

ADDENDUM 2 TO IROQUOIS PHASE 1, 2, 3, 4 AND 5 DEVELOPMENT AGREEMENT

This addendum is entered into this _____ day of _____, 2007 by and between Heritage Homes, Inc., a Utah corporation (hereinafter called "Developer") and Wasatch County, a political subdivision of the State of Utah (hereinafter called the "County"). This addendum is to supplement, update and in some cases modify the Iroquois Phase 1, 2, 3, 4 and 5 Development Agreement executed by Deer Meadow Preserve, LLC, a Utah limited liability company as developer, and the County, on or about August 8, 2005, and recorded at the Wasatch County Recorder as Entry 286820, Book 775 and Pages 34—101 (the "Original Development Agreement") including the prior Addendum 1 to Iroquois Phase 1, 2, 3, 4, and 5 Development Agreement, executed by Deer Meadow Preserve, LLC as developer, and the County, on or about May 5, 2006, and recorded at the Wasatch County Recorder as Entry _____, Book _____ and Pages _____ (the "Addendum 1", and collectively with the Original Development Agreement, the "Subject Development Agreement.")

RECITALS

A. This addendum is intended by the parties hereto to be an addendum to the Subject Development Agreement referenced above, however, if this addendum is ever held to be an invalid addendum to the Subject Development Agreement, the parties agree that this addendum may then stand on its own, and where necessary incorporate the provisions of said Subject Development Agreement into this addendum and bind the parties to the terms of this addendum.

B. Developer is the owner of real property totaling approximately 78.50 acres located within Wasatch County, State of Utah, commonly known as Parcels B, C, D, F, G, H, I, J, L, M, N, O, P, Q, R, S, T, U of Iroquois Phase 6 and Lot 9 of Iroquois Phase 5, as more particularly described in Exhibit "A" (the "Property") attached hereto and incorporated herein. The Property is a part of the property governed by the Subject Development Agreement.

C. The County, acting pursuant to authority delegated to it under the laws of the State of Utah, and in furtherance of its land use policies, goals, and objectives, ordinances, and regulations, in the exercise of its discretion has elected to approve and enter into this addendum, modifying and supplementing the Subject Development Agreement.

D. Developer proposes to develop the Property into a residential community (the "Project") pursuant to a series of plats to be recorded with each phase of the Project (collectively, the "Plat"). One such plat which Developer seeks to record for the next phase of the Project is entitled "IROQUOIS PHASE 6 amending parcels F and G, P.U.D. to be known as The Retreat at Jordanelle". The Project consists of two sub-projects known as The Villas at the Retreat (the "Villas Project"), and The Estates at the Retreat (the "Estates Project"). The Villas Project will contain 138 town home units with 2 units per building as detailed in

the copy of the final Plat. The Estates Project will contain 11 single family residential dwelling units as detailed in the Plat. The Project also includes a clubhouse to be constructed on the Property. A copy of the Plat (or such part(s) as exist now) is attached hereto as Exhibit "B" and incorporated herein. The Project uses 150 of the Equivalent Residential Units ("ERU's") allocated to the Property.

- E. Developer has received site plan approval for the Project.
- F. The terms of this addendum only apply to the Property as described in Exhibit A, and will not modify the Subject Development Agreement as it pertains to any other phase or property. Except as expressly modified by this addendum, the Subject Development Agreement will remain in full force and effect as to the Property.

- G. **DEFINITIONS** : Any term or phrase used in this Addendum that has its first letter capitalized shall have that meaning given to it in this section.

"County" shall mean Wasatch County and shall include, unless otherwise provided, any and all of the County's agencies, departments, officials, employees or agents.

"Developer" shall mean Heritage Homes, Inc, and shall include Developer's successors in interest and assigns.

"Project" shall mean the Property and the development on the Property which is the subject of this Agreement, including all phases or plats regularly approved by the County and any ancillary and additional improvements or endeavors incident to the development of the Project.

"Property" shall mean the parcel or parcels of land which are the subject of this Agreement and which are more particularly described in Exhibit A.

