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Agreement PAGE 1/53
ALAN SPRIGGS, SUMMIT COUNTY RECORDER
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**ANNEXATION AND
DEVELOPMENT AGREEMENT
High Star Ranch**

This ANNEXATION AND DEVELOPMENT AGREEMENT (this "Agreement") is made by and between Kamas City Municipal Corporation (hereinafter, the "City") and Tri Star 2005, LLC, a Utah limited liability company (hereafter, the "Developer") to set forth the terms and conditions under which the City will annex certain land owned by the Developer into the corporate limits of the City under authority of §§10-2-401 *et seq.* of the Utah Code Annotated 1953, as amended, and shall serve as a supplemental annexation policy declaration when executed by all parties. The Agreement also sets forth the development parameters and zoning designations under which the Developer may develop the Property (as said term is hereinafter defined) as a mixed-use commercial and residential project to be known as the High Star Ranch (the "Project"), subject to its annexation to City. The Project property consists of approximately 1067 acres of land (the "Property") and is more particularly described in Exhibit A attached hereto and incorporated by this reference, and is located prior to annexation in unincorporated Summit City, Utah, contiguous to the north boundary of City and adjacent to Highway 32.

WHEREAS, Developer filed a Petition for Annexation ("Petition") with City on September 4, 2007, and the Petition was accepted by City on September 11, 2007;

WHEREAS, the City adopted an ordinance of annexation on August 19, 2008;

WHEREAS, in connection with any such annexation (the "Annexation"), the Property will be zoned upon its annexation as a Planned Unit Development ("PUD") under Chapters 21 and 24 of the Planning and Zoning Ordinance of Kamas City, ("Ordinance") to allow for a planned development that will include single family housing subdivisions containing 73 single family lots, a mixed-use residential and commercial condominium project containing 50 residential condominium units, commercial equestrian campus facilities including a horse stall condominium component, commercial uses, agricultural uses, recreation uses, a trail network, employee housing and open space land uses upon the Property ;

WHEREAS, Developer and City desire to establish certain standards and procedures that will be applied to this Project and the construction of improvements located on the Property, to establish certain standards for the development and construction of the Project and to address the requirement for certain amenities including the dedication of a portion of the Project as perpetual open space ("Open Space");

WHEREAS, City also recognizes that the development of the Property will result in tangible benefits to the City through the increase of the City's tax base, and the development of commercial and recreational amenities that will enhance the economic development efforts of the City, and City is willing to vest the development rights and zoning designation of the Project pursuant to the terms of this Agreement against future legislative changes in the General Plan, or the Ordinance that would be inconsistent with the provisions of this Agreement;

WHEREAS, the parties understand, acknowledge and agree that the Annexation of the Property is conditioned upon, among other matters, the parties entering into this Agreement, as well as the approval of the Project master development plan and plat (the "Project Master Plan" that are made a part of this Agreement; and

WHEREAS, City, acting pursuant to its authority under Utah Code Ann. §10- 9a-401 (Annexation Act) and §10- 9a-102(2) (Municipal Land Use, Development and Management Act), which expressly authorizes the City to enact ordinances, resolutions and rules, and to enter into other forms of land use controls and development agreements deemed necessary or appropriate for the use and development of land within the City, and the Ordinance, has made certain determinations with respect to the Property and the proposed development thereof, and in the exercise of its legislative discretion, has elected to enter into and approve this Agreement and to process and approve the uses, zoning, density, general configuration and development standards for the Property pursuant to Chapters 21 and 24 of the Ordinance, resulting in the negotiation, consideration and approval of this Development Agreement after all necessary public hearings.

NOW, THEREFORE, in furtherance of the Annexation Petition, in consideration of the City's agreement to annex the Property subject to the execution of this Agreement, and the mutual promises contained herein, as well as the mutual benefits to be derived herefrom, the

parties agree that the terms and conditions of the development of this Property shall be as follows:

1. **Property.**

1.1 Property. The Property that is the subject of this Agreement and that is to be annexed upon the approval of this Agreement is approximately 1042 acres in size, as depicted on the annexation plat attached as Exhibit B (the “Annexation Plat”) and as more fully described in the legal description attached as Exhibit A. No other property may be added to the legal description of the Project for purposes of this Agreement, except by written amendment approved and executed by the City and the Developer. Except as expressly set forth in this Agreement, or any amendment hereto, this Agreement shall not affect any land within City other than the Property following its Annexation.

1.2 General Description of Project. The Property consists of approximately 1042 acres of land located generally north and contiguous to the north boundary of City. The Project to be developed on the Property is proposed to include 73 single family lots, a mixed-use residential and commercial condominium project containing a main lodge building with 30 residential condominium units and several commercial units containing retail, restaurant, spa, meeting or convention facilities and support commercial functions along with 10 detached buildings containing up to 20 residential condominium units, equestrian campus facilities including a condominium indoor arena/barn project with horse stall condominium units, existing ranch buildings and related structures, employee housing, a network of trails and designated open space. Private roads will be constructed to serve the entire Project.

1.3 Vesting of Development Rights and Zoning. Upon the execution of this Agreement, the approval of the annexation petition, and the recording of the Annexation Plat, Developer’s right to develop the Project pursuant to the terms and conditions of this Agreement and the Project Master Plan, shall vest, as shall the zoning designations as specified herein.

