STOKES
Notary Public
Residing in SOUTH WEAVER

STATE OF UTAH)

:ss.

COUNTY OF SALT LAKE)

The above instrument was acknowledged before me by _____, the County Manager of the County of Morgan, this ___ day of _____, 2006.

Notary Public
Residing in _____

DEVELOPMENT AGREEMENT
EXHIBIT "A"

(Property Legal Description)

BOUNDARY DESCRIPTION

BEGINNING ON THE CENTER OF SECTION 24, TOWNSHIP 5 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH 89°59'51" EAST ALONG SECTION LINE 2655.42 FEET TO THE EAST QUARTER CORNER OF SAID SECTION; THENCE SOUTH 00°00'20" WEST ALONG SECTION LINE 2137.95 FEET; THENCE SOUTH 38°48'52" WEST 615.12 FEET TO A POINT ON THE QUARTER SECTION LINE OF SAID SECTION; THENCE SOUTH 89°19'26" WEST ALONG SAID QUARTER SECTION LINE 959.22 FEET; THENCE WESTERLY THE FOLLOWING 8 CALLS: SOUTH 00°12'44" WEST 1282.86 FEET, SOUTH 71°17'14" WEST 116.13, SOUTH 86°24'00" WEST 78.63 FEET, SOUTH 82°05'18" WEST 83.84 FEET, SOUTH 87°44'45" WEST 177.96 FEET, NORTH 89°49'53" WEST 784.68 FEET, SOUTH 29°32'41" WEST 385.48 FEET, NORTH 88°46'29" WEST 423.53 FEET TO A POINT ON A CURVE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 130.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 33°04'22" A DISTANCE OF 75.04 FEET (CHORD BEARS SOUTH 47°15'51" WEST 74.00 FEET); THENCE SOUTH 30°43'41" WEST 125.28 FEET TO A POINT OF CURVATURE; THENCE SOUTH WESTERLY ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 87°23'49" A DISTANCE OF 38.13 (CHORD BEARS SOUTH 74°25'35" WEST 34.54 FEET) TO THE NORTH LINE OF THE OLD HIGHWAY (167) AND POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG SAID NORTH LINE AND THE ARC OF A 1336.81 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°40'16" A DISTANCE OF 435.63 FEET (CHORD BEARS NORTH 71°38'24" WEST 433.71 FEET); THENCE NORTHERLY THE FOLLOWING 7 CALLS: NORTH 18°25'57" EAST 196.43 FEET, NORTH 05°38'00" WEST 185.45 FEET, NORTH 04°24'38" WEST 322.76 FEET, NORTH 89°17'00" WEST 156.32 FEET, NORTH 22°12'22" WEST 192.73 FEET, NORTH 206.22 FEET, NORTH 05°13'12" WEST 187.43 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG THE ARC OF A 165.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 84°52'08" A DISTANCE OF 244.40 FEET (CHORD BEARS NORTH 47°39'16" WEST 222.67 FEET); THENCE NORTHERLY THE FOLLOWING 6 CALLS NORTH 08°37'59" EAST 60.42 FEET, NORTH 58°00'44" EAST 96.95 FEET, NORTH 17°29'53" WEST 296.56 FEET, NORTH 69°02'33" EAST 242.49 FEET, NORTH 42°59'58" EAST 115.06 FEET, NORTH 72°52'30" EAST 19.72 FEET; THENCE SOUTH 08°05'37" WEST 68.74 FEET; SOUTH 65°51'32" EAST 574.89 FEET TO A POINT ON THE QUARTER SECTION LINE OF SAID SECTION; THENCE SOUTH 89°55'18" EAST 642.04 FEET ALONG SAID QUARTER SECTION LINE 642.02 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 00°18'01" EAST ALONG SECTION LINE 2644.11 FEET TO THE POINT OF BEGINNING.

CONTAINS - 10,860,592 SQ. FT. 249.32 ACRES

Ent 105900 Bk 0241 Pg 0020

Parcel #'s:

- | | |
|------------------|---------------------------|
| - 03 - 005 - 027 | - 03 - 005 - 029 - 01 |
| 00 - 0003 - 3470 | 00 - 0071 - 5460 |
| - 03 - 005 - 029 | - 03 - 005 - 032 - 06 - 1 |
| 00 - 0063 - 3521 | 00 - 0071 - 9593 |

DEVELOPMENT AGREEMENT
EXHIBIT "B"
(Site Plan)

RR-1 (1 ACRE BASIS)

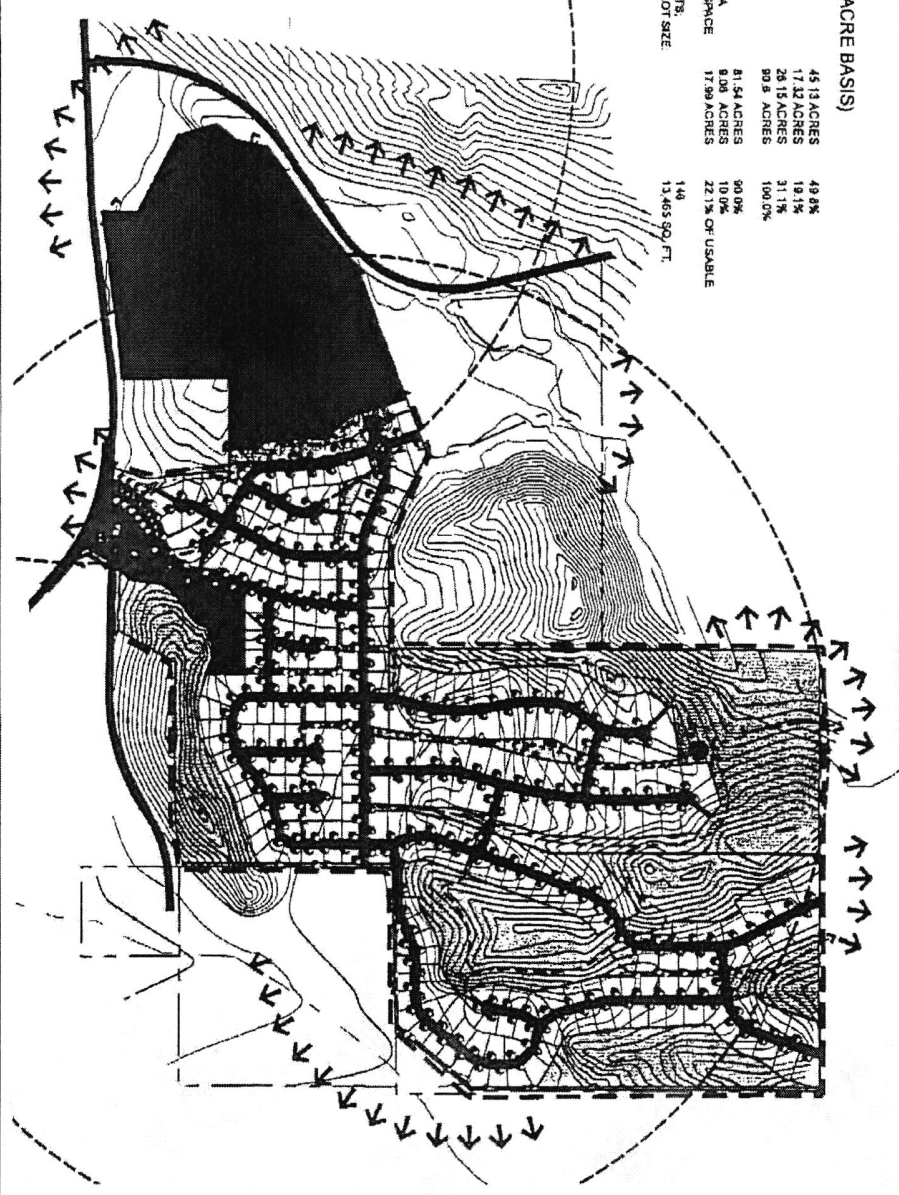
LOTS:	68.11 ACRES	42.1%
ROADWAY:	18.45 ACRES	10.4%
OPEN SPACE:	73.3 ACRES	47.5%
TOTAL AREA:	159.86 ACRES	100.0%
USABLE AREA:	133.11 ACRES	83.3%
UNUSABLE AREA:	26.75 ACRES	16.7%
USABLE OPEN SPACE:	53.16 ACRES	38.4% OF USABLE
NUMBER OF LOTS:	136	
AVERAGE NET LOT SIZE:	19,382 SQ. FT.	

COMBINED AREA (RR-1 AND R1-20)

LOTS:	111.4 ACRES	44.4%
ROADWAY:	33.77 ACRES	13.5%
OPEN SPACE:	183.16 ACRES	41.5%
TOTAL AREA:	248.33 ACRES	100.0%
USABLE AREA:	218.05 ACRES	87.0%
UNUSABLE AREA:	30.28 ACRES	12.0%
USABLE OPEN SPACE:	71.17 ACRES	32.8% OF USABLE
NUMBER OF LOTS:	71	
AVERAGE NET LOT SIZE:	19,023 SQUARE FEET	

R1-20 (1/2 ACRE BASIS)

LOTS:	43.13 ACRES	49.8%
ROADWAY:	17.32 ACRES	19.1%
OPEN SPACE:	28.15 ACRES	31.1%
TOTAL AREA:	88.6 ACRES	100.0%
USABLE AREA:	81.54 ACRES	90.0%
UNUSABLE AREA:	7.06 ACRES	7.9%
USABLE OPEN SPACE:	17.39 ACRES	21.3% OF USABLE
NUMBER OF LOTS:	148	
AVERAGE NET LOT SIZE:	13,465 SQ. FT.	



Tollins Ranch
at Mountain Green
1700 Spruce & Clear Subdivision

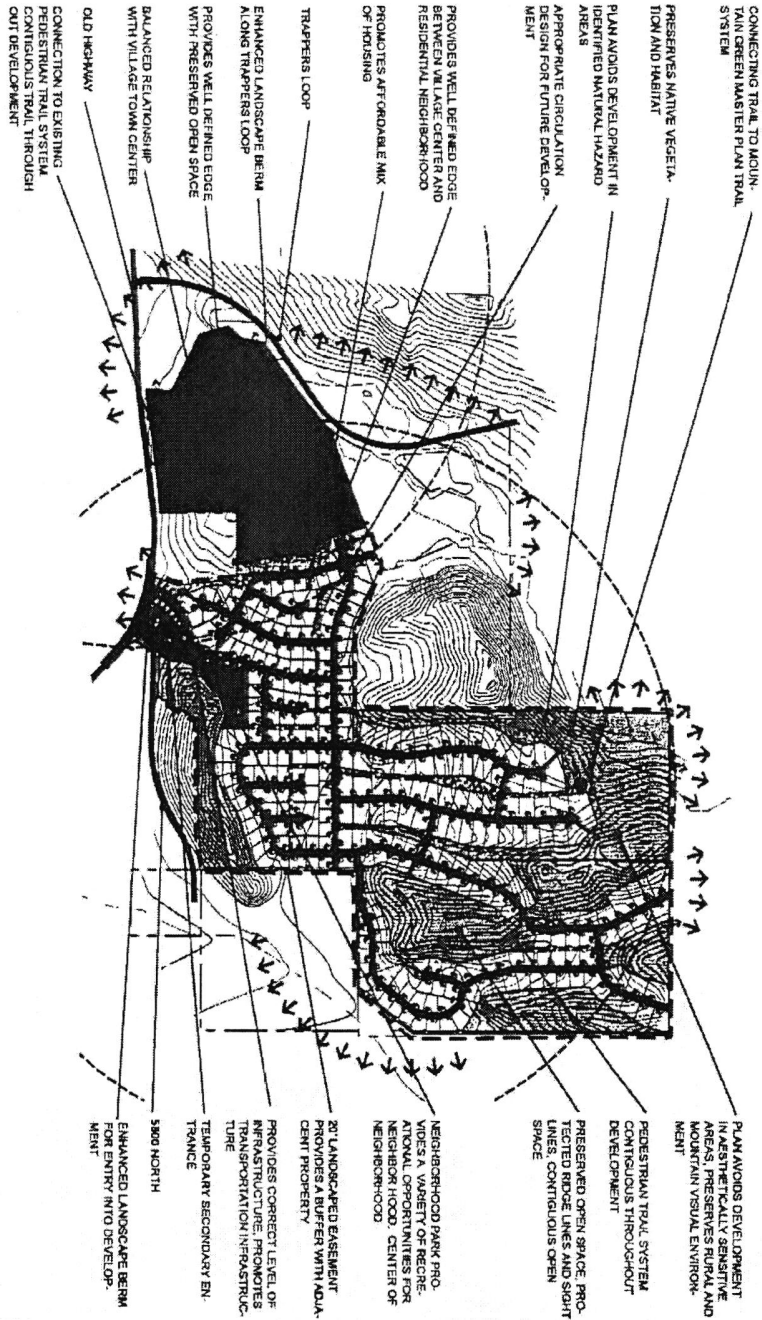
Site Development Information

Legend

- RR-1
- R1-20
- COMMERCIAL
- OPEN SPACE
- NEIGHBORHOOD PARK
- PEDESTRIAN TRAIL
- PAVED PEDESTRIAN TRAIL
- TRAIL HEAD
- EXISTING ROADS
- PROPOSED ROADS
- STREAMS
- VIEW SHEDS
- PROJECT LIMITS
- PROPERTY LINES

