

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

This addendum is entered into this 24 day of April, 2013 by and between Iroquois Phase 6 Corporation a Delaware Corporation and Heritage Homes, Inc. a Utah Corporation (hereinafter referred to as "Developer") and Wasatch County, a political subdivision of the State of Utah (hereinafter referred to as 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 304361, Book 872 and Pages 646-670 (the "Addendum 1"); and including Addendum 2 to Iroquois phase 1, 2, 3, 4, and 5 development agreement executed by Heritage Homes on or about September 18, 2007 and recorded at the Wasatch County recorder's Office as Entry 326143, Book 949, Pages 2242-2252; and including Addendum 3 to Iroquois Phase 1, 2, 3, 4 and 5 development agreement executed by Iroquois Phase 6 Corporation and GCD Construction, Inc on or about August 19, 2011 and recorded at the Wasatch County Recorders Office as Entry 371570, Book 1039, Pages 1578-1601; and including Addendum 4 to Iroquois Phase 1, 2, 3, 4 and 5 development agreement executed by Iroquois Phase 6 Corporation and GCD Construction, Inc on or about July 5, 2012 and recorded at the Wasatch County Records Office as Entry 380257, Book 1058, Pages 1360 – 1368, (all 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. 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.
- C. Heritage Homes, Inc. was the owner of real property located within Wasatch County, State of Utah, commonly known as Parcels A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U of Iroquois Phase 6 and Lot 9 of Iroquois Phase 5, as more particularly shown on Exhibit A (the "Property") attached hereto and incorporated herein. The Property is governed by the Subject Development Agreement.
- D. Heritage Homes, Inc. developed the Property into a residential community (the "Project") pursuant to a series of plats to be recorded with each phase of the Project. There are three (3) sub-projects known as The Villas at the Retreat, The Estates at the Retreat and The Retreat Townhomes as described below:

Ent 389458 BK 1080 Pg 651-664
Date: 03-03-2013 11:56:19 AM
Fee: \$167.00 Check Filed BY: JP
ELIZABETH PALMIER Recorder
WASATCH COUNTY CORPORATION
For: WATKINS BILL

<u>Sub-Project</u>	<u>Unit Quantity</u>	<u>Description</u>	<u>ERU's</u>
The Villas at the Retreat	138	Two Unit Townhomes	138
The Estates at the Retreat	11	Single Family Homes	11
The Retreat Townhomes	126	4, 5 and 6 plex Homes	<u>94.5</u>
			243.5

E. Heritage Homes, Inc. sold the Retreat Townhomes (Parcels A, E and K) to GCD Construction, Inc. In accordance with Addendum 3 to Iroquois Phase 1, 2, 3, 4 and 5 Development Agreement, Parcels A, E and K were relieved from any affordable housing required fees in-lieu. The total \$681,000 fee in-lieu was assumed by Heritage Homes, Inc. in accordance with the calculation shown on Exhibit "B" attached hereto and incorporated herein.

F. Iroquois Phase 6 Corporation obtained ownership of One Hundred and Fourteen (114) units in the Villas at the Retreat and Eleven (11) units within the Estates at the Retreat and all other Parcels in the Property except Parcel A, E, K and Lot 9 of Iroquois Phase 5 through purchase of the outstanding Heritage Homes, Inc. note and subsequent foreclosure proceedings. Ten(10) units in the Villas at the Retreat had already been sold prior to the purchase of the outstanding note.

G. Heritage Homes, Inc. retained ownership of fourteen (14) units in the Villas at the Retreat on Lot 9 of Iroquois Phase 5.

H. As of the date of this Addendum a total of \$96,092.64 has been paid to the Wasatch County Housing Authority as fees in lieu. This payment fulfills the affordable housing requirement for 3.43 of the original required 24.35 total ERU's as follows:

$$\$96,092.64 / \$28,000 = 3.43 \text{ ERU's}$$

The remaining required affordable housing ERU's, as of the old date of this Addendum, are $24.35 - 3.43 = 20.92$ ERU's.