1.4 Vested Development Standards. After approval of a final development plat for the Project as a PUD as required by Chapter 21 of the Ordinance and/or of a final plat for any portion thereof included in any Development Area as required by Section 24.(6) of the Ordinance, the development and construction of the Project or any portion thereof may proceed pursuant to and consistent with the then current construction standards required by Section 24.5

of the Ordinance as modified by the terms and conditions of this Agreement (the “Vested Development Standards”),. In addition, Developer may propose additional more restrictive development standards for a specific Development Area (as hereinafter defined) in order to permit the development of the Project to meet current market requirements. Any such specific Development Area standards shall be deemed added to the Vested Development Standards approved in this Agreement. Such modifications shall be deemed to require Administrative Amendments to this Agreement under Section 4. The approval by the City of such modifications shall not unreasonably be withheld, conditioned, or delayed; provided, however that such approval may be withheld if the designated City official finds that such modified standards violate the requirements of any law or regulation applicable to the Project other than the Vested Development Standard that is the subject of the modification.

1.5 Private Roads. Notwithstanding any inconsistent provision of this Development Agreement or the exhibits hereto, the City agrees that all of the roads within the Project shall be private roads and that Developer, in Developer’s sole discretion, may provide restricted, gated access to the project at the northerly access road and at all entrances of all Development Areas located to the east of the Weber-Provo Canal on the condition that Developer will also provide for appropriate emergency vehicle access to and egress from the Project or any portion thereof that is gated; and further provided that Developer will provide access for governmental entities and employees for governmental purposes, including without limitation building or other regulatory inspections, police or other public health or safety investigations and the City’s Public Works Department to maintain the water and sewer systems for the Project.

2. Development Configuration of Project.

2.1. Project Master Plan. The development configuration of the Project is shown generally on the Preliminary plan (“Project Master Plan”) of the Project, a copy of which is attached hereto as Exhibit C. The Development Areas are divided into nine (9) lots that are shown and legally described on Exhibit F attached hereto (the “PUD Lot Plan”).

2.2 Development Areas, Open Space and Project Facilities. The Project Master Plan reflects the general location and configuration of certain development locations within the Property, areas to be designated as Open Space, and the general location and configuration of the access and circulation roads, potable water, wastewater collection, storm drainage and snow

storage, trails, utilities and the other major infrastructure facilities and recreational facilities serving the Project (the “Project Facilities”). The exact locations for the specific Development Areas known as the South Bench Subdivision, North Bench Subdivision, Middle Bench Subdivision, Commercial Equestrian Campus, North Meadow Subdivision, and the Agricultural Area, collectively (“Development Areas”) are shown on the Project Master Plan and the PUD Lot Plan.

2.3 Development Area Configuration and Development Area Facilities. The development configuration, including the proposed locations for improvements, Open Space and roadways within Development Areas, are shown on the Project Master Plan attached hereto, but may be adjusted by Developer as set forth in Section 2.4 below; provided, however that such approvals and minor adjustments shall be consistent with the vested rights of Developer set forth in this Agreement. In order to permit the design and construction of different Development Areas, Developer may use development standards that are specific for each Development Area so long as such development standards meet or exceed the Vested Development Standards, which different or additional development standards may address such issues as setbacks, building height, parking requirements and other similar standards.

2.4. Project Master Plan Modifications. Developer shall generally develop the Property substantially in accordance with the configuration shown on the Project Master Plan, but shall be permitted to modify the specific placement of a Development Area on the Property, as well as the number of lots contained in any of the four residential subdivision areas so long as (a) the total number of lots for all four residential subdivisions does not exceed 73 lots and (b) the number of lots in any of the four subdivisions does not exceed the maximum of lots set forth in Sections 3.2 through 3.5. Developer and the City agree that any proposed modifications must generally be necessary to achieve one or more of the following purposes: (i) to assure that development is occurring on land appropriate for development, (ii) to preserve as Open Space land that is not appropriate for development due to soils, topography or environmental conditions, (iii) to accommodate the final design of recreational amenities including special event parking in the Agricultural Area during specific events being held in the Commercial Equestrian Campus, (iv) to allow the construction of roads and other Project Facilities to serve a particular Development Area or neighboring Development Areas in accordance with the Vested

Development Standards, or (v) to refine the proposed boundaries of a Development Area based on the specific density and configuration of the Development Area.

2.5. Material Project Master Plan Modification. Any “Material Project Master Plan Modification” shall require either a “Material Amendment” or an “Administrative Amendment” to the Project Master Plan as those terms are defined in Section 4 below. A “Material Project Master Plan Modification” is defined as an expansion of a Development Area into land not previously included in a Development Area, or a change that is not necessary to meet one of the purposes (i) through (v) listed above in Section 2.4. Any Project Master Plan modification that does not meet the definition of a Material Project Master Plan Modification shall be deemed not to require any amendment of the Project Master Plan or this Agreement, under Section 4 below.

2.6 Relocation of Roads. Developer may relocate one or more of the major circulation roads shown on the Project Master Plan where necessary to accommodate revisions to the locations of Development Areas or adjacent Open Space, to avoid areas of environmental sensitivity or to comply with any of the Vested Development Standards. No specific approval of any such change in road location shall be required if the major circulation roads (and their related water and sewer lines) still provide required access and service to the Development Areas shown on the Project Master Plan (or as modified under the standards of this paragraph) and such relocation shall not be deemed to be Material Project Master Plan Modification or to require an amendment to this Agreement. Any Project Master Plan modification not constituting a Material Project Master Plan Modification and not requiring an amendment under Section 4 shall be deemed incorporated into the Project Master Plan without further approval of City.