NORTH

DEVELOPMENT AGREEMENT
EXHIBIT "C"
(Concept Plan)



Rollins Ranch
at Mountain Green
1 Collierville Hwy, Collierville, TN

Concept Master Plan

Legend

- RR-1
- R1-20
- COMMERCIAL
- OPEN SPACE
- NEIGHBORHOOD PARK
- PEDESTRIAN TRAIL
- PAVED PEDESTRIAN TRAIL
- TRAIL HEAD
- EXISTING ROADS
- PROPOSED ROADS
- STREAMS
- VIEW SHEETS
- PROJECT LIMITS
- PROPERTY LINES



RR-1 (1 ACRE BASIS)

LOTS:	96.71 ACRES	42.1%
ROADWAY:	16.45 ACRES	19.4%
OPEN SPACE:	75.3 ACRES	47.5%
TOTAL AREA:	158.48 ACRES	100.0%
USABLE AREA:	135.11 ACRES	85.3%
UNUSABLE AREA:	23.37 ACRES	14.7%
USABLE OPEN SPACE:	53.19 ACRES	33.4%
NUMBER OF LOTS:	158	
AVERAGE NET LOT SIZE:	18,332 SQ. FT.	

R1-20 (1/2 ACRE BASIS)

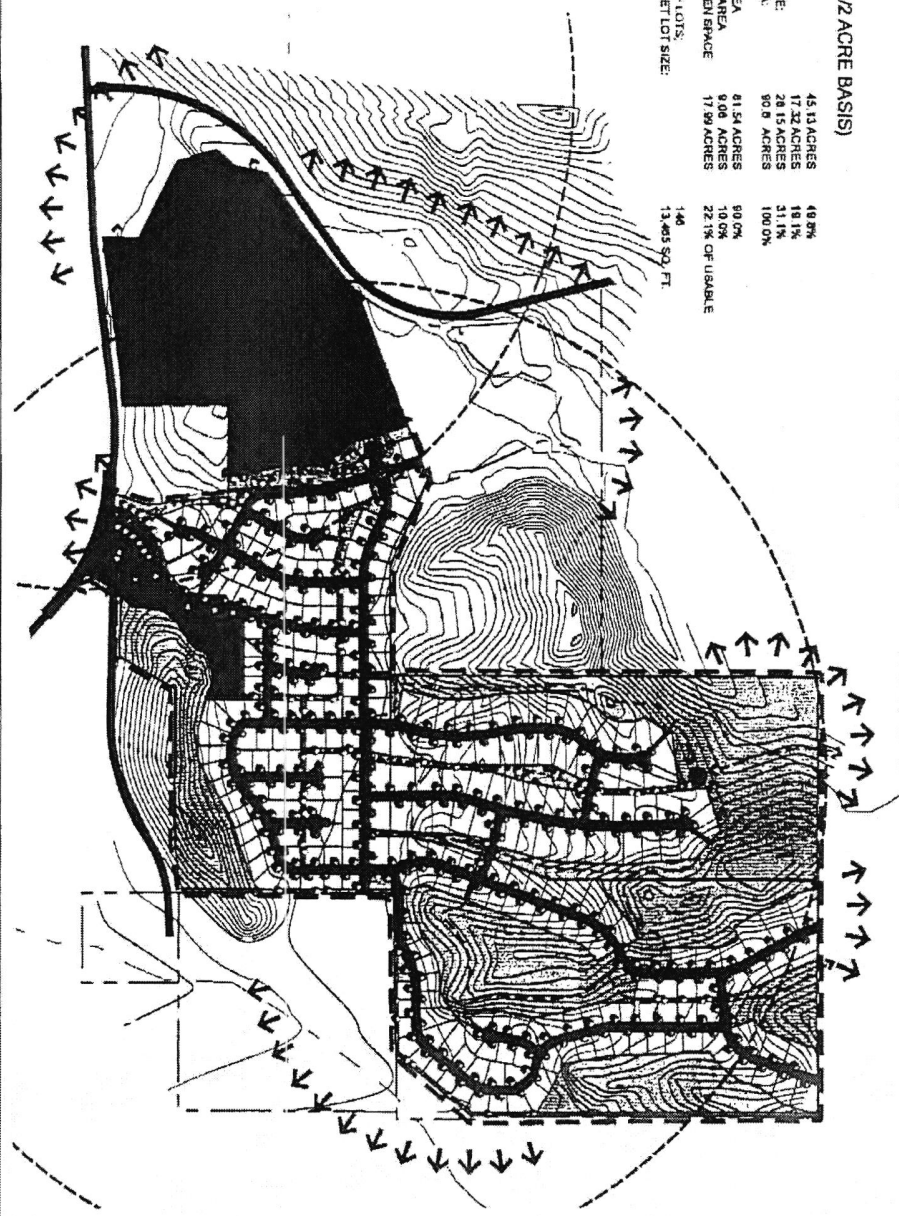
LOTS:	45.13 ACRES	19.8%
ROADWAY:	17.32 ACRES	18.1%
OPEN SPACE:	28.15 ACRES	31.1%
TOTAL AREA:	90.8 ACRES	100.0%
USABLE AREA:	81.54 ACRES	90.0%
UNUSABLE AREA:	9.26 ACRES	10.0%
USABLE OPEN SPACE:	17.89 ACRES	22.1%
NUMBER OF LOTS:	146	
AVERAGE NET LOT SIZE:	13,465 SQ. FT.	

COMBINED AREA (RR-1 AND R1-20)

LOTS:	111.84 ACRES	44.9%
ROADWAY:	33.77 ACRES	13.8%
OPEN SPACE:	103.45 ACRES	41.5%
TOTAL AREA:	249.06 ACRES	100.0%
USABLE AREA:	216.65 ACRES	87.0%
UNUSABLE AREA:	32.41 ACRES	13.0%
USABLE OPEN SPACE:	71.07 ACRES	28.5%
NUMBER OF LOTS:	304	
AVERAGE NET LOT SIZE:	18,025 SQUARE FEET	

DEVELOPMENT AGREEMENT

EXHIBIT "D"
(Approved Use)



Rollins Ranch
at Mountain Creek
10000 Mountain View, Springfield, VA

Site Development Information

Legend

- RR-1
- R1-20
- COMMERCIAL
- OPEN SPACE
- NEIGHBORHOOD PARK
- PEDESTRIAN TRAIL
- PAVED PEDESTRIAN TRAIL
- TRAIL HEAD
- EXISTING ROADS
- PROPOSED ROADS
- STREAMS
- VIEW SHEDS
- PROJECT LIMITS
- PROPERTY LINES

Ent 105900 Bk 0241 Pg 0023

Recording Requested By and
When Recorded Return to:
Morgan County
Attn: Morgan County Attorney
48 West Young Street
Morgan, Utah 84050

Ent 124507 Bk 294 Pg 1138
Date: 21-NOV-2011 3:58:39PM
Fee: None
Filed By: LRH
BRENDA NELSON, Recorder
MORGAN COUNTY
For: MORGAN COUNTY

For Recording Purposes Do
Not Write Above This Line

**FIRST AMENDMENT
TO
DEVELOPMENT AGREEMENT
FOR
ROLLINS RANCH
MORGAN COUNTY, UTAH**

This First Amendment to Development Agreement for Rollins Ranch (this "**Amendment**") is made effective as of the 15th day of November, 2011, by and among Morgan County, a political subdivision of the State of Utah (the "**County**") and Rollins Ranch, LLC, a Utah limited liability company ("**Developer**").

RECITALS

A. The County and Developer entered into that certain Development Agreement for Rollins Ranch (the "**Development Agreement**") dated as of November 20, 2006. Capitalized terms not otherwise defined in this Amendment shall have the meaning ascribed to such terms in the Development Agreement.

B. The Development Agreement pertains to certain real property located within the County and more particularly described on Exhibit "A" attached hereto (the "**Property**").

C. The County and Developer have determined to amend the Development Agreement as more specifically set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Developer hereby agree as follows:

1. **Section 2.4.2.** Section 2.4.2 of the Development Agreement is hereby amended and restated in its entirety as follows:

2.4.2 Trails. The Developer may, but shall not be obligated to, construct both paved and unpaved trails within a given Neighborhood. Those portions of the open space that are developed by Developer as trails shall be constructed at the sole cost and expense of Developer in connection with the development of the Neighborhood in which such trails are located. Upon construction of such trails and conveyance of the applicable open space area to the HOA, the HOA shall be responsible for repair and maintenance of the same, and the County shall have no obligation to repair or maintain such trails. The trails maintained by the HOA shall be limited to the use and enjoyment of the members of the HOA and their guests. So long as the Developer and the HOA, as applicable, are afforded the same or greater limitations on liability as set forth in the Utah Code § 57-14-101, et seq., the trails maintained by the HOA shall be open to the general public. To the extent that the County implements or adopts plans for a County trail system that should logically traverse through previously un-platted portions of the Property, Developer shall cooperate with the County in identifying a reasonable location for a public trail or trails to cross the property and shall grant to the County, without charge, an easement for construction, repair, maintenance and/or replacement of the same in connection with the platting of such portion of the Property. Responsibility for the ongoing maintenance, repair and/or replacement of public trails located on the Property that are incorporated into a County trail system shall be determined at the time of dedication subject to the requirements of applicable law.

2. **Prior Plats.** The modification of Section 2.4.2 of the Development Agreement pursuant to Section 1 of this Amendment shall apply notwithstanding the existence of any prior agreement pertaining to trails or the identification of any trails on the subdivision plats, plans or specifications for Phases 1-3 of the Rollins Ranch Subdivision. To this end, Exhibit "I" of the Development Agreement is no longer applicable and is deleted in its entirety. To the extent necessary to carry out the intent of this Amendment, the County agrees that it shall vacate upon the request of the Developer or the HOA any easement for trails previously granted pursuant to the requirements of Section 2.4.2, if applicable.

3. **Miscellaneous.** This Amendment contains the entire understanding of the Parties hereto and supersedes all prior oral or written understandings relating to the subject matter set forth herein. This Amendment may be executed in counterparts each of which shall be deemed an original. This Amendment shall be binding upon and shall inure to the benefit of each Party and their respective grantees, transferees, lessees, heirs, devisees, personal representatives, successors, and assigns. In all respects, other than as specifically set forth in this Amendment, the Development Agreement shall remain unaffected by this Amendment and shall continue in full force and effect, subject to the terms and conditions thereof, and in the event of any conflict, inconsistency, or incongruity between the provisions of this Amendment and any provisions of the Development Agreement, the provisions of this Amendment shall in all respects govern and control.

[Signatures appear on the next two pages.]