I. The Retreat Townhomes on Parcels A, E and K consist of three different model home types. Of the 126 total units, 37 are planned for the smallest unit of the three model home types. As of the date of this Addendum, 7 of the smallest units have been built and sold at an average price of \$294,800. Exhibit "C", attached hereto and incorporated herein, shows a calculation of the Maximum Home Price which qualifies as affordable housing in 2013 based on 80% of Wasatch County Median Income and current interest rates for 30 year fixed rate mortgages. The calculated Maximum Home Price of \$299,182 is more than the average price of the smallest unit offered in the The Retreat Townhomes. It is reasonable to assume that the remaining 30 small units will also be offered for sale at market prices less than the Maximum Home Price determined by the Housing Authority. These 37 small units translate into 27.75 affordable ERU's as follows:

$$37 \times (.75) = 27.75 \text{ ERU's}$$

J. The combined Affordable Housing ERU's provided for the Project is 31.18 ERU's as follows:

Fee in lieu Affordable ERU's	3.43 ERU's
The Retreat Townhomes Affordable ERU's	<u>27.75</u> ERU's
Total Affordable ERU's	31.18 ERU's

The total combined provided Affordable Housing ERU's of 31.18 ERU's far exceeds the original 24.35 ERU's required for the Project.

K. 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 Iroquois Phase 6 Corporation and 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.

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. Incorporation of Recitals – The Recitals set forth above are incorporated into the body of this Addendum.
2. Satisfaction of Affordable Housing Requirements – The Parties agree that the affordable housing requirements for the Property have been satisfied and that no future affordable housing requirements of any kind shall be placed on any portion of the Property including Parcels A, E and K.
3. Removal of Notices of Claim of Interest – This Addendum releases the Notices of Claim of Interest shown on Exhibits D, E, F, and G attached hereto and incorporated herein. The County shall take all actions to execute or cause to be executed by the Wasatch County Housing Authority further documents to release and remove the Notices of Claim of Interest filed against the Property.
4. 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.
5. Recordation of this Addendum to the Development Agreement – No later than ten (10) days after the Parties enter 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.
6. 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.
7. Entire Agreement – This Addendum constitutes the entire understanding and agreement

between the Parties regarding the issues contained herein and no modification shall be binding unless reduced to writing, and signed by the Parties hereto.

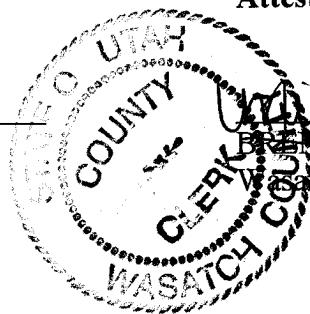
IN WITNESS WHEREOF, this addendum has been entered into by and between Developer and the County as of the date and year first above written.

WASATCH COUNTY:


Mark C. Johnson
Wasatch County Manager

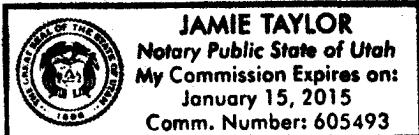
STATE OF UTAH)
ss:
COUNTY OF WASATCH)

Attest:



~~BRENT TITCOMB,~~
Wasatch County Clerk Auditor

The foregoing instrument was acknowledged before me this 24 day of April, 2013, by Mike Davis, who executed the foregoing instrument in his capacity as the Wasatch County Manager and by Brent Litoomb, who executed the foregoing instrument in his capacity as the Wasatch County Clerk Auditor.



My Commission Expires:

1/15/15

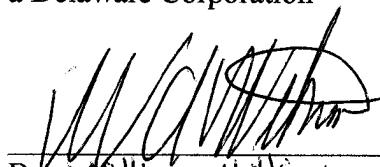
NOTARY PUBLIC
Residing at: 11

Residing at: Wester Valley

DEVELOPER:

Ent 389452 Bk 1080 Pg 0655

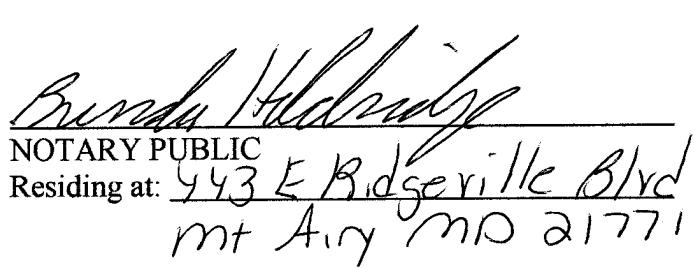
Iroquois Phase 6 Corporation,
a Delaware Corporation


By: William Watkins
Its: Project Manager

STATE OF MARYLAND
COUNTY OF Carroll

The foregoing instrument was acknowledged before me this 12 day of
Apr 1, 2013, by William Watkins, who executed the foregoing
instrument in his capacity as Project Manager, Iroquois Phase 6 Corporation
(Developer)




NOTARY PUBLIC
Residing at: 443 E Ridgerille Blvd
Mt Airy MD 21771

DEVELOPER:

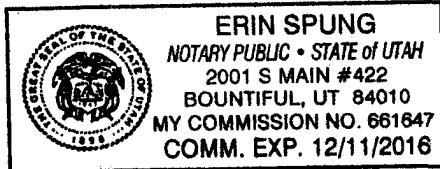
Heritage Homes, Inc.,
a Utah Corporation

Ent 389452 Bk 1080 Pg 0656

Brock Johnston
By: Brock Johnston
Its: Manager

STATE OF UTAH)
:ss
COUNTY OF Davis)

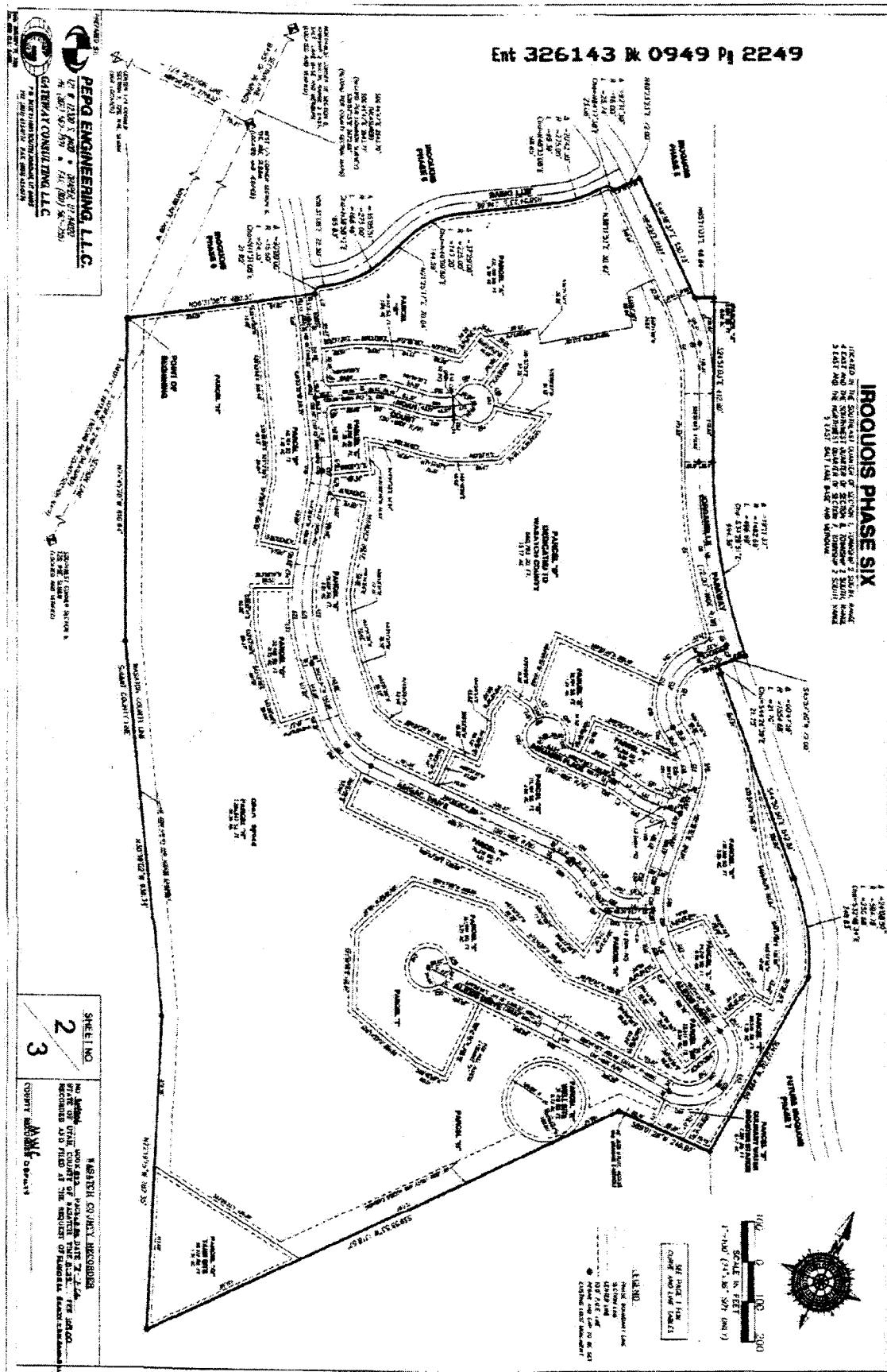
The foregoing instrument was acknowledged before me this 23rd day of
April, 2013, by Brock Johnston, who executed the foregoing
instrument in his capacity as manager, Heritage Homes, Inc (Developer).