2.7 Signage. Developer shall be entitled to install one or more signs, Project identification sign at all entries to the Property; a sign on each of the buildings or structures in the Commercial Equestrian Campus , and directional signs all of the roads and trails in the Project. The signs shall generally conform to the conceptual designs shown in Exhibit E hereto. The final design of a sign may vary, so long as the net square footage, height, lighting, lettering, and construction materials do not deviate materially from those contained in Exhibit E.

2.8 Project Phasing. Developer may phase the construction of all elements of the Project; provided, Phase 1 shall include (i) the development and dedication of the water well(s) as set forth in Section 16.5, (ii) the extension of the water lines as set forth in Section 16.6, (iii) the

construction, connection and dedication of a 750,000-gallon water tank and a 500,000-gallon water tank as set forth in Section 10.4., and (iv) the completion of all of the Project infrastructure for roads, sewer and utilities to the Commercial Equestrian Campus. All other construction in the Development Areas may be phased as the Developer deems commercially feasible in its sole discretion.

2.9 Recording of Final Development Plats. Developer shall cause to be prepared a Final Development Plat for each phase of the Project, including any final subdivision plats or condominium plats, and submit the same to the City for signature and recordation in accordance with the Ordinance.

3. Approved Land Uses and Densities. The approved land uses and densities for the Project are set forth below. The approved uses are generally consistent with the uses contemplated in a Planned Unit Development (PUD) under the City's General Plan and Ordinance with each Development Area having the zoning set forth herein. The Project Master Plan reflects a level of density for each Development Area. Each Development Area and the Project as a whole will have the density as set forth below and as depicted on the Project Master Plan, subject to amendment as provided herein.

3.1 Commercial Equestrian Campus. The Commercial Equestrian Campus may contain the following facilities, structures and uses:

3.1.1 General Commercial Zoning. The Commercial Equestrian Campus will be zoned General Commercial ("GC") under Chapter 15 of the Ordinance and all permitted uses thereunder, together with all of the uses set forth hereinbelow, shall be permitted uses under this Agreement. To the extent that there are any conflicts between the provisions of this Agreement and Chapter 15 of the Ordinance, the provisions of this Agreement shall control.

3.1.2 Existing Ranch Structures. The existing ranch structures and uses, excluding all residences, but including all sheds, barns, corrals, arenas, tanks and other improvements as shown on the Project Master Plan shall be permitted uses in the Commercial Equestrian Campus under this Agreement. Notwithstanding anything provided above, the existing main ranch building may be used as an employee housing unit for the Project manager or Lodge Project manager and such use will count as one of the permitted thirty (30) employee housing units authorized under Section 3.7 hereof without the size limitation set forth therein.

3.1.3 Mixed-Use Residential and Commercial Condominium Project. The Developer shall be permitted to construct a mixed-use residential and commercial condominium project (the "Lodge Project") that has: (i) a main lodge structure with a maximum of 70,000 square feet of gross building space containing 30 residential condominium units together with one or more commercial condominium units containing commercial, retail, restaurant, spa, meeting and convention facilities and support commercial space or functions for a condominium hotel operation; and (ii) 10 unattached buildings of no more than 2,400 gross square feet of building space each and containing a maximum of 20 residential condominium units in all of such buildings. Owners of the residential condominium units in the Lodge Project shall have the option of permitting their units to be used as part of a condominium hotel operation, which use shall be a permitted use under this Agreement. Each residential unit may have separate lockout entries to a vestibule or common area corridor or space for each bedroom contained in the unit to accommodate commercial hotel operations. Parking for the lodge and detached units will include 1.5 spaces of underground parking per residential unit in the main lodge, 1 space of surface parking per residential unit in the detached buildings, and the number of spaces required for retail or commercial uses in the Lodge Project as set forth in Chapter 21 of the Ordinance. The commercial use parking spaces may be underground in the main lodge building or surface parking as determined by the Developer. The main lodge building in the Lodge Project will be allowed a height variance up to 42 feet above existing grade.

3.1.4 Other Areas and Uses in the Commercial Equestrian Campus. The Commercial Equestrian Campus may also include a condominium indoor arena and horse barn with up to 100 horse stalls that will be constructed and platted as condominium units; another separate 50 stall-barn with horse stalls that will be available for long or short term rental; an indoor riding arena; an outdoor riding arena; one or more outdoor paddock areas, tack rooms, hay storage, wash rooms and other related facilities, a retail trailer sales office and showroom, and a general merchandise store. The Commercial Equestrian Campus will have surface parking for vehicles including trucks with trailers with a maximum of ten (10) utility-sewer hook-ups and a main dump station for RV vehicle waste disposal, and temporary storage parking for horse trailers for guests in the Lodge Project traveling with their own horses, as well as the required number of parking spaces for commercial uses as set forth in Chapter 21 of the Ordinance;

subject, however, to the overflow parking use permitted in the Agricultural Area as set forth below. The City may charge the Project a special sewer rate for the utility-sewer hook-ups and the main dump station. The temporary trailer storage area will be located to the rear of the area in the Commercial Equestrian Campus as shown on the Project Master Plan and will not be visible from the highway. Each residential owner in the Project may store horse trailers, tractors and other equipment, provided that they are within enclosed equipment sheds/garages constructed in accordance with the Vested Development Standards. No outdoor permanent trailer storage will be allowed for residential owners in the Project. The Commercial Equestrian Campus shall also include the commercial area in the southwestern corner of the Property as shown on the Project Master Plan, which area also includes the public trailhead and maintenance building property referred to in Section 10.4.2 hereof. The City acknowledges that liquor, beer and wine licenses will be necessary for the feasibility of many of the businesses to be located in the Commercial Equestrian Campus Development Areas, and the City shall support the Developer's and its assigns applications to the State of Utah's Department of Alcoholic Beverage Control.