DEVELOPER:

ROLLINS RANCH, LLC, a Utah limited liability company

By: *Rulon C. Gardner*
Name: Rulon C. Gardner
Title: Manager

DEVELOPER ACKNOWLEDGEMENT

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

On this 15 day of November, 2011, before the undersigned notary public in and for the said state, personally appeared Rulon C. Gardner, known or identified to me to be the Manager of Rollins Ranch, LLC, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Constance Miller
Notary Public for Utah
Residing at: SALT LAKE CITY
My Commission Expires: 10-13-2015

**EXHIBIT A
TO
AMENDMENT OF DEVELOPMENT AGREEMENT**

Legal Description of Property

BEGINNING ON THE CENTER OF SECTION 24, TOWNSHIP 5 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH 89°59'51" EAST ALONG SECTION LINE 2655.42 FEET TO THE EAST QUARTER CORNER OF SAID SECTION; THENCE SOUTH 00°00'20" WEST ALONG SECTION LINE 2137.95 FEET; THENCE SOUTH 38°48'52" WEST 615.12 FEET TO A POINT ON THE QUARTER SECTION LINE OF SAID SECTION; THENCE SOUTH 89°19'26" WEST ALONG SAID QUARTER SECTION LINE 959.22 FEET; THENCE WESTERLY THE FOLLOWING 8 CALLS: SOUTH 00°12'44" WEST 1282.86 FEET, SOUTH 71°17'14" WEST 116.13, SOUTH 86°24'00" WEST 78.63 FEET, SOUTH 82°05'18" WEST 83.84 FEET, SOUTH 87°44'45" WEST 177.96 FEET, NORTH 89°49'53" WEST 784.68 FEET, SOUTH 29°32'41" WEST 385.48 FEET, NORTH 88°46'29" WEST 423.53 FEET TO A POINT ON A CURVE; THENCE SOUTHWESTLY ALONG THE ARC OF A 130.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 33°04'22" A DISTANCE OF 75.04 FEET (CHORD BEARS SOUTH 47°15'51" WEST 74.00 FEET); THENCE SOUTH 30°43'41" WEST 125.28 FEET TO A POINT OF CURVATURE; THENCE SOUTH WESTERLY ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 87°23'49" A DISTANCE OF 38.13 (CHORD BEARS SOUTH 74°25'35" WEST 34.54 FEET) TO THE NORTH LINE OF THE OLD HIGHWAY (167) AND POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG SAID NORTH LINE AND THE ARC OF A 1336.81 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°40'16" A DISTANCE OF 435.63 FEET (CHORD BEARS NORTH 71°38'24" WEST 433.71 FEET); THENCE NORTHERLY THE FOLLOWING 7 CALLS: NORTH 18°25'57" EAST 196.43 FEET, NORTH 05°38'00" WEST 185.45 FEET, NORTH 04°24'38" WEST 322.76 FEET, NORTH 89°17'00" WEST 156.32 FEET, NORTH 22°12'22" WEST 192.73 FEET, NORTH 206.22 FEET, NORTH 05°13'12" WEST 187.43 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG THE ARC OF A 165.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 84°52'08" A DISTANCE OF 244.40 FEET (CHORD BEARS NORTH 47°39'16" WEST 222.67 FEET); THENCE NORTHERLY THE FOLLOWING 6 CALLS NORTH 08°37'59" EAST 60.42 FEET, NORTH 58°00'44" EAST 96.95 FEET, NORTH 17°29'53" WEST 296.56 FEET, NORTH 69°02'33" EAST 242.49 FEET, NORTH 42°59'58" EAST 115.06 FEET, NORTH 72°52'30" EAST 19.72 FEET; THENCE SOUTH 08°05'37" WEST 68.74 FEET; SOUTH 65°51'32" EAST 574.89 FEET TO A POINT ON THE QUARTER SECTION LINE OF SAID SECTION; THENCE SOUTH 89°55'18" EAST 642.04 FEET ALONG SAID QUARTER SECTION LINE 642.02 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 00°18'01" EAST ALONG SECTION LINE 2644.11 FEET TO THE POINT OF BEGINNING.

CONTAINS - 10,860,592 SQ. FT. 249.32 ACRES

4818-3708-2124, v. 2

Ent 124507 Bk 0294 Pg 1143

Ent 135195 Bk 0320 Pg 0405

Recording Requested By and
When Recorded Return to:
Morgan County
Attn: Morgan County Attorney
48 West Young Street
Morgan, Utah 84050

Ent 128494 Bk 304 Pg 638
Date: 27-FEB-2013 3:43:46PM
Fee: \$200.00 Credit Card
Filed By: CB
BRENDA NELSON, Recorder
MORGAN COUNTY
For: RC GARDNER DEVELOPMENT

For Recording Purposes Do
Not Write Above This Line

**SECOND AMENDMENT TO DEVELOPMENT AGREEMENT
FOR
ROLLINS RANCH**

This Second Amendment to Development Agreement (this "**Amendment**") is made effective as of the 19th day of February, 2013, by and between Morgan County, a political subdivision of the State of Utah, by and through its County Council (the "**County**"), and Rollins Ranch, L.L.C., a Utah limited liability company ("**Developer**").

RECITALS

A. The County and Developer, entered into that certain Development Agreement for Rollins Ranch, dated November 20, 2006 and recorded in the office of the Morgan County Recorder on January 5, 2007, as Entry No. 105900 in Book 241 at Page 2 (as amended prior to the date hereof, the "**Development Agreement**"). Capitalized terms not otherwise defined in this Amendment shall have the meaning ascribed to such terms in the Development Agreement.

B. The Development Agreement pertains to certain real property located within the County and more particularly described on Exhibit "A" attached hereto (the "**Property**"), which Property is located in the County's R1-20 and RR-1 zoning districts.

C. The Property is being developed pursuant to the County's PRUD Ordinance (now repealed) as more fully set forth in the Development Agreement, but the Development Agreement does not specifically address maximum coverage for the lots created pursuant to the Development Agreement and the Plats submitted and approved pursuant to the terms thereof.

D. In the absence of specific provisions addressing coverage in the Development Agreement, the County has indicated that the applicable coverage limitations, for those portions of the Property that are in the underlying R1-20 and RR-1 zoning districts, as the case may be, are the twenty-five percent (25%) limitation generally applicable in the R1-20 zoning district and the twenty percent (20%) limitation generally applicable in the RR-1 zoning district.

E. Given the purposes of the PRUD Ordinance and the provisions of the Development Agreement, Declaration and other applicable documents regarding set-backs, minimum home sizes, etc., the County has determined that the omission of a specified coverage requirement for the smaller lot sizes approved pursuant to the Development Agreement and approved Plats was an oversight, and that coverage requirements should be established for approved lots located within the boundaries of the Property.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Developer hereby agree as follows:

1. **Coverage Limitation.** Except as allowed for utility uses and governmentally operated essential service facilities in section 8-6-18 of the Morgan County Land Use Management Code, the maximum lot coverage for lots located in Phases 1, 2 and 3 of the Rollins Ranch PRUD located on the Property is twenty-five percent (25%). "Lot coverage" for purposes of the Development Agreement shall mean the total lot area covered by foundation areas of all structures, including the living area, porches, garages and accessory building area. With respect to any additional phases, if coverage requirements differ from those applicable to the underlying zoning district, then such alternative approved lot coverage requirements for such additional phases of the Rollins Ranch PRUD shall be set forth on the applicable plat of subdivision for such phases.

2. **Confirmation of Set-Backs.** The County and Developer further confirm that the minimum set-backs for lots located on the Property are twenty (20) feet from the front Lot line; ten (10) feet from each side Lot lines; and twenty (20) feet from the rear Lot line. Corner lots shall have two (2) front yards and two (2) side yards.

3. **Revised Concept Plans.** Exhibits "B, C, D, F, G, H, J & L" to the Development Agreement are hereby superseded and replaced in their entirety by Exhibits "B-1, C-1, D-1, F-1, G-1, H-1, I-1, J-1 & L-1" attached hereto. Any and all references to the "Concept Plan" in the Development Agreement shall in all instances refer to each of these amended Exhibits as attached hereto.

4. **Phasing of the Rollins Ranch.** Paragraph 4.2 to the Development Agreement is hereby superseded and replaced in its entirety Paragraph 4.2-A below:

4.2-A Phasing of Rollins Ranch Rollins Ranch may be developed in seven (7) or more phases, as determined by Developer, each such phase in accordance with a plat approved pursuant to Section 1.2 of the Development Agreement. The County hereby agrees that Developer was permitted to develop the first three (3) phases simultaneously, which consisted of 117 lots. Phasing of the Rollins Ranch shall take into account orderly development of the Rollins Ranch, coordination in connection with the installation of infrastructure improvements, future utility capacity needs, availability of access, adequacy of utilities and related considerations, and provision of open space as provided herein. The fourth phase of the development, as shown on the Concept Plan, shall consist of not more than thirty (30) lots. The fifth phase of the development,

as shown on the Concept Plan, shall consist of not more than ten (10) lots. The sixth phase of the development, as shown on the Concept Plan, shall consist of not more than ten (10) lots. The seventh phase of the development, as shown on the Concept Plan, shall consist of not more than one-hundred and one (101) lots. Nothing herein shall require Developer to delay commencement of any phase. Nothing herein shall require the Developer to develop the Property in more than seven (7) phases. Developer shall not be required to develop the designated phases in any particular order so long as the development of the Rollins Ranch is in accordance with the provision of the third sentence of this section 4.2-A.

5. Miscellaneous. This Amendment contains the entire understanding of the County and Developer and supersedes all prior oral or written understandings relating to the subject matter set forth herein. This Amendment may be executed in counterparts each of which shall be deemed an original. In all respects, other than as specifically set forth in this Amendment, the Development Agreement shall remain unaffected by this Amendment and shall continue in full force and effect, subject to the terms and conditions thereof, and in the event of any conflict, inconsistency, or incongruity between the provisions of this Amendment and any provisions of the Development Agreement, the provisions of this Amendment shall in all respects govern and control.

[Signatures appear on the next two pages.]

IN WITNESS WHEREOF, the parties have entered into this Amendment on the date first set forth above.

COUNTY:

MORGAN COUNTY,
a Political Subdivision of the State of Utah

DEVELOPER:

ROLLINS RANCH L.L.C.,
a Utah Limited Liability Company

By: Tina D. Kelley
TINA D. KELLEY, MORGAN COUNTY CHAIR
~~Tina D. Kelley, County Council Clerk~~

By: Rulon C. Gardner
Rulon C. Gardner, Manager

ATTEST:

Stacy Lafitte
Stacy Lafitte, County Clerk

COUNTY ACKNOWLEDGEMENT

STATE OF UTAH)
 : ss.
County of Morgan)

On this 20th day of February, 2013, before the undersigned notary public in and for the said state, personally appeared Tina D. Kelley known or identified to me to be the Chair of the Morgan County Council and the person who executed the foregoing instrument on behalf of said County and acknowledged to me that said County executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Ronda Kippen
Notary Public for Utah
Residing at: Morgan, Ut
My Commission Expires: 12-30-15

DEVELOPER ACKNOWLEDGEMENT

STATE OF UTAH)
) SS
COUNTY OF SALT LAKE)

On this 15 day of February, 2013, before the undersigned notary public in and for the said state, personally appeared Rulon C. Gardner, known or identified to me to be a Manager of Rollins Ranch, L.L.C., and the person who executed the foregoing instrument and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Constance Miller
Notary Public for Utah
Residing at: SALT LAKE CITY
My Commission Expires: 10-13-2015

EXHIBIT A
TO
AMENDMENT OF DEVELOPMENT AGREEMENT

Legal Description of Property

[See Attached.]