Now therefore, in consideration of the mutual promises, covenants, and provisions set forth herein, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Approval and Modification of Development Plan for the Project.**

- 1.1 **Property Affected**. The Property shall be subject to the provisions of this addendum.
- 1.2 **Approval of Plat**. County recognizes the County Council's approval of

the Plat, including the use of 150 ERU's; general layout and location of streets; location of amenities; open space; and street cross-sections, all as shown on the Plat.

1.3 **Phases.** The Project will be constructed in multiple phases. Phase 1 of the Project has already been constructed or is under construction, with all required County approvals.

1.4 **Home Owners Association.** For purposes of this addendum, the definition of "Home Owners' Association" shall be the residential owners association(s) created for this Project. Owners of lots or residences within the Project shall have no obligation to join or be members of any other home owner's association described in the Original Development Agreement as a result of such ownership.

1.5 **Modification of 15 Acres Donated.** Section 3.1(b)(9) of the Original Development Agreement, and Paragraph 10 of the Addendum 1 are hereby modified such that: (a) Developer shall only donate approximately 14.5 acres to the County (referred to herein as the "Park Parcel"), rather than 15 acres, which Park Parcel is described in Exhibit "C" attached hereto and incorporated herein; and (b) Exhibit G to the Subject Development Agreement is replaced with the new park plan attached hereto as Exhibit "D" (the "New Park Plan"). In addition, Developer shall assume the following additional obligations with respect to the Park Parcel:

1.5.1 Developer shall construct the park in all respects as shown on the New Park Plan including but not limited to installing paved parking, sewer and water connections for a public restroom which may be constructed by the County, and seating areas as depicted on the New Park Plan;

1.5.2 Developer shall donate \$190,000 to the County.

1.6 Developer herein shall maintain the public park in all respects. Developer shall be responsible to maintain the open space and trails in all respects, including but not limited landscaping, irrigation, and weed control. This obligation shall be transferred by written agreement to the Home Owners' Association. Maintenance provided by Developer or the Home Owners' Association shall meet or exceed a standard of reasonableness and safety as established by the County. In the event Developer or the Home Owners' Association fails to maintain the open space and trails, the County may (but is not obligated to) maintain them. The market value of the cost of this maintenance is hereby agreed to and shall constitute a valid lien on the Property and its lots on a parity with and collected at the same time and in the same manner as general County taxes that are a lien on the Property.

1.7 **Modification of Rental Use.** Paragraph 6 of the Addendum 1 is modified to include that each town home and single family residence within the Project is

approved for nightly rental use, provided that such rentals are managed by a professional property manager that is registered with the Home Owners' Association's property management company. All units rented on a short term basis shall be subject to transient room tax payable in Wasatch County and all lot purchasers are hereby put on notice of the potential for units to be rented on a short term basis.

1.8 Determination of Ridge Line Issue. Pursuant to the County's request, the Developer has caused a study of certain lots within the Estates Project to be completed to analyze if the Project will violate County requirements regarding ridge lines. The County, after reviewing the ridgeline analysis prepared by the developer, has identified lots 301, 302, and 303 as being subject to violation of Section 16.27.21 Ridgeline/View Shed Regulations of Wasatch County Code.

The purchasers of such lots shall not have the ability to seek any variance or conditional use. The height of structures on this Property may be limited depending on the obstruction of the ridgeline view as determined by Wasatch County Code. It is incumbent upon the person seeking a building permit to verify that all portions of the dwelling shall be below the ridgeline as viewed from the applicable viewing platforms. The Developer shall inform the buyer(s) of these lots in writing of such possible violation, and direct them to consult with the Wasatch County Planning Department for further information. The Developer shall also make the following annotation on the deed(s) transferring ownership of such lots:

"Notice of Deed Restriction -- Grantee takes this property subject to the following deed restriction(s) which are intended to run with the land: This lot is restricted from allowing any building which may be seen above the ridge line as viewed from viewing locations designated by Wasatch County. Purchasers will be required to demonstrate to the Wasatch County Planning and Building departments that any proposed building will not violate this restriction prior to any building permit application approval.