3.2 South Bench Subdivision. Subject to the exclusion of all Conditional Uses listed in Section 10.025, the South Bench Subdivision will be zoned Single Family Residential ("R-1") under Chapter 10 of the Ordinance and will include no more than 11 single family lots, with each lot allowed, in addition to the main residence: (i) a detached barn or equipment shed; and (ii) subject to Section 3.6, a detached Guest House (as hereinafter defined). The construction of any such detached barn, equipment shed or Guest House shall conform in all respects with the Vested Development Standards.

3.3 Middle Bench Subdivision. Subject to the exclusion of all Conditional Uses listed in Section 10.025, the Middle Bench Subdivision will be zoned Single Family Residential ("R-1") under Chapter 10 of the Ordinance and will include no more than 9 single family lots, with each lot allowed, in addition to the main residence: (i) a detached barn or equipment shed; and (ii) subject to Section 3.6, a detached Guest House. The construction of any such detached barn, equipment shed or Guest House shall conform in all respects with the Vested Development Standards.

3.4 North Bench Subdivision. Subject to the exclusion of all Conditional Uses listed in Section 10.025, the North Bench Subdivision will be zoned Single Family Residential ("R-1")

under Chapter 10 of the Ordinance and will include no more than 40 single family lots, with each lot allowed, in addition to the main residence: (i) a detached barn or equipment shed; and (ii) subject to Section 3.6, a detached Guest House. The construction of any such detached barn, equipment shed or Guest House shall conform in all respects with the Vested Development Standards.

3.5 North Meadow Subdivision. Subject to the exclusion of all Conditional Uses listed in Section 10.025, the North Meadow Subdivision will be zoned Single Family Residential ("R-1") under Chapter 10 of the Ordinance and will include no more than 20 single family lots, with each lot allowed, in addition to the main residence: (i) a detached barn or equipment shed; and (ii) subject to Section 3.6, a detached Guest House. The construction of any such detached barn, equipment shed or Guest House shall conform in all respects with the Vested Development Standards.

3.6 Limitation on Guest Houses. There shall be no more than twenty (20) Guest Houses constructed as a permitted use on single family lots in the 4 single family subdivisions in the Project. No Guest House may be erected on a lot that is less than three (3) acres in total area. Guest Houses may not exceed 1,500 square feet in gross building space.

3.7 Employee Housing. Developer shall be entitled to construct 30 new employee housing units in the Commercial Equestrian Campus, with no more than 15 units to be constructed in Phase 1 of the Project. The employee housing units shall not exceed 350 square feet of living space per unit. The employee housing units will be used solely by employees (and their families) working in the Project or for the operations of facilities or businesses contained in the Project. The buildings containing the employee housing units may contain additional common area space for access corridors, common amenities and common mechanical systems.

3.8 Agricultural Area. Prior to the recording of the Final Development Plat for Phase 1 of the Project, Developer shall cause to be recorded an agricultural easement deed in favor of a non-profit non-governmental organization such as the Summit Land Conservancy, approved in form and content by City, which shall impose perpetual covenants and use restrictions for that portion of the Project depicted as agricultural space on the Project Master Plan, which covenants shall limit the use of such area to the uses set forth below.

Subject to the exclusion of the Excluded Agricultural Uses (as hereinafter defined), the Agricultural area shall be allowed all permitted uses set forth in Agricultural Zone ("A-40") under Chapter 7 of the Ordinance. The term Excluded Agricultural Uses shall include: Dwelling, Single Family; Manufactured Home; Schools, Public; and all Conditional Uses listed the Ordinance. Overflow event parking for horse shows and other entertainment functions held in the Commercial Equestrian Campus area shall also be a permitted use and not an administrative conditional use in the grass pastures located in the Agricultural Area .

3.9 Recreational Cabins in Open Space Area. Developer shall be entitled to construct 3 recreational cabins in the Open Space Area as shown on the Project Master Plan. The two lower cabins shall be no more than 750 square feet in area. The uppermost recreational cabin may be a building containing ~~at least~~ 2,500 square feet in area to house functions and events such as weddings, banquets and meetings. Such area shall not exceed three (3) acres and may also include support facilities (e.g. corrals, parking, storage sheds and picnic areas) that complement the permitted recreational use of the recreational cabin and trails located in the Open Space. This area may be accessed for use or service purposes either by private roads or a people-mover system (e.g. gondola or chair lift, but excluding any funicular system) through the Open Space Area as shown on the Project Master Plan. Each of the cabins shall be constructed in accordance with the Vested Development Standards; provided, however, all utilities, including water and septic systems, serving such cabins shall be self-contained on the cabin sites. The use of the recreational cabins shall be governed by rules and regulations adopted by the Master Owners Association. Motorized vehicles shall be allowed on access roads or trails to service the utility systems located on the recreational cabin sites.