BOUNDARY DESCRIPTION

BEGINNING ON THE CENTER OF SECTION 24, TOWNSHIP 5 NORTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH 89°59'51" EAST ALONG SECTION LINE 2655.42 FEET TO THE EAST QUARTER CORNER OF SAID SECTION; THENCE SOUTH 00°00'20" WEST ALONG SECTION LINE 2137.95 FEET; THENCE SOUTH 38°48'52" WEST 615.12 FEET TO A POINT ON THE QUARTER SECTION LINE OF SAID SECTION; THENCE SOUTH 89°19'26" WEST ALONG SAID QUARTER SECTION LINE 959.22 FEET; THENCE WESTERLY THE FOLLOWING 8 CALLS: SOUTH 00°12'44" WEST 1282.86 FEET, SOUTH 71°17'14" WEST 116.13, SOUTH 86°24'00" WEST 78.63 FEET, SOUTH 82°05'18" WEST 83.84 FEET, SOUTH 87°44'45" WEST 177.96 FEET, NORTH 89°49'53" WEST 784.68 FEET, SOUTH 28°32'41" WEST 385.48 FEET, NORTH 88°46'26" WEST 423.53 FEET TO A POINT ON A CURVE; THENCE SOUTHWESTERLY ALONG THE ARC OF A 130.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 33°04'22" A DISTANCE OF 75.04 FEET (CHORD BEARS SOUTH 47°15'51" WEST 74.00 FEET); THENCE SOUTH 30°43'41" WEST 125.28 FEET TO A POINT OF CURVATURE; THENCE SOUTH WESTERLY ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 87°23'49" A DISTANCE OF 38.13 (CHORD BEARS SOUTH 74°25'35" WEST 34.54 FEET) TO THE NORTH LINE OF THE OLD HIGHWAY (167) AND POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG SAID NORTH LINE AND THE ARC OF A 1336.81 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°40'16" A DISTANCE OF 435.63 FEET (CHORD BEARS NORTH 71°38'24" WEST 433.71 FEET); THENCE NORTHERLY THE FOLLOWING 7 CALLS: NORTH 18°25'57" EAST 196.43 FEET, NORTH 05°38'00" WEST 185.45 FEET, NORTH 04°24'38" WEST 322.76 FEET, NORTH 89°17'00" WEST 156.32 FEET, NORTH 22°12'22" WEST 192.73 FEET, NORTH 206.22 FEET, NORTH 05°13'12" WEST 187.43 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG THE ARC OF A 165.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 84°52'08" A DISTANCE OF 244.40 FEET (CHORD BEARS NORTH 47°39'16" WEST 222.67 FEET); THENCE NORTHERLY THE FOLLOWING 6 CALLS: NORTH 08°37'59" EAST 60.42 FEET, NORTH 58°00'44" EAST 96.95 FEET, NORTH 17°29'53" WEST 296.56 FEET, NORTH 69°02'33" EAST 242.49 FEET, NORTH 42°59'58" EAST 115.06 FEET, NORTH 72°52'30" EAST 19.72 FEET; THENCE SOUTH 08°05'37" WEST 68.74 FEET; SOUTH 65°51'32" EAST 574.89 FEET TO A POINT ON THE QUARTER SECTION LINE OF SAID SECTION; THENCE SOUTH 89°55'18" EAST 642.04 FEET ALONG SAID QUARTER SECTION LINE 642.02 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION; THENCE NORTH 00°18'01" EAST ALONG SECTION LINE 2644.11 FEET TO THE POINT OF BEGINNING.

CONTAINS - 10,860,592 SQ. FT. 249.32 ACRES

Exhibits "B-1, C-1, D-1, F-1, G-1, H-1, I-1, J-1 & L-1"
TO
AMENDMENT OF DEVELOPMENT AGREEMENT

(Revised Concept Plan)

[See Attached.]

EXHIBIT B-1

Site Plan

RR1-20 1/2 Acre Basis (Phase 1, 2, 3 & 4)		RR1 1 Acre Basis (Phase 5, 6, 7 & 8)	
Lots	45.52	50.3%	74.85
Roadway	17.86	19.7%	8.681
Open Space	27.2	30.0%	75.15
Total Area	90.58		158.68
Useable Open Space	16		45
Number of Lots	147		121
Average Lot Size	13,772	square feet	46,162
			square feet

RR1 & RR1-20 Combined	
Lots	120.37
Roadway	26.541
Open Space	102.35
Total Area	249.261
Useable Open Space	61
Number of Lots	268
Average Lot Size	29,987
	square feet

LEGEND

- RR-1
- R1-20
- Open Space
- Native Open Space
- Neighborhood Park
- View Park
- Roads
- View Shed
- Project Limits