Erin Spung
NOTARY PUBLIC
Residing at: Bountiful, UT

My Commission Expires:

12/11/2016



Total ERU's in Project	243.5
10% Affordable Housing	24.35
\$28,000 per Affordable Housing Unit	\$681,800*
Individual Townhome/lots to be built	149**
Total amount of NOI per Individual Townhome Unit/Lot	\$4,575.84***

* The \$681,800 Affordable Housing Obligation includes all Affordable Housing Obligations for the entire phase 6 development, including the obligations for parcels A, E and K in Phase 6.

(Parcels A, E & K make up a total of 94.5 ERU's)

** In the calculation above, the 149 individual Townhomes/Lots to be built are located in Lot 9 Phase 5, and the following parcels located within Iroquois Phase 6: Parcels B, C, G, L, M, N, O, P, U, All of Iroquois amended Parcel I to be known as "The Retreat at Jordanelle Phase 2", and All of Iroquois Phase 6 amended parcels F & G to be known as "The Retreat at Jordanelle Phase 1"

*** To meet the above-referenced \$681,000 Wasatch County Affordable Housing obligation, the developer, Heritage Homes, agrees to pay the Wasatch County Housing Authority a fee-in-lieu of \$4,575.84 per unit for each of the 149 units the developer has been approved to construct, or, in the absence of any construction on any particular lot in the project, for any vacant lot the developer sells. The developer, Heritage Homes, is to pay the \$4,575.84 per unit fee-in-lieu to the Wasatch County Housing Authority at the time of each individual home or vacant lot closing and property is transferred to a third party.

Exhibit C

Updated Affordable Housing Requirements

1. Affordability Calculations are contained in Table 3.3, page 18 of the 2010 Housing Market Assessment: Wasatch County prepared by Bureau of Economic and Business Research, David Eccles School of Business University of Utah January, 2011.
2. The 2010 Maximum Home Price for Affordable Housing based on 80% of Median Income was calculated to be \$230,979. The calculation was based on the assumptions and data shown below along with current assumptions used in the updated maximum affordable home price calculation shown below.

	<u>2010</u>	<u>Updated 2013</u>
Income - 80% AMI	\$53,520	\$56779 ⁽¹⁾
Income Available for Housing @ 30% of Income	\$16,056	\$17,034
Income Available Monthly	\$1,338	\$1,419
After taxes, Home Insurance, Mortgage Insurance @11%	\$1,191	\$1,263
Mortgage Interest Rate	4.95%	3.25%
Amount of Loan Financed	\$224,050	\$290,207
Down Payment 3%	\$6,929	\$8,975
Maximum Home Price	\$230,979	\$299,182