4. Amendments.

4.1 Material and Administrative Amendments. If Developer requests an amendment to the Project Master Plan as set forth in this Agreement, the City, in its sole discretion and by non-legislative action, shall determine whether the proposed amendment is a "Material Amendment" or an "Administrative Amendment". Any proposed amendment that alters or modifies the duration of this Agreement, the permitted uses, the approved density or intensity of use, zoning, the text of the Agreement itself, the requirement of any amenity described herein, if any, that is available to the public, provisions for reservation and dedication of land, including Open Space

dedications or provisions of the Development Agreement or any approved mechanism that imposes financial obligations on Developer other than agree to and/or contemplated by this Agreement, shall be deemed a “Material Amendment” and shall require a noticed public hearing and recommendation by the Planning Commission, if applicable, and/or a noticed public hearing and decision by the City Council prior to the execution of such an amendment. All other proposed amendments may be considered as either a Material Amendment or an Administrative Amendment at the discretion of the City. An Administrative Amendment may be approved by the City Staff without a noticed public hearing, recommendation by the Planning Commission or action by the City Council.

4.2 Effect of Amendment. Any amendment to this Agreement shall be operative only as to those specific portions of this Agreement expressly subject to the amendment, with all other terms and conditions remaining in full force and effect without interruption.

5. **Project Master Plan Approval.**

5.1 PUD Application Not Required. The parties acknowledge and agree that this Agreement shall be deemed to be an approved application for a Planned Unit Development (“PUD”) under the Ordinance. The PUD shall contain 9 Lots that are Development Areas as shown on Exhibit “F” attached hereto as well as Open Space and Agricultural Area as shown on the Project Master Plan. This Agreement represents approval and the vesting of the PUD zoning designations for each area in accordance with the Project Master Plan, the development densities and the Vested Development Standards contained and approved herein. The City acknowledges and agrees that the City's approval of the Project Master Plan shall constitute approval of the residential subdivisions and the condominium projects to be constructed in the Development Areas, subject only to the filing of final plats as required by Section 24.4(6) of the Ordinance.

5.2 Amendments to PUD. Any Material Amendments to the PUD or this Agreement shall be processed in accordance with this Agreement.

5.3 GC, R-1 and A-40 Applications Not Required. The parties acknowledge and agree that this Agreement shall be deemed to be approved applications under the Ordinance as follows: (i) an application for a GC zoning designation for the Commercial Equestrian Campus, (ii) applications for R-1 zoning designations for the South Bench Subdivision, the Middle Bench Subdivision, the North Bench Subdivision, and the North Meadow Subdivision, and (iii) an

application for an A-40 zoning designation for the Agricultural Area. This Agreement represents approval and the vesting of the zoning designations for portions of the Project in the Development Areas in accordance with the Project Master Plan, the development densities and the Vested Development Standards contained and approved herein.

5.4 Amendments to Zone Designations. Any Material Amendments to the zoning designations for any portion of the Development Areas set forth in Section 5.3 above or this Agreement shall be processed in accordance with this Agreement.

6. Vested Rights and Reserved Legislative Powers. Developer shall have the vested rights to develop and construct the Project, to develop and construct the Project facilities and to develop and construct specific features within the Development Areas in accordance with the uses, densities, zoning and generally configuration of Project Master Plan and the Vested Development Standards described and agreed to in Agreement, while applying the Ordinance, any environmental review requirements, transportation impact studies, and other land use plans, laws and regulations of the City and Summit County to the extent applicable to the Project, existing and effective on the date this Agreement is fully executed, the ("Vesting Date"), but only to the extent such existing laws and regulations are not inconsistent with the terms and conditions of this Agreement. In the event of any conflict, the express terms of this Agreement shall control.

7. Compelling, Countervailing Public Interest. Nothing in this Agreement shall limit the future exercise of the police power and legislative authority of the City in enacting generally applicable laws after the date of this Agreement. Notwithstanding the retained power of the City to enact laws and ordinances under its retained powers, such legislation shall only be applied to modify the vested rights described in 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 as set forth in *Western Land Equities v. City of Logan*, 617 P.2d 388 (Utah 1980), or applicable statutory law. Any such proposed change affecting the vested rights of the Project shall be of general application to all development activities within City; and, unless the City declares an emergency, Developer shall be entitled to prior written notice and an opportunity to be heard with respect to the proposed change and its applicability to the Project under the compelling countervailing public policy exception to the vest rights

doctrine. The regulations, Ordinances, policies and plans governing the permitted uses, densities, intensities, general plan configuration and Vested Development Standards of the Project hereby vested, that are not inconsistent with the terms and conditions of this Agreement are incorporated herein by this general reference.

8. **Duration.** The term of this Agreement shall commence on, and the effective date of the Agreement shall be, the effective date of the Ordinance approving this Agreement, which date shall also be the Vesting Date of Developer's rights hereunder. Notwithstanding anything to the contrary set forth in the Ordinance, including without limitation, Sections 24.4(4), 24.4(7) and 24.7, the term of this Agreement shall extend for a period of twenty-five (25) years from the effective date unless the Agreement is earlier terminated by the completion of the development and the dedication of all required infrastructure to the City. At such time, Developer is deemed to have met all of its obligations under this Agreement and is no longer bound by its terms and conditions. The Master Owners Association to be created in accordance with the Covenants, Conditions and Restrictions (CC&R's") to be recorded at the time of recording of the PUD plat for the Project, will become the successor in interest to Developer under this Agreement in accordance with the terms of the CC&Rs. The CC&Rs shall contain fencing limitations that restrict perimeter fencing to the building envelopes on each residential lot in the four residential subdivisions rather than the residential lot perimeter.