February 11, 2013

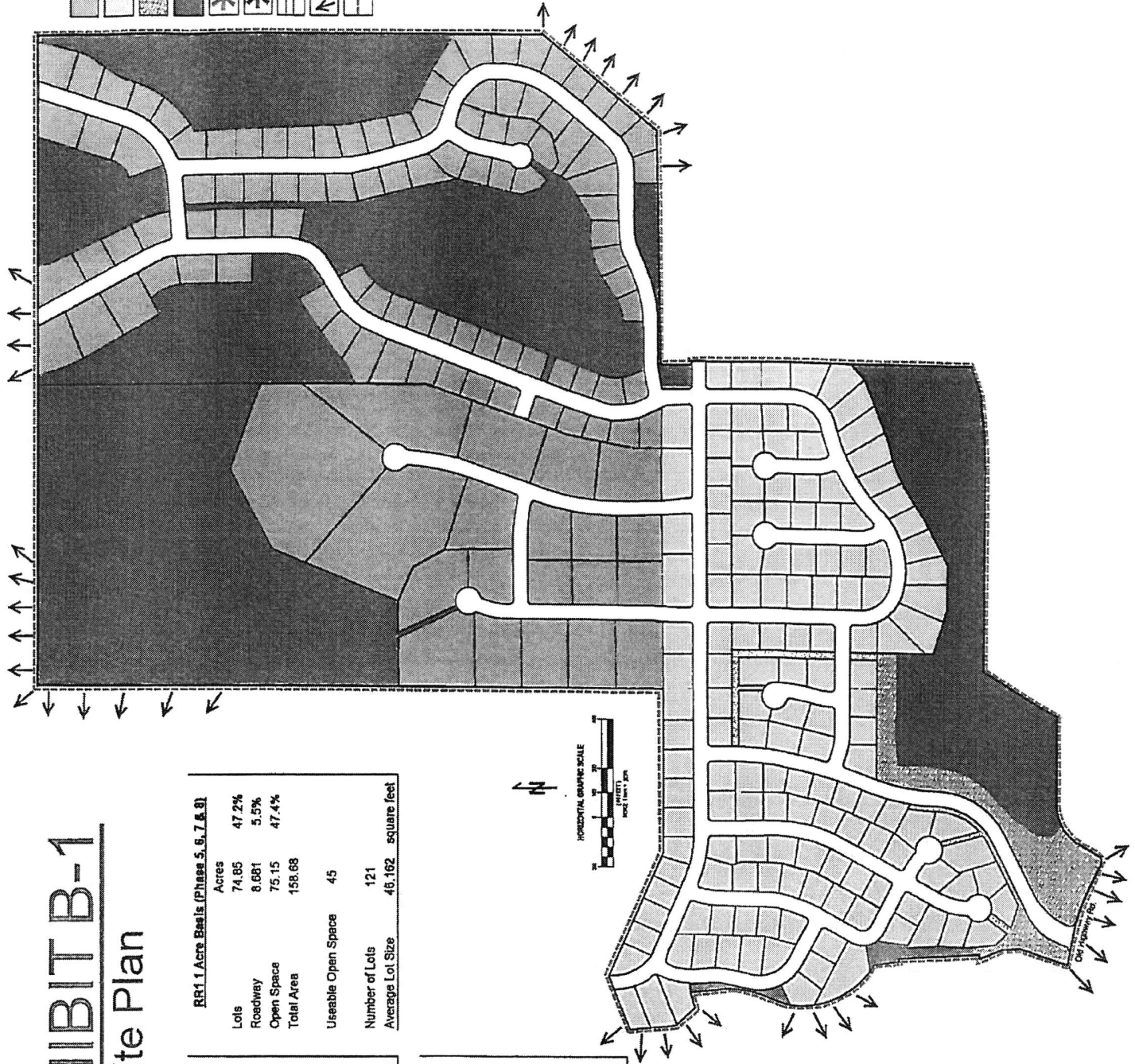


EXHIBIT C-1

Amended Concept Plan

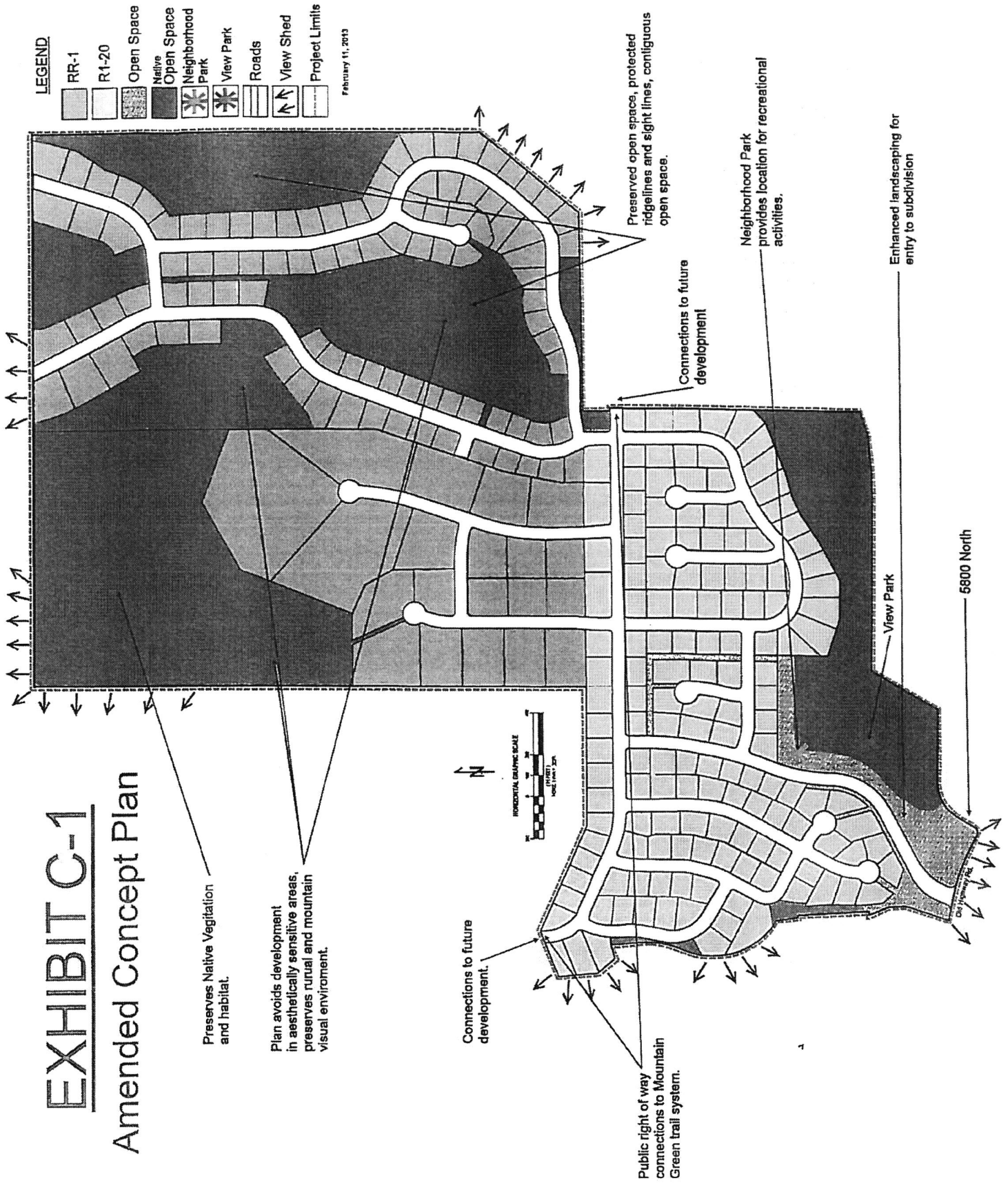


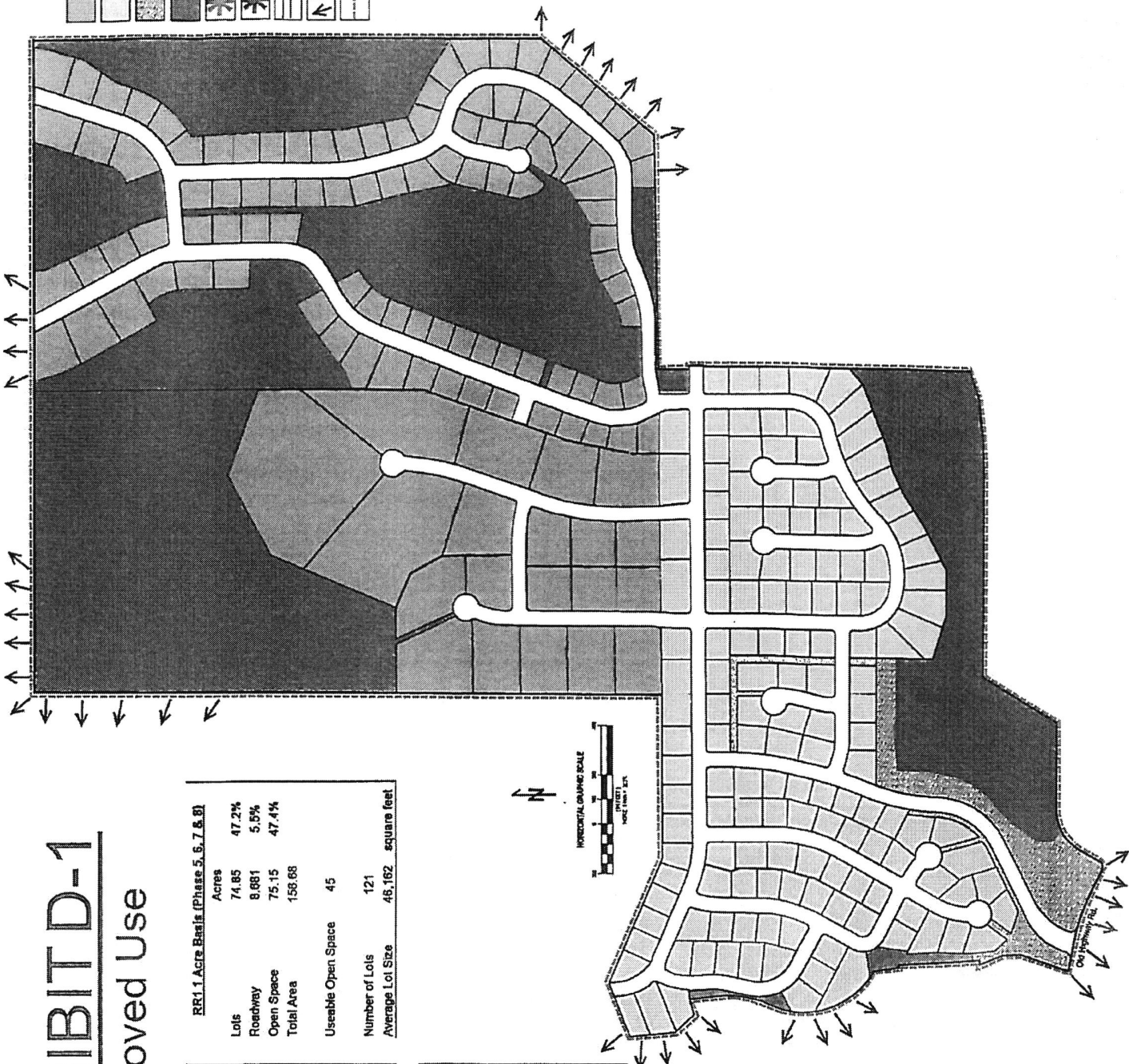
EXHIBIT D-1

Approved Use

LEGEND

- RR-1
- R1-20
- Open Space
- Native Open Space
- Neighborhood Park
- View Park
- Roads
- View Shed
- Project Limits

February 11, 2013



R1-20 1/2 Acre Basis (Phase 1, 2, 3 & 4)		RR1.1 Acre Basis (Phase 5, 6, 7 & 8)	
	Acres		Acres
Lots	45.52	Lots	74.85
Roadway	17.86	Roadway	8.881
Open Space	27.2	Open Space	75.15
Total Area	90.58	Total Area	158.88
Useable Open Space	16	Useable Open Space	45
Number of Lots	147	Number of Lots	121
Average Lot Size	13,772 square feet	Average Lot Size	46,162 square feet

RR1 & R1-20 Combined	
	Acres
Lots	120.37
Roadway	26.541
Open Space	102.35
Total Area	249.261
Useable Open Space	61
Number of Lots	268
Average Lot Size	29,967 square feet

EXHIBIT F-1

Neighborhood Description

The Hollows Neighborhood

Hidden Valley Neighborhood

- LEGEND**
- RR-1
 - R1-20
 - Open Space
 - Native Open Space
 - Neighborhood Park
 - View Park
 - Roads
 - View Shed
 - Project Limits