Wasatch County makes no guarantee that a building permit can be issued for the lots in question." Developer acknowledges that Developer will not make claims against the County if a building permit cannot be issued for such lots after a final determination of the impact on the ridgeline has been made including exhausting all administrative remedies and court appeals on the the question of whether the ridgeline ordinance would be violated.

2. Successors and Assigns of Developer.

This addendum shall be binding on the successors and assigns of Developer, and assignment of the same shall be governed by the applicable provisions in the Subject Development Agreement, specifically Section 12.

Miscellaneous

3. Recordation of this Addendum to the Development Agreement

No later than ten (10) days after the County enters into this addendum, the County Clerk shall cause to be recorded, at Developer's expense, an executed copy of this addendum in the Official Records of the County of Wasatch.

4. Covenants to Run with the Land

The provisions of this addendum shall constitute real covenants, contract and property rights, and equitable servitudes, which shall run with all of the land subject to this addendum and the County shall have all the rights and remedies contained in the Subject Development Agreement to ensure performance of these obligations.

5. Incorporation of Recitals and Introductory Paragraph.

The Recitals contained in this addendum, and the introductory paragraph preceding the Recitals, are hereby incorporated into this addendum as if fully set forth herein.

IN WITNESS WHEREOF, this addendum has been entered into by and between Developer and the County as of the date and year first above written.

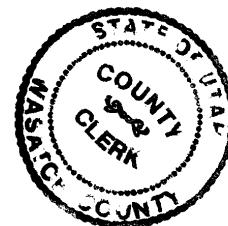
WASATCH COUNTY.

Attest:


Michael J. Dugan
Wasatch County Manager

BRENT TITCOMB,
Wasatch County Clerk - Deputy
Auditor

STATE OF UTAH)
COUNTY OF WASATCH)
ss:



The foregoing instrument was acknowledged before me this 14th day of September, 2007, by Mike Davis, who executed the foregoing instrument in his capacity as the Wasatch County Manager and by Brent Titcomb, who executed the foregoing instrument in his capacity as the Wasatch County Clerk Auditor.

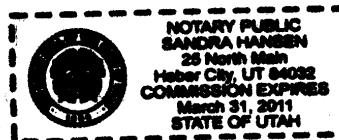
Sandra Hansen

NOTARY PUBLIC

Residing at: Heber City, Ut.

My Commission Expires:

3-31-2011



DEVELOPER:

HERITAGE HOMES, INC.,
a Utah corporation

Brock Johnston
By: Brock Johnston
Its: MANAGER

STATE OF UTAH)
:ss
COUNTY OF Davis)

The foregoing instrument was acknowledged before me this 13 day of September, 2007, by Brock Johnston, who executed the foregoing instrument in his capacity as MANAGER, Heritage Homes, Inc. (developer).

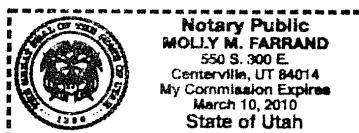
Molly M. Farrand

NOTARY PUBLIC

Residing at: 550 S. 300 E. Centerville, UT 84014

My Commission Expires:

3-10-10



(Exhibit A)