⁽¹⁾ Based on 2% per year increase from 2010 to 2013

When Recorded Mail To:
 Wasatch County Housing Authority
 P.O. Box 776
 Heber City, UT 84032

Ent 348290 Bk 991 Pg 1189-1189
 Date: 21-MAY-2009 11:54AM
 Fee: \$20.00 Check Filed By: MG
 ELIZABETH PALMIER, Recorder
 WASATCH COUNTY CORPORATION
 For: ATLAS TITLE INSURANCE

NOTICE OF INTEREST

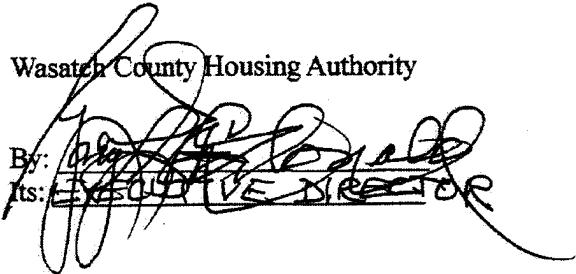
Iroquois amended parcel I to be known as "The Retreat at Jordanelle phase 2",
 Lots 301, 302, 303, 304, 305, 306, 307, 308, 309, 310 and 311.
 OTJ 2301 Through OTJ-2311

NOTICE IS HEREBY GIVEN, pursuant to Utah Code Ann. §57-9-4, that
 Wasatch County Housing Authority, claims an interest in the above-referenced real
 property located in Wasatch County, Utah.

THE NATURE OF THE INTEREST is that Wasatch County Housing Authority
 has rights to a payment for the purpose of satisfying the Affordable Housing requirement
 of Heritage Homes for the Iroquois phase 6 developments. This payment is equal to
 \$4,575.84 per lot as specified in Addendum 3 to Iroquois Phase 1, 2, 3, 4 and 5
 Development Agreement, including Exhibits "A", "B", and "C".

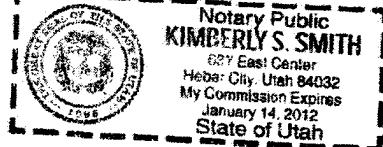
DATED this 20TH day of MAY, 2009.

Wasatch County Housing Authority

By: 
 Its: EXECUTIVE DIRECTOR

STATE OF UTAH)
 : Ss.
 COUNTY OF WASATCH)

On this 20TH day of MAY, 2009, personally appeared before me GARY L. MCDONALD,
 who is the EXECUTIVE DIRECTOR of the Wasatch County Housing Authority, who
 duly acknowledged to me that he executed this instrument in such capacity.



NOTARY PUBLIC
 Residing at: 719 6th St

My Commission Expires: 1/14/13

When Recorded Mail To:
 Wasatch County Housing Authority
 P.O. Box 776
 Heber City, UT 84032

Ent 348291 M 991 P, 1190-1190
 Date: 21-MAY-2009 11:55AM
 Fee: \$18.00 Check Filed By: MG
 ELIZABETH PALMIER, Recorder
 WASATCH COUNTY CORPORATION
 For: ATLAS TITLE INSURANCE

NOTICE OF INTEREST

Iroquois Phase 6 Parcels B, C, G, L, M, N, O, P, & U
 01Q-600B, 01Q-600C, 01Q-600G, 01Q-600L Through 01Q-600P, and 01Q-600U

NOTICE IS HEREBY GIVEN, pursuant to Utah Code Ann. §57-9-4, that Wasatch County Housing Authority, claims an interest in the above-referenced real property located in Wasatch County, Utah.

THE NATURE OF THE INTEREST is that Wasatch County Housing Authority has rights to a payment for the purpose of satisfying the Affordable Housing requirement of Heritage Homes for the Iroquois phase 6 developments. This payment is equal to \$4,575.84 per lot as specified in Addendum 3 to Iroquois Phase 1, 2, 3, 4 and 5 Development Agreement, including Exhibits "A", "B", and "C"..

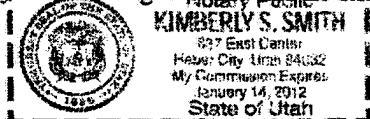
DATED this 20th day of MAY, 2009.