February 11, 2013

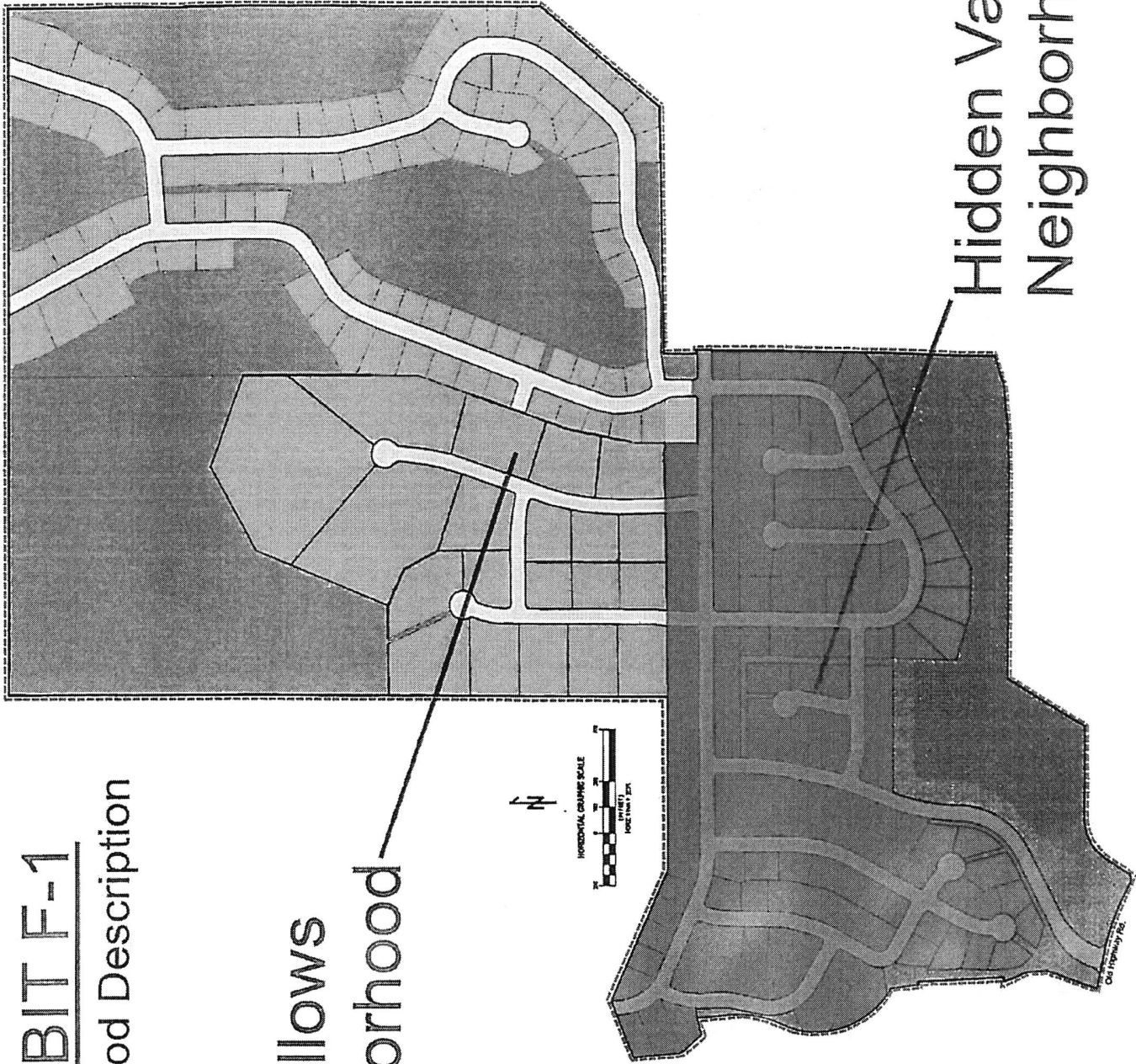


EXHIBIT G-1

Open Space

Open Space

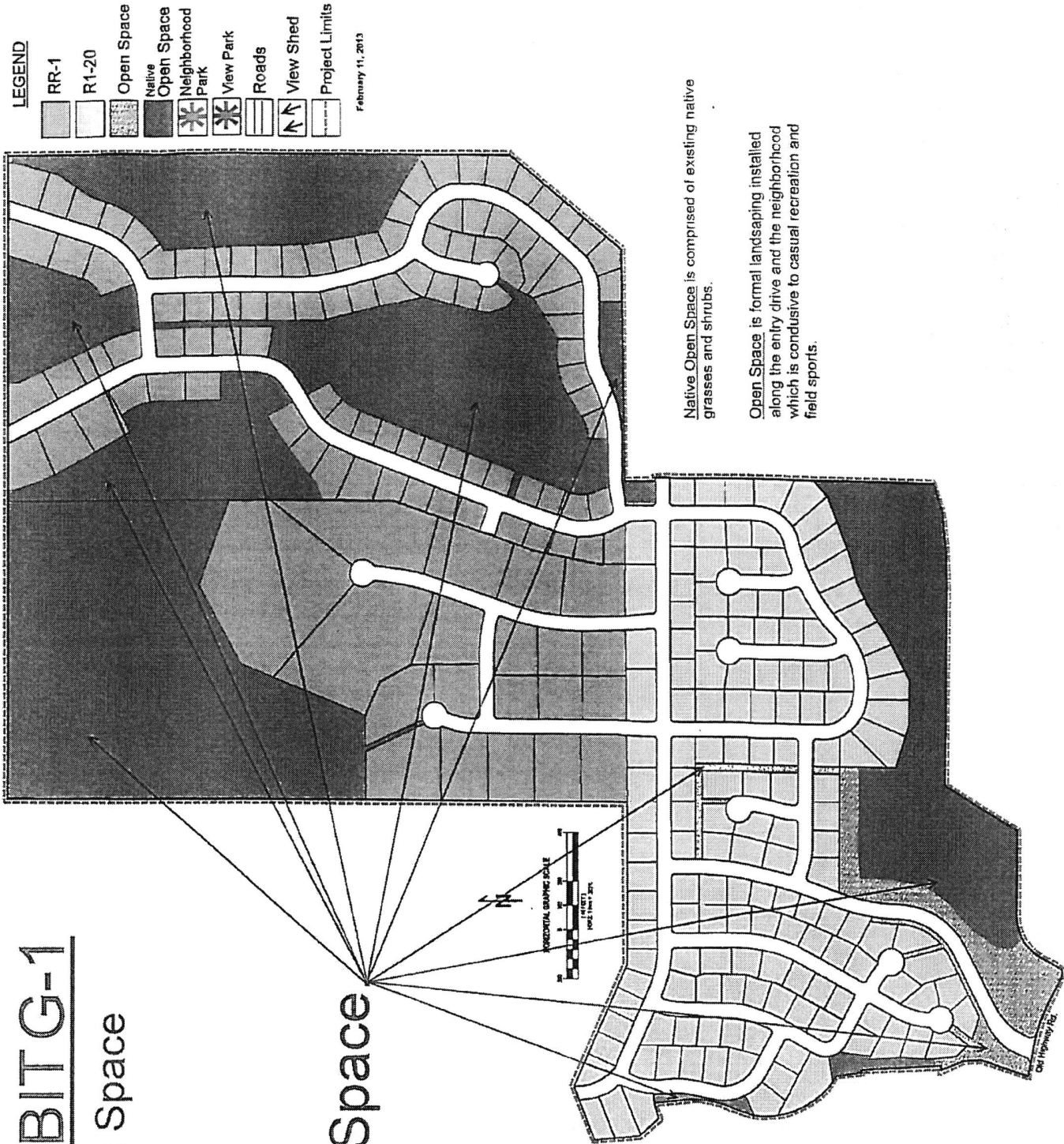


EXHIBIT H-1

Parks

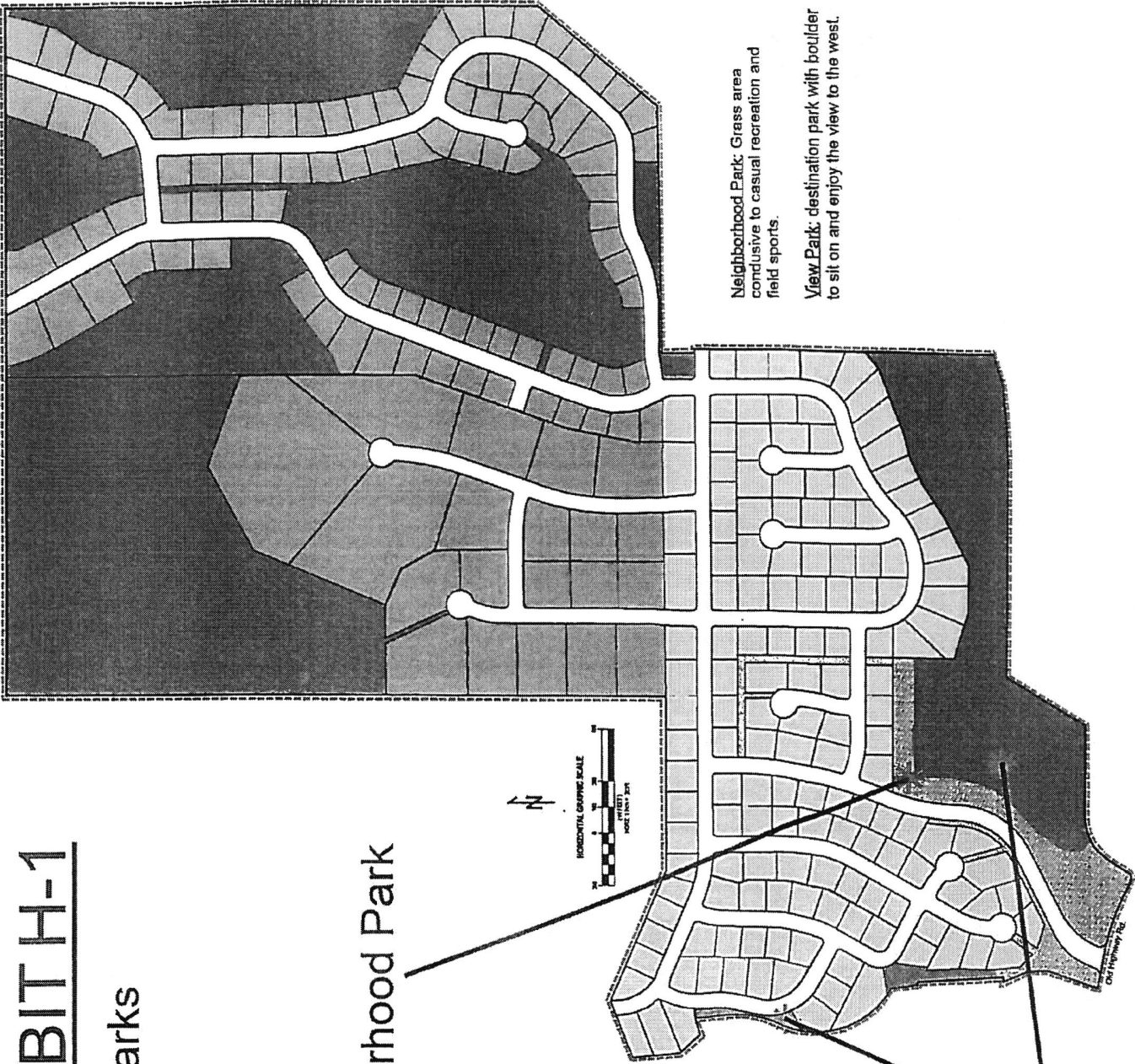
Neighborhood Park

View Parks

LEGEND

	RR-1
	R1-20
	Open Space
	Native Open Space
	Neighborhood Park
	View Park
	Roads
	View Shed
	Project Limits

February 11, 2013



Neighborhood Park: Grass area conducive to casual recreation and field sports.

View Park: destination park with boulder to sit on and enjoy the view to the west.

EXHIBIT I-1

Trails

Nature Trail:
 Path clearing along
 historically used trail.
 A right of way in favor
 of the public will be included
 with plat subdivision.



Public Right of Way
 connection to Mountain
 Green trail system

Public Right of Way
 connection to Mountain
 Green trail system

Hard Surface Trails

LEGEND

- RR-1
- R1-20
- Open Space
- Native Open Space
- Neighborhood Park
- View Park
- Roads
- View Shed
- Project Limits

February 11, 2013

EXHIBIT J-1

Native Open Space

- LEGEND**
- RR-1
 - R1-20
 - Open Space
 - Native Open Space
 - Neighborhood Park
 - View Park
 - Roads
 - View Shed
 - Project Limits

February 11, 2013

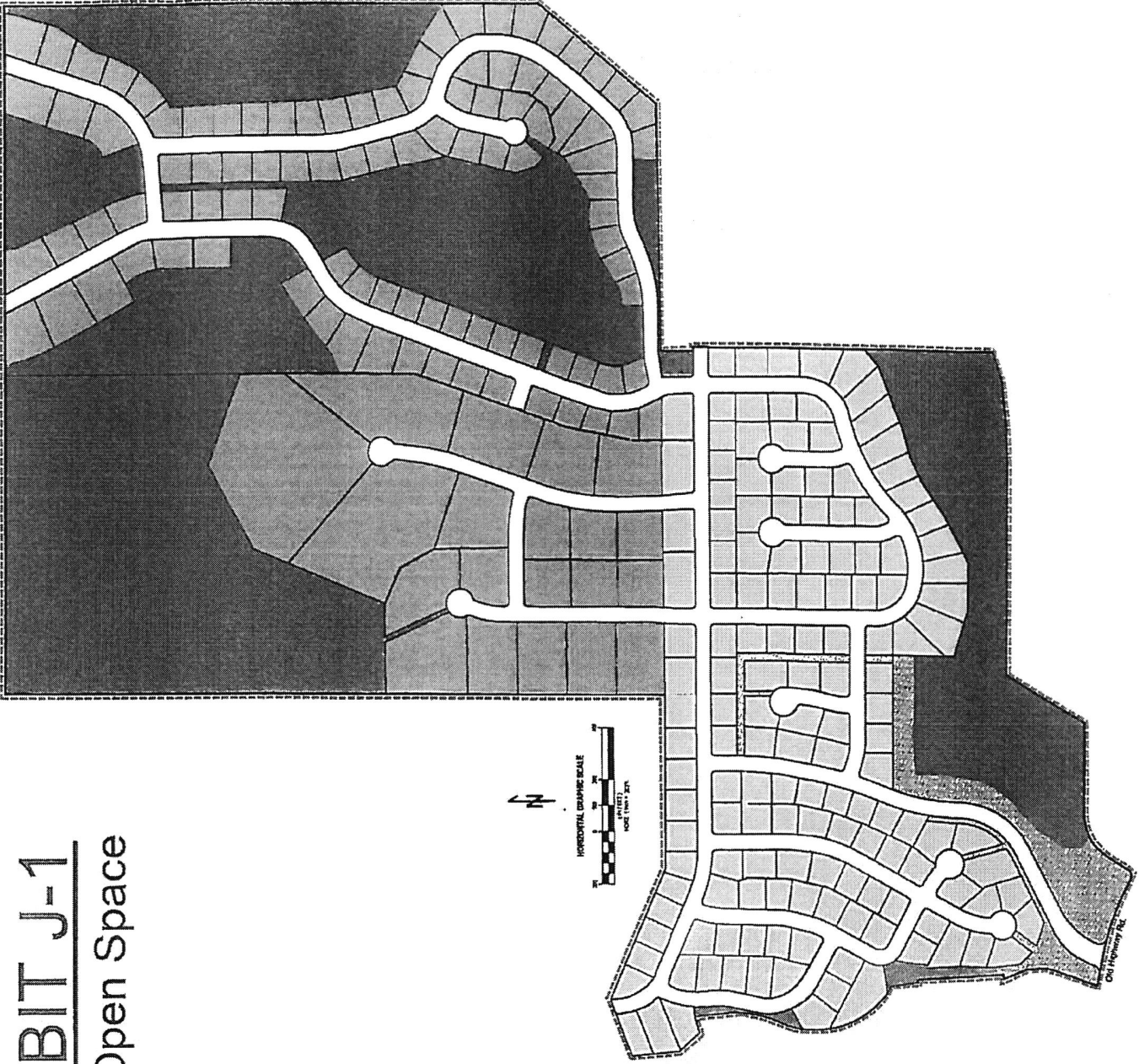
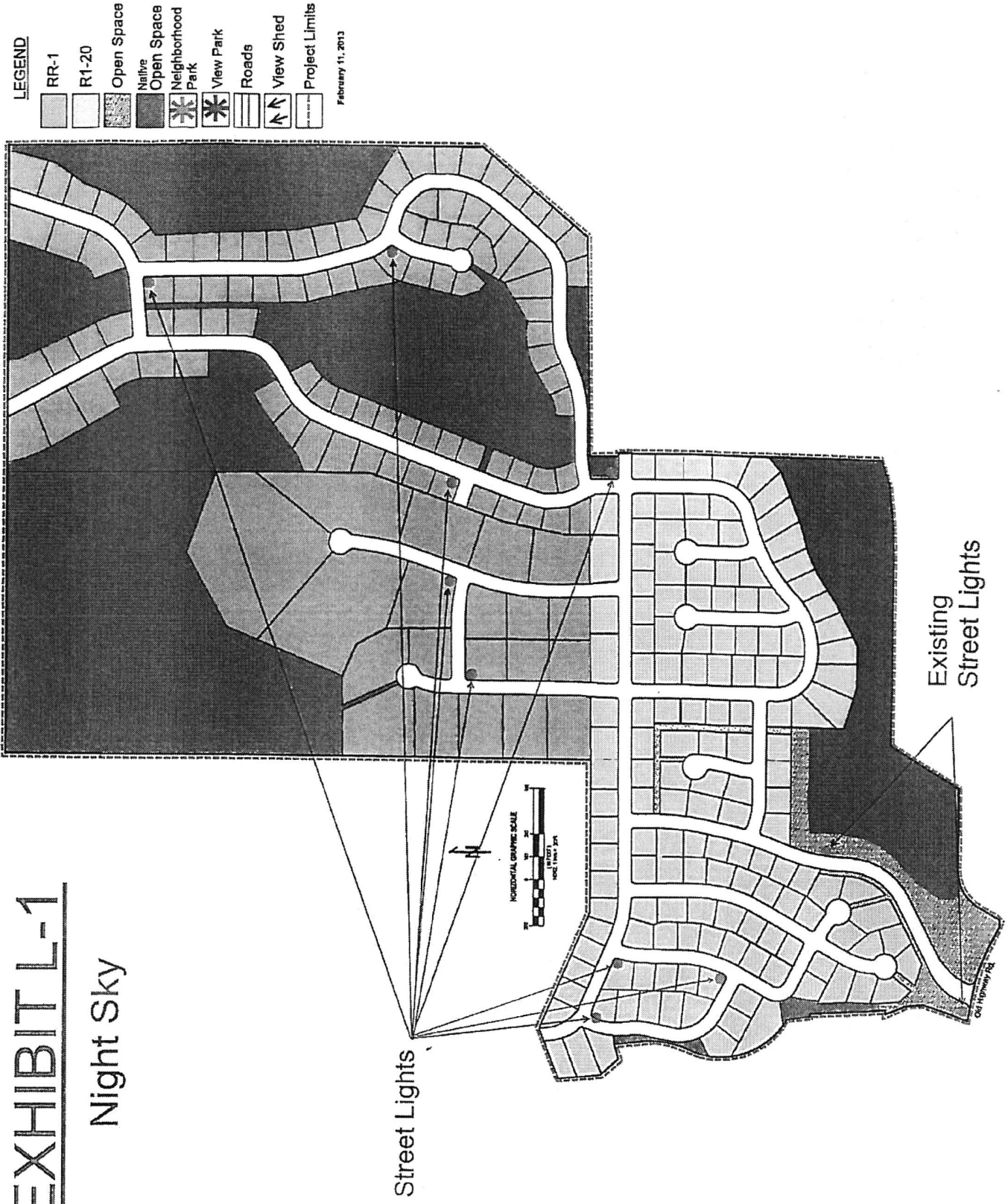