Iroquois Phase 6

Property Description

PARCEL	ACREAGE	USEAGE
Parcel B of Iroquois Phase 6	1.04	Twin Homes
Parcel C of Iroquois Phase 6	1.38	Twin Homes
Future Clubhouse Location Parcel of Iroquois Phase 6	0.55	
Parcel D of Iroquois Phase 6	14.62	County Parcel
Parcel F of Iroquois Phase 6	0.56	Twin Homes
Parcel G of Iroquois Phase 6	2.55	Twin Homes
Parcel H of Iroquois Phase 6	30.38	Open Space
Parcel I of Iroquois Phase 6	3.71	Single Family
Parcel J of Iroquois Phase 6	0.09	Open Space
Parcel L of Iroquois Phase 6	0.56	Twin Homes
Parcel M of Iroquois Phase 6	0.54	Twin Homes
Parcel N of Iroquois Phase 6	1.61	Twin Homes
Parcel O of Iroquois Phase 6	0.75	Twin Homes
Parcel P of Iroquois Phase 6	1.39	Twin Homes
Parcel Q of Iroquois Phase 6	1.34	Water Tank Site
Parcel R of Iroquois Phase 6	0.72	Well Site
Parcel S of Iroquois Phase 6	0.17	Culinary Water Booster Station
Parcel T of Iroquois Phase 6	1.39	Open Space
Parcel U of Iroquois Phase 6	1.81	Twin Homes
Phase 6 Streets of Iroquois Phase 6	8.47	County Parcel
All of Lot 9 of Iroquois Phase 5 Ammended Plat (Twin Homes)	4.87	Twin Homes
TOTAL	78.5	