9. **Governing Land Use Laws.** The respective rights of the parties in the event City seeks to apply or enforce land use laws to the Project in a manner that is inconsistent with the terms and conditions of this Agreement shall be governed by the then existing Utah state and federal land use case law.

10. **Fees and Exactions.**

10.1. **Development Application and Review Fees.** The Project will pay the application and review fees for the following applications deemed granted hereunder: (i) the amendment of the General Plan land use map to reclassify the Property to a PUD, (ii) the rezoning of the Property to a PUD and to a GC, R-1 and A-40 zoning designations for the Development Area as set forth in Section 5.3 of this Agreement, and (iii) the approval of this Development Agreement. No further fees or engineering expenses shall be charged to Developer for these three approvals. However, Developer shall pay all advertising and other out of pocket expenses incurred by the

City in processing the Applications in accordance with the Ordinance and policies of City. Application and review fees for the Development Area plats for each Development Area shall be paid at the time of application for any such approval.

10.2. Plan Engineering Review Fees. City may charge such standard engineering review fees for final or amended subdivision, development or construction approvals for the Project as are generally applicable on a non-discriminatory basis for all other general public City applications under the Ordinance at the time of application for any such approval.

10.3 Other Fees. City may charge other fees that are generally applicable, including but not limited to standard building permit review fees for improvements to be constructed on improved parcels.

10.4. Certain Impact Fees and other Exactions. As a condition precedent to the annexation of the Property and effectiveness of this Agreement, Developer has agreed to provide to City cash in the amount of \$4,493,000 or the equivalent value in the form of construction and dedication of certain water facilities, sewer facilities and other facilities (the "Developer's Contributions") .

10.4.1 Direct Cash Contributions. The following is a list of items for which the Developer has agreed to make direct cash contributions totaling \$4,493,000 on the schedule set forth in Section 10.5 :

- (a) Enhancement of Existing Sewer Treatment Facility
- (b) Radio Meter System Upgrade
- (c) Hiring Additional City Employees
- (d) New Police Equipment and Vehicles
- (e) New Maintenance Truck
- (f) Pump Station Maintenance
- (g) Rodeo Grounds Improvements
- (h) New Maintenance Building
- (i) Water Tank Expansion
- (j) Utility Extensions

10.4.2 Conditional Contribution of Land. Developer agrees to make a conditional dedication of a parcel of land not to exceed 8 acres and located near the public trail head and the

highway, as depicted on Exhibit H heretofore construction and operation of a city maintenance building. In the event City (i) finalizes an agreement with the Utah Department of Transportation for the construction of the City maintenance building on another site, or (ii) fails to construct a maintenance building on the dedicated parcel within ten years of the date of this Agreement, City will sell this parcel back to Developer at the agreed upon price of \$30,000.00 per acre. Developer reserves the right to review and reasonably approve the architectural exterior design of any such maintenance building constructed by City on this parcel. Developer agrees that it will not unreasonably delay, condition or withhold its architectural approval of the exterior design of any such building.

10.4.3 Water Tank Expansion. In lieu of a direct cash contribution to the City under 10.4.1(i), Developer agrees to construct (x) a 750,000-gallon capacity water tank and (y) a 500,000-gallon capacity water tank, each on the area of the Property shown on the project Master Plan. The water tanks shall be constructed by the Developer according to plans and specifications provided by the Developer and approved by the City with a construction permit from the State of Utah. Developer shall be credited with the amount of \$510,000 towards the cash contribution total of \$4,993,000 set forth in Section 10.4, which credit shall apply to the balance due pursuant to Section 10.5(c). Upon completion of construction of each water tank and the connection of the same to the Project's main water lines, Developer agrees to deed over to the City the portion of the Property upon which the water tank is located, together with an access and utility easement for the connection lines and the access needed for the City to perform maintenance on the water tank and connection lines. The City acknowledges that upon completion of construction and the execution and delivery of the deed and easements for the water tanks that the City shall thereafter be responsible for all of the costs of maintaining, repairing and replacing the water tanks and connections.

10.4.4 Utility Extensions. The City and the Developer entered into that certain Water Line Reimbursement Agreement, a copy of which is attached hereto as Exhibit D, wherein the Developer agreed to reimburse the City for the costs of extending the City's water mains to a manhole located on the west side of State Road 32 as shown on the Project Master Plan. Upon execution of this Agreement and the annexation of the Property into the city limits of the City, the condition precedent for Developer's reimbursement of the City will occur, and the parties

acknowledge that the amount of \$291,000 shall be paid and credited against item (j) in Section 10.4.1 is deemed to be the amount owed by the Developer to the City under the Water Line Reimbursement Agreement. Said amount shall also be deemed to be paid as part of the \$500,000 cash contribution required from Developer pursuant to Section 10.5(a). Developer shall at its expense extend the water lines from the point the City has extended them, which is to a point on the south side of Thorn Creek on State Highway 32 rather than the point designated under the Water Line Reimbursement Agreement, to the Property as set forth in Section 16.6 of this Agreement. The City shall provide reasonable support and cooperation to the Developer in obtaining the appropriate permits or agreements from UDOT for the extension of the Project's water mains from the existing manhole as set forth above across said state road to the Project. The City acknowledges that upon completion of construction and the execution and delivery of the deed and easements for all of the water and sewer lines in the Project that the City shall thereafter be responsible for all of the costs of maintaining, repairing and replacing the Project's water and sewer lines.