EXHIBIT L-1

Night Sky



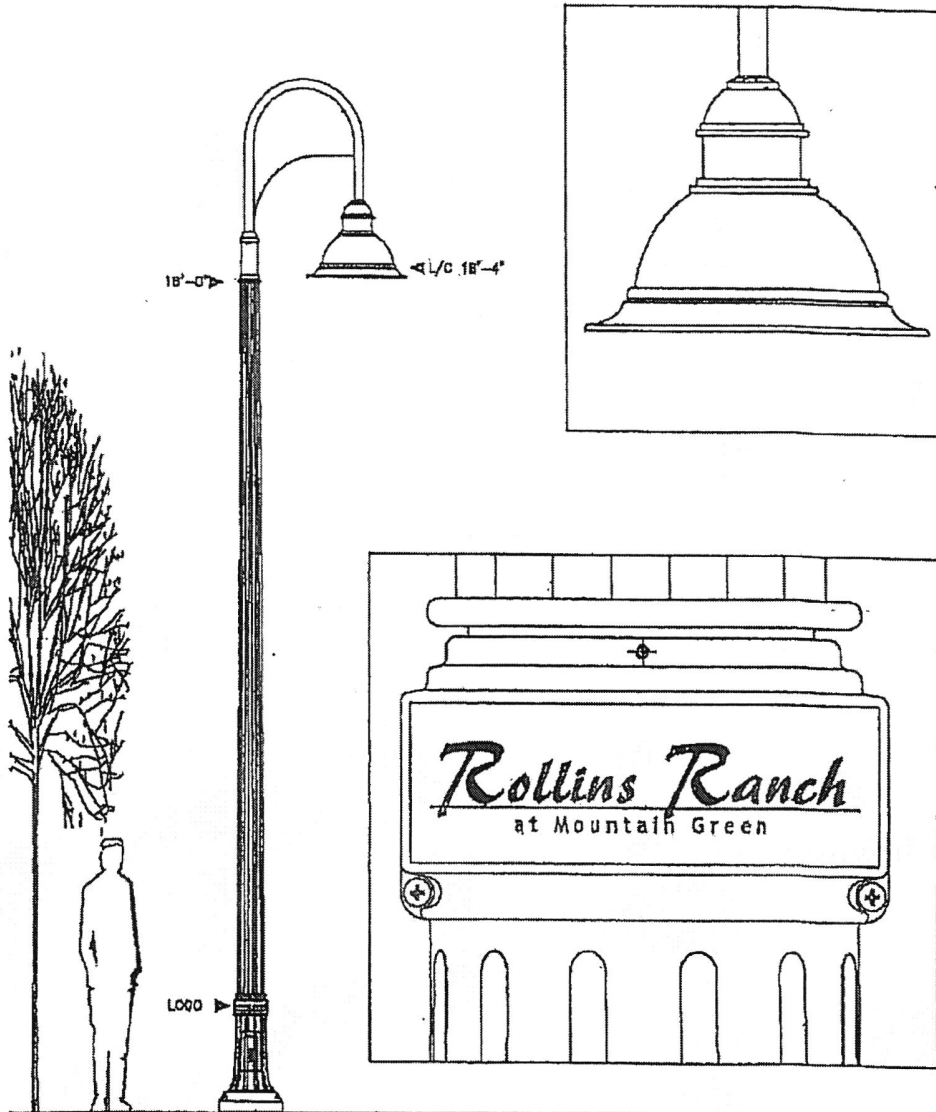
DEVELOPMENT AGREEMENT

EXHIBIT L-1 (Page 2)

(Night Sky)

ELUMITE
RTE, Mid-Care Bldg
Balairend (Ct), Canada, J7G 2A7
Tel: (438) 430-7640
Fax: (438) 430-1488

PRESENTATION



NOTE: Bracket orientation must be determined

DMS50

1:35

LUS462030-47003A



GN

Ent 128494 Bk 0304 Pg 0655

Ent 135195 Bk 0320 Pg 0423

EXHIBIT 4

ARTICLE IX

ARCHITECTURAL CONTROL

No building, fence, well, or other structure shall be commenced or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, including the erection of antennas, aerials, awnings, the replacement of reflective or other material in the windows of a Homeowner's Unit or other exterior attachment, until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as a harmony of external design and location in relation to surrounding structures and topography by an architectural control committee composed of three (3) or more representatives appointed by the Declarant or by the Board of Directors, the Declarant or once the Declarant assigns to it the right of appointment hereunder. In the event said committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. The Architectural Control Committee shall have the right to charge a reasonable fee for receiving such application in an amount not to exceed \$100.00. The Architectural Control Committee shall not approve any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety or appearance of any Lot or the Common Area. Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant in accordance with its general plan of development.

ARTICLE X

INSURANCE

Section 1. Property Insurance. The Association shall maintain, to the extent reasonably available, property insurance on the Common Area insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall not be less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies. Any loss covered by this property insurance shall be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Lot Owners and lienholders as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged property, and Lot Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored.

Section 2. Liability Insurance. The Association shall maintain to the extent reasonably available, liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area. The liability insurance shall be for the benefit

4
Exhibit A-3 ~~Concept Plan~~

After Recording, Return to:

DURBANO LAW FIRM
476 W. Heritage Park Blvd., #200
Layton, Utah 84041

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF THE PONDEROSA
DATED
OCTOBER 15, 2014**

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR THE PONDEROSA**

THIS DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS made this _____ day of October, 2014, by FERNWOOD, L.C. dba THE
PONDEROSA, hereinafter referred to as "Declarant"

WITNESSETH:

WHEREAS, Declarant is the owner of the real property which is described in Article II hereof, and desires to create thereon a subdivision and an exclusive residential community of single-family homes to be named **THE PONDEROSA**; and

WHEREAS, Declarant desires to insure the attractiveness of the subdivision and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect, and enhance the values and amenities of all properties within the subdivision and to provide for the maintenance and upkeep of the entrances, landscaping easements and Common Area as hereinafter defined; and, to this end, desire to subject the said real property to the covenants, conditions, restrictions, easements, charges, and liens hereafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation, protection, and enhancement of the said subdivision and to provide for the maintenance and upkeep of landscaping easements and the Common Area, if any, to create an organization to which will be delegated and assigned the powers of maintaining said entrances and landscaping easements and owning and administering the Common Area, enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Declarant has incorporated or will incorporate under Utah law THE PONDEROSA as a non-profit corporation for the purpose of exercising and performing the aforesaid functions;

NOW, THEREFORE, Declarant, by this Declaration of Covenants, Conditions, and Restrictions, does declare that all of the property described in Article II, Section 1, hereof is and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens set forth in this Declaration which shall run with the real property and be binding on all parties owning any right, title, or interest in said real property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Property Owners Association" shall mean and refer to THE

PONDEROSA, a Utah non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, except Declarant, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Property" or "Properties" shall mean and refer to the property described in Article II hereof, and any additions thereto as are or shall become subject to this Declaration and brought within the jurisdiction of the Property Owners Association.

Section 4. "Entrance and Landscape Easement" shall mean and refer to any easement so designated on any plat of THE PONDEROSA now or hereafter recorded in the Morgan County Recorder's Office.

Section 5. "Common Area" shall mean all real property owned by the Property Owners Association for the common use and enjoyment of the owners.

Section 6. "Lot" shall mean and refer to any numbered plot of land, with delineated boundary lines, appearing on any recorded subdivision map of the Properties with the exception of the Common Area, if any.

Section 7. "Declarant" shall mean and refer to Fernwood, L.C. Declarant may assign its rights hereunder.

Section 8. "Member" shall mean and refer to every person or entity who holds membership in the Property Owners Association.

Section 9. "Act" shall mean and refer to the Utah Community Association Act.

Section 10. "Special Declarant Rights" shall mean the rights as defined in Section 57-8a of the Act for the benefit of a Declarant, including, but not limited to the following: to complete improvements indicated on plats or plans filed with or referenced in the Declaration; to exercise any development right as defined in the Act; to maintain sales offices, management offices, models and signs advertising the Property; to use easements through the Common Area for the purpose of making improvements within the Property or within real estate which may be added to the Property; and to elect, appoint or remove any officer or Board member of the Association during any period of Declarant control.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION AND WITHIN THE JURISDICTION OF THE PROPERTY OWNERS ASSOCIATION

Section 1. The real property which is and shall be held, transferred, sold,

conveyed, and occupied subject to this Declaration, and within the jurisdiction of the Property Owners Association is located in Morgan County, Utah, and is more particularly described on Exhibit A.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every Owner of a Lot which is subject to assessment shall be a Member of the Property Owners Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

ARTICLE IV

PROPERTY RIGHTS

Section 1. Owners Easement of Enjoyment: Every Owner shall have a right and easement of enjoyment in and to the Common Area established initially and in all future phases, stages or sections of the development which right and easement shall be appurtenant to and shall pass with the title to every Lot.

(a) The right of the Property Owners Association to suspend the voting rights and rights to the use of the Common Area for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

(b) The right of the Association to establish rules and regulations governing the use of the common area or portions thereof.

Section 2. Delegation of Use.

(a) Family. The right and easement of enjoyment granted to every Owner in Section 1 of this Article IV may be exercised by members of the Owners' family who occupy the residence of the Owner within the Properties as their principal residence.

(b) Tenants or Contract Purchasers. The right and easement of enjoyment granted to every Owner in Section 1 of this Article may be delegated by the Owner to his tenants or contract purchasers who occupy a residence within the Properties, or a portion of said residence, as their principal residence.

(c) Guests. Common Area situated upon the Properties may be utilized by guests of Owners, tenants, or contract purchasers subject to the rules and regulations of the Property Owners Association, as may be established by its Board of Directors, governing said use.

Section 3. Ownership of Common Areas. Declarant shall convey the Common areas to the Association. Notwithstanding the recordation of any Map or any other action by

Declarant or the Association, all Common Area shall remain private property and shall not be considered as dedicated to the use and enjoyment of the public.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments The Declarant, for each Lot owned within the properties, hereby covenants and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Property Owners Association: (1) annual assessments or charges and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. Any such assessment or charge, together with interest, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees shall be a charge on the land and shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but shall continue to be a lien upon the property.

Section 2. Purposes of Assessments. The assessments levied by the Property Owners Association shall be used exclusively to promote the health, safety and welfare of the residents of the Properties, the enforcement of these covenants, and the rules of the Property Owners Association, and in particular, for the improvement and maintenance of the Properties and providing the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and any improvements thereon and other areas maintained by the Property Owners Association, including, but not limited to, the cost of repair, replacement and additions thereto, the cost of labor and equipment, materials, management and supervision thereof, the payment of taxes assessed, the procurement and maintenance of insurance in accordance with the Bylaws, the employment of attorneys to represent the Property Owners Association when necessary, and such other needs as may arise.

Without limiting the generality of the above described purposes, the assessments levied by the Property Owners Association may be used for the acquisition, construction and improvement (including landscaping and planting) and maintenance of the facilities located or to be located in the Common Area or any easement area, entrance way, or berm.

Section 3. Special Assessments for Capital Improvements. In addition to the monthly assessments authorized above, the Property Owners Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the entrances and landscaping easements and the Common Area, including fixtures and personal property related thereto.

Section 4. Assessment Rate. Both annual and special assessments must be fixed at

a uniform rate for all Lots except Declarant(s) shall be assessed at 25% of such Assessments within each class and may be collected on a yearly or on a monthly basis, as determined by the Board of Directors.

Section 5. Notice and Quorum for Any Action Authorized Under Section 3 and 4. Written notice of any meeting called for the purpose of talking any action authorized under Section 3 or 4 shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty (60%) percent of the votes appurtenant to each Lot shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Date of Commencement of Annual Assessments: Due Dates: Certificate of Payment. The annual assessments provided for herein shall commence for all Lots subject to this Declaration on the day of the closing of the first Lot to an owner other than the Declarant. Declarant shall be responsible for maintenance of the easement areas and common area, if any, until such time.

Notwithstanding Sections 1 and 6 hereof the Declarant may, at its election, postpone, in whole or in part, the date on which the assessment shall commence provided that the Declarant maintains the Common Areas for which no assessment is being collected during the period of such postponement.

Section 7. Effect of Non-Payment of Assessments: Remedies of The Property Owners Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum or at the rate set by the Board of Directors prior to the time of such delinquency, whichever is greater. In addition to such interest charge, the delinquent Owner shall also pay such late charge as may have been theretofore established by the Board of Directors of the Property Owners Association to defray the costs of late payment. The Property Owners Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien. No owner may avoid or otherwise escape liability for payment of the assessments by abandonment of his Lot.

Section 8. Subordination of the Lien to Mortgages. The liens provided for herein shall be subordinate to the lien of any first mortgage, mortgages, first deed of trust, or deeds of trust on a Lot. Sale or transfer of any Lot shall not affect any assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to the payment thereof which became due prior to such sale or transfer. No such sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof, but the liens provided for herein shall continue to be subordinate to the lien of any mortgage, mortgages, deed of trust, or deeds of trust.