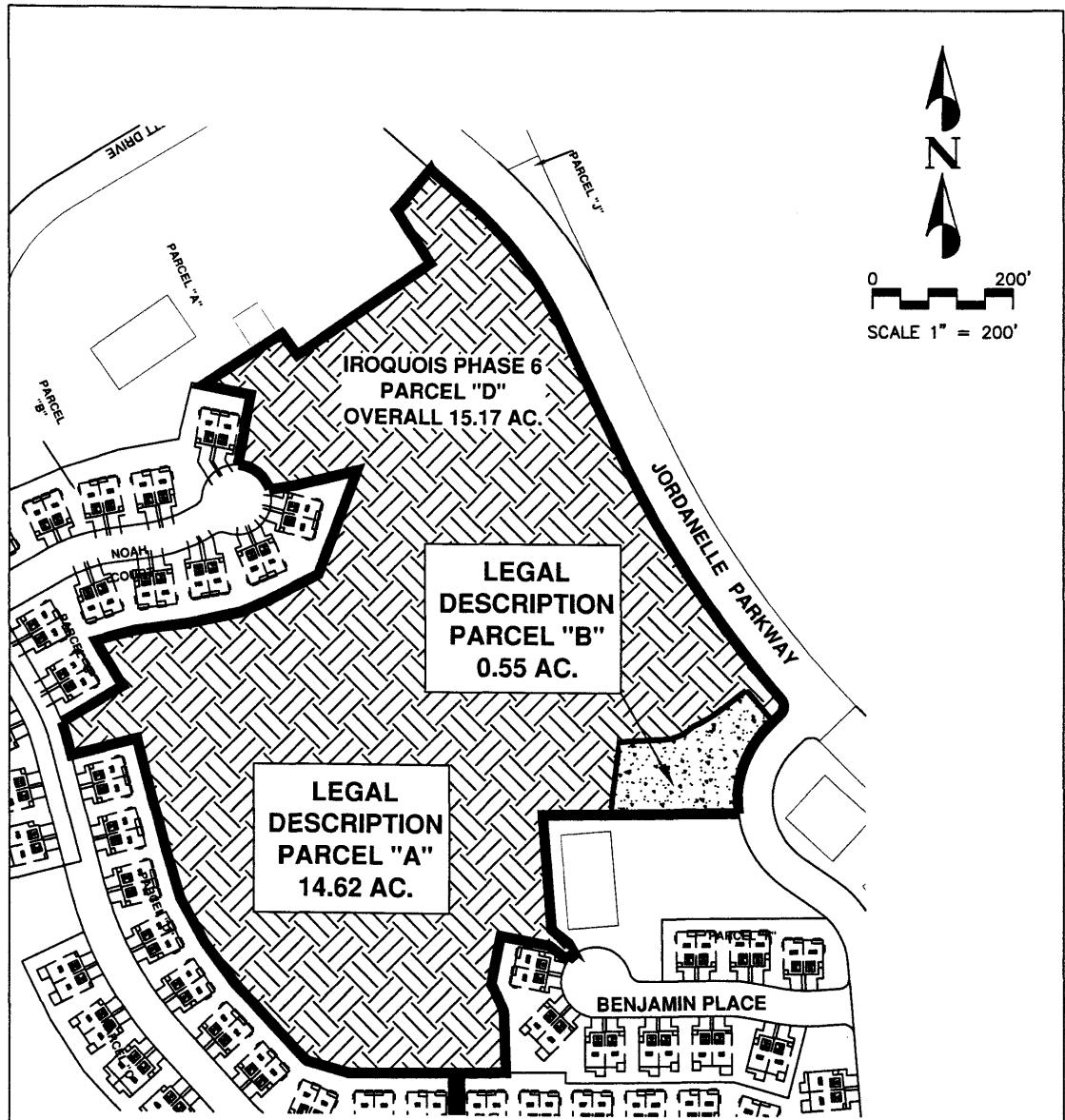
IROQUOIS PHASE SIX

LOCATED IN THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 2 SOUTH, RANGE 4 EAST AND THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 5 EAST AND THE NORTHWEST QUARTER OF SECTION 7, TOWNSHIP 2 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN.

A small icon of a compass rose with a north arrow pointing upwards.

A scale bar for a 1:100 map. It features a horizontal line with tick marks at 0, 100, and 200. Below the line, the text "SCALE IN FEET" is written, followed by "1:100" and "(24 x 36" SURF ONLY)".

SEE PAGE 1 FOR
CURVE AND LINE TABLES

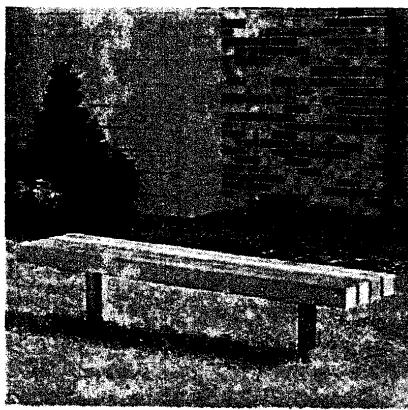


IROQ PH 6 PARCEL "D"
DISPLAY MAP
DATE: 2007-08-30 SCALE: 1"=200'

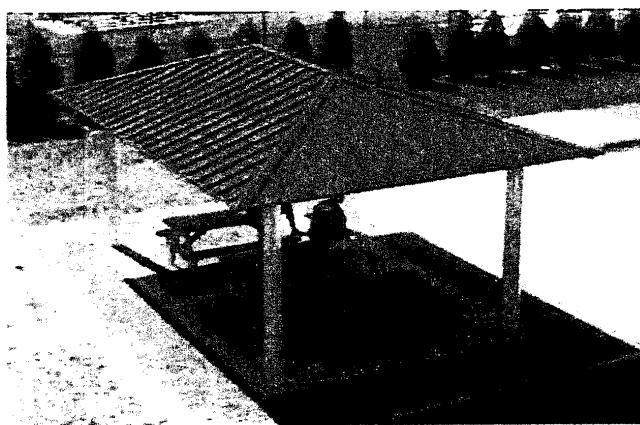


GATEWAY CONSULTING, L.L.C.

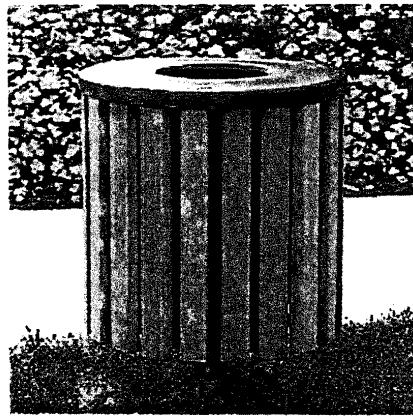
P.O. BOX 951005 SOUTH JORDAN, UT 84095
PH: (801) 433-0774 FAX: (801) 433-0776



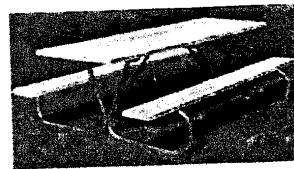
PARK BENCHES



PAVILLION



TRASH RECEPTACLES



PICTIC TABLES