10.5 Payment of Developer's Contributions. For the portion of the Developer's Contributions that are to be paid in cash as set forth in Section 10.4 above, excluding any amount that is directly spent or paid by the Developer as provided in Sections 10.3 and 10.4, Developer will pay to the City the following amounts on the following schedule: (a) \$500,000 in cash upon the recording of the Annexation Plat with the Summit County Recorder; (b) delivery of the Developer of a \$1,500,000 irrevocable letter of credit in a form acceptable to the City's attorney and from a financial or banking institution acceptable to the City with a draw down maturity date of August 19, 2009; and (c) the balance of the amount due under Section 10.4.1 at the recording of residential subdivision plats for the Development Areas east of the Weber-Provo Canal as shown on the Cash Contribution Schedule set forth on Exhibit J attached hereto.

10.6 The City will credit the value of Developer's Contributions as a direct off-set against any other impact fees or charges it might otherwise impose on this Project in recognition of the value of these contributions.

11. Municipal Services. City will provide all municipal services to the Property that it presently provides to all other areas and residents of the City, on the same basis and under the same rate structure as all similarly situated property within the City's boundaries; provided,

however, nothing contained herein shall prevent the City from establishing special rates for utilities or other services provided to residents of the City that have unique costs or services for such utilities or services. The City hereby guarantees to the Developer that all such services shall be available at the time of recording of any subdivision plat for the Development Areas in the Project.

12. **Open Space.** Prior to the recording of the Final Development Plat for Phase 1 of the Project, Developer shall cause to be recorded a conservation easement deed in favor of a non-profit non-governmental organization such as the Summit Land Conservancy (the “Open Space Supervisory Agency”), approved in form and content by City, which shall impose perpetual covenants and use restrictions for that portion of the Project depicted as open space on the Project Master Plan, which covenants shall prevent the construction thereon of residential, commercial and/or retail structures or other permanent improvements other than trails, recreational amenities and other uses expressly permitted in this Agreement.

13. **Fire Prevention Measures.** Because of significant wild land-urban interface issues on the Property, Developer agrees to develop in conjunction with the South Summit Fire District a fire protection and emergency access plan, and to implement the same. The plan is to be submitted prior to the issuance of any building permits, and to be reviewed and approved by the South Summit District Marshall and Chief Building Official of the City for compliance with applicable fire codes.

14. **Roads, Road Design and Access.**

14.1 **Designed Construction Standards.** All streets and roads within the Project shall be designed according to the Vested Development Standards, which shall include the road specifications set forth on Exhibit K. The roads shall remain private roads and will not be dedicated to the public use. Accordingly, upon the Developer and its successor Master Owner’s Association shall be responsible for their maintenance, repair and snow removal so as to provide year around access to the Property.

14.2. **Main Access Roadway.** Developer will develop with the concurrence of the City Engineer, a plan for primary vehicular access (the “Main Access Roadways”) through two entrances on Highway 32, as generally depicted on the Project Master Plan attached as Exhibit B, but the final location width, grade, dimensions and construction standards will be determined

in through the development process and reflected on the final Project Master Plat as recorded. The Main Access Roadways from Highway 32 shall be constructed in accordance with the Vested Design Standards.

14.3. Secondary Access Roadway. Developer shall also construct a secondary emergency access ("Secondary Access") for the Property along the northern border of the Property up to the Commercial Equestrian Campus. The Secondary Access road will be constructed in accordance with the Vested Development Standards. The general location of the Secondary Access road is depicted on the Project Master Plan, but the final location, width, grade, dimensions and construction specifications will be determined through the development process and reflected on the final Development plat as recorded. Developer may maintain a locked gate at the Secondary Access and Highway 32 and may restrict use of the Secondary Access Easement to emergency and fire suppression use only.

14.4 Canal Bridges. The Developer shall be entitled to negotiate agreements with the United States Bureau of Reclamation and the Provo River Water Users Association, the owner and operator, respectively, of the Weber-Provo Canal for the reconstruction of existing bridges or the construction of new bridges for vehicles or pedestrians as deemed necessary by Developer and installation of utilities to accommodate the construction of the Project's interior roadways. Developer may enter into similar agreements with Beaver/Shingle Creek Irrigation Company and Marion Ditch Company regarding enclosure, future operation and maintenance of crossing of their irrigation facilities and the installation of utilities to facilitate the development of the Property.

14.5 State Road 32 Lanes. The Developer shall be entitled to negotiate agreements with the Utah Department of Transportation ("UDOT") for the widening of State Road 32 to provide for appropriate acceleration/deceleration lanes at the entrances to the Project as shown on the Project Master Plan and the City will provide reasonable support and cooperation to the Developer in obtaining these agreements from UDOT.

15. Sanitary Sewer, Line Extensions and Related Matters.

15.1. Designation of Alignment. Construction and alignment of the sanitary sewer shall be determined in consultation with the City and its location will be depicted on the final development plat as recorded. The preferred alignment of the sanitary sewer shall be that which

results in the least visual impact and site disturbance while meeting the site design and construction requirements of the City's sewer department.

15.2 Garbage Service. Developer shall arrange for garbage services for the Project through private companies or with Summit County; provided, however, in the event that the City commences any such services for other property owners in the City, then Owners of Lots or Units shall be provided such services by the City at the standard rates being charged by the City for such services.