Section 9. All property dedicated to, and accepted by, a local public authority

and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the State of Utah shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VI

EASEMENTS

Easements for installation and maintenance of driveway, walkway, parking area, water line, gas line, cable television, telephone, electric power line, sanitary sewer and storm drainage facilities and for other utility installations are reserved as shown on the recorded plat. Further, easements ten feet in width for such purposes are reserved over, under and through and along the rear Lot lines of all Lots shown on recorded plats, and easements five feet in width for such purposes are reserved over, under and through and along all side Lot lines of all Lots shown on recorded plats, as well as temporary easements five feet in width along the front Lot lines for construction, maintenance and repair purposes. In the event it is determined that other and further easements are required over any Lot or Lots in locations not shown on the recorded plat and not along rear or side Lot lines, such easements may be established by the Declarant, except that if any such easements are reserved or established after the conveyance of a Lot or Lots to be affected thereby, the written assent of the Owner or Owners of such Lot or Lots and of the trustees and mortgagees in deeds of trust constituting a lien thereon shall be required. Within any such easements above provided for, no structure, plating or other material shall be placed or permitted to remain which may interfere with the installation, delivery and maintenance of public utilities, or which may obstruct or change the direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements.

ARTICLE VII

USE RESTRICTIONS

Section 1. Dwelling Size. Minimum heated square footage of a dwelling may not be less than 2500 square feet of heated area.

Section 2. Easements. Easements for installation, maintenance and repair of utilities and cable television (CATV) and drainage facilities are reserved as shown on the recorded map and over the rear ten (10) feet and each side five (5) feet of every Lot. Within the easements, no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of the utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility company is responsible. The Declarant hereto reserves the right to create and impose additional easements or rights of way over unsold Lot or Lots for street, drainage, and utility

installation purposes by the recording of appropriate instruments and such shall not be construed to invalidate any of these covenants.

Section 3. Signs. Unless approved by the Architectural Control Committee, no sign of any kind shall be displayed to the public view on any Lot except one sign of not more than six (6) square feet advertising the property for sale or rent or signs used by a Declarant, or its designated assigns, to advertise the property during the construction and sales period.

Section 4. Maintenance of Lot. Each owner shall keep his Lot in an orderly condition and shall keep the improvements thereon in a suitable state of repair, promptly repairing any damage thereto by fire or other casualty. No clothesline may be erected or maintained on any Lot. No Lot shall be used in whole or in part for storage of rubbish of any character whatsoever and no trash, rubbish, stored materials, wrecked or inoperable vehicles or similar unsightly items shall be allowed to remain on any Lot outside an enclosed structure; provided however, that the foregoing shall not be construed to prohibit temporary deposits of trash, rubbish and other debris for collections by governmental or other similar garbage and trash removal units.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify any and all persons who may serve or whom have served at any time as directors or officers of the Association against any and all expenses, including amounts paid upon judgments, counsel fees and amounts paid in settlement (before or after suit is commenced), actually and necessarily incurred by such persons in connection with the defense or settlement of any claim, action, suit or proceeding in which they, or any of them, are made parties, or a party, which may be asserted against them or any of them, by reason of being or having been directors or officers or a director or an officer of the Association, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in any action, suit, or proceeding guilty of willful and intentional negligence or misconduct in the performance of his or her duties to the Association. Provided, however, that in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association.

The provisions hereof shall be in addition to and not exclusive of any and all other rights to which any director or officer may otherwise be entitled under any law, By-law, agreement, vote of Association Members or otherwise. In the event of death of any officer or director, the provisions hereof shall extend to such person's legal heirs, representatives, successors and assigns. The foregoing rights shall be available whether or not such person or persons were in fact directors or officers at the time of incurring or becoming subject to such expenses, and whether or not the proceeding, claim, suit or action is based on matters which antedate the adoption of this By-Law.

ARTICLE IX

ARCHITECTURAL CONTROL

No building, fence, well, or other structure shall be commenced or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made, including the erection of antennas, aerials, awnings, the replacement of reflective or other material in the windows of a Homeowner's Unit or other exterior attachment, until the plans and specifications showing the nature, kind, shape, heights, materials, and location of the same shall have been submitted to and approved in writing as a harmony of external design and location in relation to surrounding structures and topography by an architectural control committee composed of three (3) or more representatives appointed by the Declarant or by the Board of Directors, the Declarant or once the Declarant assigns to it the right of appointment hereunder. In the event said committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. The Architectural Control Committee shall have the right to charge a reasonable fee for receiving such application in an amount not to exceed \$100.00. The Architectural Control Committee shall not approve any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety or appearance of any Lot or the Common Area. Provided that nothing herein contained shall be construed to permit interference with the development of the Properties by the Declarant in accordance with its general plan of development.

ARTICLE X

INSURANCE

Section 1. Property Insurance. The Association shall maintain, to the extent reasonably available, property insurance on the Common Area insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall not be less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies. Any loss covered by this property insurance shall be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Lot Owners and lienholders as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged property, and Lot Owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored.

Section 2. Liability Insurance. The Association shall maintain to the extent reasonably available, liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area. The liability insurance shall be for the benefit

of the Lot Owners, occupants, the Association, the Board, the managing agent, if any, the Declarant, and their respective officers, directors, agents, and employees in such amounts and with such coverage that shall be determined by the Board; provided that the liability insurance shall be for at least One Million Dollars (\$1,000,000.00) per occurrence for death, bodily injury and property damage.

ARTICLE XI

DECLARANT RIGHTS

Section 1. Non-Applicability Period. Until such time as there is Common Area and more than 3 lots that make up the Property the Declarant shall fulfill all duties of the Property Owners Association, including that of Architectural Control; no non-profit corporation or Board of Trustees will be required or set up/established; no reserve studies or amounts will be necessary or required and no assessments will be charged or made.

Section 2. Annexation of Additional Property. Declarant may from time to time and in its sole discretion annex to the Development as Additional Property any real property now or hereafter acquired by it, and may also from time to time and in its sole discretion permit other holders of real property to annex the real property owned by them to the Development. The annexation of such real property shall be accomplished as follows:

- (a) The owner or owners of such real property shall record a declaration which shall be executed by or bear the approval of Declarant and shall, among other things, describe the real property to be annexed, designate the Neighborhood of which such property is a part, establish restrictions, covenants and conditions which are intended to be applicable to such property and declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to this declaration.
- (b) The property included in any such annexation shall thereby become a part of the Development and this Declaration, and Declarant and the Association shall have and shall accept and exercise administration of this Declaration with respect to such property.
- (c) Notwithstanding any provision apparently to the contrary, a declaration with respect to any Additional Property may:
 - (1) Establish such new land classifications and such limitations, uses, restriction, covenants and conditions with respect to such property as Declarant may deem to be appropriate for the development of the Additional Property.
 - (2) With respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions with respect to such property as Declarant may deem appropriate for the development of such Additional Property.

- (3) Incorporate provisions contained in this Declaration with or without modification to become applicable to the Additional Property without a requirement that such provisions be repeated in the declaration applicable to the Additional Property.
- (d) There is no limitation on the number of Lots or Residences which Declarant may create or annex to the Development, except as may be established by County ordinance. Similarly, there is no limitation on the right of Declarant to annex property to the Development's Common Areas, except as may be established by County ordinance.
- (e) Declarant does not agree to build any specific future Improvement, but does not choose to limit Declarant's right to add additional Improvements.

Section 3. Withdrawal of Property. Declarant may withdraw property from the Development only by duly adopted amendment to this Declaration, except that Declarant may withdraw all or a portion of the Property and any Additional Property at any time prior to the sale of the first Lot in the Property or Additional Property, respectively. Such withdrawal shall be by a declaration executed by Declarant and recorded in the office of the County Recorder. If a portion of the Property is so withdrawn, all voting rights otherwise allocated to Lots being withdrawn shall be eliminated, and the common expenses shall be reallocated as provided in Section 10.9 below.

Section 4. Amendment by Declarant. The Declarant shall have and is hereby granted all special rights allowed pursuant to the Act and in addition thereto, may do any of the following unilaterally, and without further requirement of consent from any other party, lot or property owner:

- (a) Amend and or restate these Covenants, Conditions and Restrictions.
- (b) Annex additional properties.
- (c) Approve or disapprove any building, construction, landscaping, fencing, architectural style/requirements, size, dimensions, private driveways, minimum or maximum square footages, barns, animals, sheds, water features, heights of structures, set backs, usage, garages, agricultural uses, timing of construction, completion timing, permitted structures, gates, entries, roof material, siding, rock, brick, drilling, plantings and etc., in Declarant's sole discretion.

ARTICLE XII

GENERAL PROVISIONS

Section 1. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Conflict with the Act: Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or affect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstance.

Section 3. Amendment Pursuant to Article XI, Declarant Rights, which takes initial precedence, then and thereafter, the covenants and restrictions of this Declaration shall run and bind the land, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years unless terminated or altered by a vote of seventy-five (75%) percent of a vote of the Owners after the expiration of said twenty-five (25) year period. This Declaration may be amended during the first twenty-five year period by an instrument signed by the Owners of not less than sixty five (65%) percent of the Lots. Any amendment must be properly recorded. For the purpose of this section, additions to existing property as provided in Article XII, Section 2 hereof shall not constitute an "amendment". In no event, shall an amendment under this Section create, limit or diminish special Declarant Rights without Declarant's written consent.

Section 4. Interpretation of Declaration. Whenever appropriate without appropriate, singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely the part in which they appear.

Section 5. Captions. The Captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.

Section 6. Law Controlling. This Declaration shall be construed and controlled by and under the laws of the State of Utah.

IN WITNESS WHEREOF, Declarant has caused this instrument to be executed,
this _____ day of _____ 20_____.

FERNWOOD, L.C.

By: _____

Its: _____

STATE OF UTAH)
) ss.
COUNTY OF DAVIS)

This _____ day of _____ 20_____, personally came before me
_____ who, being by me duly sworn, says that he is the
_____ of Fernwood, L.C., a Utah limited liability company, and that said
writing was signed and sealed by him on behalf of said company by his authority as
_____ thereof and the said _____ acknowledged the
said writing to be the act and deed of said company

Notary Public

16 December 2014

Recording Requested by and
When Recorded Return to:
Morgan County
Attn: Morgan County Attorney
48 West Young Street
Morgan, Utah 84050

For Recording Purposes
Do Not Write above this Line

~~THIRD~~ **FOURTH** AMENDMENT
TO
DEVELOPMENT AGREEMENT
FOR
ROLLINS RANCH
MORGAN COUNTY, UTAH
RE: The Ponderosa/Fernwood

This ~~Third~~ **Fourth** Amendment to Development Agreement for Rollins Ranch (~~Third~~ **FOURTH** Amendment") is made effective as of ~~30~~ **30** November 2014, by and among Morgan County, a political subdivision of the State of Utah ("**County**") and Fernwood, L.C. ("**Fernwood**").

RECITALS

A. Rollins Ranch, LLC and the County were the original parties to the Development Agreement for Rollins Ranch dated 20 November 2006.

B. Fernwood purchased and was deeded all rights, title, and interest in and to property composing the proposed future phases 7 and 8 of the Rollins Ranch development by Rollins Ranch, LLC, which is more particularly described in the attached **Exhibit 1**, which by this reference is incorporated into this ~~Third~~ **Fourth** Amendment ("**Ponderosa Property**") which was and is subject to the rights, burdens, and benefits of the Development Agreement, as amended by the First Amendment to Development Agreement for Rollins Ranch dated 15 November 2011 ("**Development Agreement**").

C. As transferee, successor in interest, and/or assignee of the Ponderosa Property, Fernwood **became** a Successor Developer as described by the Development Agreement, and has assumed all rights and obligations under the Development Agreement and is subject to all of its benefits, conditions, and restrictions as related to the Ponderosa Property.

D. Capitalized terms not otherwise defined in this ~~Third~~ **Fourth** Amendment shall have the meaning ascribed to such terms in the Development Agreement.

E. Fernwood wishes to diverge from the present Concept Plan covering phases 7 and 8, instead dividing those phases into phases 7A, 7B, 8A, and 8B, and making phase 7A a small