Wasatch County Housing Authority

By: GARY L. MCDONALD
 Its: EXECUTIVE DIRECTOR

STATE OF UTAH)
 : Ss.
 COUNTY OF WASATCH)

On this 20th day of MAY, 2009, personally appeared before me GARY L. MCDONALD who is the EXECUTIVE DIRECTOR of the Wasatch County Housing Authority, who duly acknowledged to me that he executed this instrument in such capacity.



NOTARY PUBLIC
 Residing at: Heber

My Commission Expires: 1/14/12

When Recorded Mail To:
 Wasatch County Housing Authority
 P.O. Box 776
 Heber City, UT 84032

Ent 348292 Bk 991 Pg 1191-1191
 Date: 21-MAY-2009 11:55AM
 Fee: \$10.00 Check Filed By: MG
 ELIZABETH PALMIER, Recorder
 WASATCH COUNTY CORPORATION
 For: ATLAS TITLE INSURANCE

NOTICE OF INTEREST

Iroquois Phase 5, Lot 9
 010 - 5009

NOTICE IS HEREBY GIVEN, pursuant to Utah Code Ann. §57-9-4, that Wasatch County Housing Authority, claims an interest in the above-referenced real property located in Wasatch County, Utah.

THE NATURE OF THE INTEREST is that Wasatch County Housing Authority has rights to a payment for the purpose of satisfying the Affordable Housing requirement of Heritage Homes for the Iroquois phase 6 developments. This payment is equal to \$4,575.84 for this lot as specified in Addendum 3 to Iroquois Phase 1, 2, 3, 4 and 5 Development Agreement, including Exhibits "A", "B", and "C".

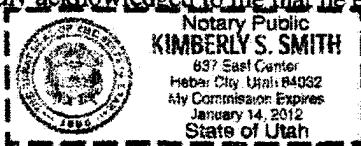
DATED this 20th day of MAY, 2009.

Wasatch County Housing Authority

By: GARY L. MCDONALD
 Its: EXECUTIVE DIRECTOR

STATE OF UTAH)
 : Ss.
 COUNTY OF WASATCH)

On this 20th day of MAY, 2009, personally appeared before me GARY L. MCDONALD, who is the EXECUTIVE DIRECTOR of the Wasatch County Housing Authority, who duly acknowledged to me that he executed this instrument in such capacity.



NOTARY PUBLIC
 Residing at: Heber

My Commission Expires: 1/14/12

When Recorded Mail To:
 Wasatch County Housing Authority
 P.O. Box 776
 Heber City, UT 84032

Ent 348293 Bk 991 Pg 1192-1192
 Date: 21-MAY-2009 11:56AM
 Fee: \$27.00 Check Filed By: MG
 ELIZABETH PALMIER, Recorder
 WASATCH COUNTY CORPORATION
 For: ATLAS TITLE INSURANCE

NOTICE OF INTEREST

Iroquois Phase 6 amended parcels F & G to be known as "The Retreat at Jordanelle phase 1", Lots 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, & 226. OTJ-0209 Through OTJ-0226

NOTICE IS HEREBY GIVEN, pursuant to Utah Code Ann. §57-9-4, that Wasatch County Housing Authority, claims an interest in the above-referenced real property located in Wasatch County, Utah.

THE NATURE OF THE INTEREST is that Wasatch County Housing Authority has rights to a payment for the purpose of satisfying the Affordable Housing requirement of Heritage Homes for the Iroquois phase 6 developments. This payment is equal to \$4,575.84 per lot as specified in Addendum 3 to Iroquois Phase 1, 2, 3, 4 and 5 Development Agreement, including Exhibits "A", "B", and "C".

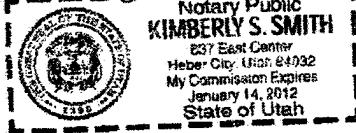
DATED this 20TH day of MAY, 2009.

Wasatch County Housing Authority

By: GARY L. MCDONALD
 Its: EXECUTIVE DIRECTOR

STATE OF UTAH)
 : Ss.
 COUNTY OF WASATCH)

On this 20TH day of MAY, 2009, personally appeared before me GARY L. MCDONALD, who is the EXECUTIVE DIRECTOR of the Wasatch County Housing Authority, who duly acknowledged to me that he executed this instrument in such capacity.



NOTARY PUBLIC

Residing at: _____

My Commission Expires: 1/14/12

Mike Davis

From: Doug Smith
Sent: Tuesday, April 30, 2013 11:33 AM
To: Mike Davis
Cc: Liz Palmier
Subject: FW: misc legals fro affordble housing agreement

IROQUOIS PH6

A parcel of land located in the Southeast Quarter of Section 1, Township 2 South, Range 4 East, and the Southwest Quarter of Section 6 and the Northwest Quarter of Section 7, Township 2 South, Range 5 East, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at a point on the westerly line of the Wasatch County line, which point is 76.21 feet, North 89°50'20" West along the East-West Quarter section line and 1408.76 feet, South 00°09'40" West from the brass cap monument found marking the West Quarter corner of said Section 6 (basis of bearings being South 00°44'47" East, 2643.77 feet along the section line between the brass cap monuments found marking the Northwest and West Quarter corners of said Section 6), and running thence North 56°31'08" East, 480.55 feet to a 15.50-foot radius curve to the right (center bears North 56°31'08" East); thence northeasterly 24.35 feet along the arc of said curve through a central angle of 90°00'00" (chord bears North 11°31'08" East, 21.92 feet); thence North 56°31'08" East, 22.50 feet to the point of curvature with a 275.00-foot radius curve to the left; thence northeasterly 168.46 feet along the arc of said curve through a central angle of 35°05'51" (chord bears North 38°58'12" East, 165.83 feet); thence North 21°25'17" East, 70.04 feet to the point of curvature with a 225.00-foot radius curve to the right; thence northeasterly 147.20 feet along the arc of said curve through a central angle of 37°29'06" (chord bears North 40°09'50" East, 144.59 feet); thence North 58°54'23" East, 246.66 feet to the point of curvature with a 275.00-foot radius curve to the left; thence northeasterly 99.39 feet along the arc of said curve through a central angle of 20°42'30" (chord bears North 48°33'08" East, 98.85 feet); thence North 38°11'53" East, 30.42 feet to the point of curvature with a 16.00-foot radius curve to the right; thence northeasterly 25.74 feet along the arc of said curve through a central angle of 92°11'30" (chord bears North 84°17'38" East, 23.06 feet); thence North 40°23'23" East, 72.00 feet; thence South 49°36'37" East, 330.73 feet; thence North 65°11'03" East, 48.84 feet; thence South 24°51'03" East, 412.80 feet to a 1482.69-foot radius curve to the left (center bears North 65°08'57" East); thence southeasterly 496.69 feet along the arc of said curve through a central angle of 19°11'37" (chord bears South 34°26'51" East, 494.36 feet); thence South 45°57'20" West, 72.00 feet to a 1554.68-foot radius curve to the left (center bears North 45°57'20" East); thence southeasterly 21.70 feet along the arc of said curve through a central angle of 00°47'59" (chord bears South 44°26'39" East, 21.70 feet); thence South 44°50'50" East, 542.81 feet to a 594.78-foot radius curve to the right (center bears South 45°08'58" West); thence southeasterly 250.68 feet along the arc of said curve through a central angle of 24°08'55" (chord bears South 32°46'34" East, 248.83 feet); thence South 04°22'02" West, 499.65 feet; thence South 89°01'28" West, 249.92 feet; thence South 39°55'53" West, 1318.57 feet to a point on said westerly line of the Wasatch County line; thence along said line the following three (3) courses: (1) North 22°19'15" West, 787.35 feet; (2) North 30°39'02" West, 938.34 feet; (3) North 24°45'20" West, 810.64 feet to the point of beginning.

Contains 83.42 acres, more or less.

IROQUOIS PH5 LOT 9

Lot 9 of Iroquois phase 5 Amended, as recorded in Wasatch County Entry#308976 , Book# 898, Page# 402-421.
 (OIQ-5009-0-006-025)