16. **Water Rights and Water Source Capacity.**

16.1 Water Rights. Developer has acquired by contract Number 73535 9the "WBWCD Contract" with the Weber Basin Water Conservancy District ("WBWCD") 100 ac-ft of replacement water for use by the Development and has filed an exchange application E4808 (35-12107) ("Exchange Application") with the Utah Division of Water Rights for authorization to drill one or more drinking water wells on the Property to develop the source capacity required to provide domestic water service to the Development. This contract is fully paid for the current water year and in good standing. The State Engineer is still reviewing the Exchange Application as of the date of this Agreement. Developer will not construct dwellings and/or commercial space that will knowingly result in a diversion requirement of more than the 100 ac-ft available under this Exchange Application. In the unlikely event that the final development plan requires a calculated diversion right in excess of 100 ac-ft, Developer will transfer and assign to City sufficient shares of Beaver/Shingles Creek Irrigation Company stock currently owned by Developer to cover any short fall in available water for the domestic use of this project. Developer will also reimburse city for its actual and reasonable costs incurred in filing and prosecuting a change application to convert these share, if any are so transferred and assigned, to municipal use.

16.2. Assignment to City. Within 30 days of the approval of the Exchange Application by the State Engineer, Developer will transfer by written assignment all of its right, title and interest in and to the WBWCD Contract and transfer by appropriate written assignment the approved Exchange Application to City. Thereafter, City shall hold and be responsible for the performance of the WBWCD contract and approved Exchange Application for the use and benefit of the Project.

16.3. Interim Payments by Developer. The WBWCD Contract requires an annual payment to WBWCD for the perpetual rental of the water. Until such time as the Revenue-Cost Equilibrium Point (as said term is defined below) is reached, Developer agrees to provide annually to the City sufficient funds to pay the annual contract payment to WBWCD. City will provide Developer a copy of the annual billing notice from WBWCD, and Developer will reimburse City for the payment of the annual WBWCD payment within 30 days of its receipt of notice of the billing from City. Once the Revenue-Cost Equilibrium Point is reached, the City will assume the full contractual liability to WBWCD for all annual payments due under this WBWCD contract and the Developer shall have no further responsibility for these annual payments. The term “Revenue-Cost Equilibrium Point” shall mean that point in time when the annual payment amount under the WBWCD Contract divided by the number of active connections to the City’s water system within the Project (including the commercial facilities in the Project) equals the amount of the City’s High Star Ranch water charge residents of the Project.

16.4. Source Development: Developer will at its sole costs and expense drill one or more culinary water wells that are completed and equipped in accordance with the construction standards of the City and the Utah Division of Drinking Water, with sufficient usable source capacity to meet the source capacity requirements of the Project. The well or wells will be dedicated to and accepted by City upon the completion of the well or wells and their acceptance by the Utah Division of Drinking Water as a source of municipal water for the Project. Developer will grant appropriate easements to City to access the well, for water transmission lines, power lines and a sufficient area to allow maintenance, repair and replacement of the wells by City. Following the dedication and conveyance of the required easements, by City, City shall operate, maintain, repair and replace the wells as part of its municipal water system.

16.5. Development and Dedication of Additional City Well. In addition, and as part of the consideration for the annexation of the Property to City, Developer will drill an additional culinary water well or wells as necessary, initially under its approved Exchange Application, to develop additional source capacity equal to 700 gpm. The well or wells will be developed at Developer’s sole cost and expense and will be completed and equipped to meet drinking water standards. The well or wells will be dedicated to City and appropriate easements will be

conveyed. Thereafter, City will operate, maintain, repair and replace the well or wells at its sole expense. Upon the transfer of the well or wells to, together will appropriate easements for the operation and maintenance of the same, City will file a change or exchange application based on City's other water rights identifying the well or wells as additional points of diversion for City's water rights. City will bear full responsibility, expense and risk that the State Engineer will approve its change or exchange application.

16.6. Extension of Water Infrastructure to Project. Developer will extend the City's water distribution mains to the Property at its expense and will size the extended main as directed by City. ~~To the extent the extended water main has capacity in excess of that required to serve the needs of the Property, City and Developer will enter into an appropriate written line extension and reimbursement agreement under which adjacent land owners and developers who will use and benefit from the excess capacity will proportionately reimburse Developer for the costs of developing the excess capacity together with accrued interest on their reasonable and proportionate share of the capital costs of the water main extension.~~ *LPM
m SF RL*

16.7. Impact Fees in Lieu of Water Rights Dedication. If at the time of final plat approval the State Engineer has not yet approved the Exchange Application, Developer shall be entitled in lieu of the dedication of water rights, to pay to City an impact fee, at the then current water impact fee rate, to off-set the costs of acquiring water rights for the Property. Once the Exchange Application has been approved, Developer may transfer it to City and City will reimburse the impact fees so paid to Developer. Accordingly, the City shall and hereby agrees that, upon either the transfer and dedication of the WBWCD Contract and approved Exchange Application or the payment of impact fees in lieu thereof, and the transfer and dedication of source capacity for the Property, and the additional source capacity as provided in paragraph 16.5 hereto, to provide culinary water service on a non-discriminatory basis to the Property on the same basis and in accordance with its rules and regulations and rate structure then in force for similarly situated development projects within the City.

16.8. Secondary Irrigation System. Developer will construct a secondary irrigation system within the Property to serve the Development and will use other irrigation water rights owned by the Developer that purpose. The irrigation water rights, represented by shares in Beaver/Shingle Creek Irrigation Company, will be transferred to the Master Owners Association

for the Project, which shall hold the water shares for the use and benefit of the Project. The secondary irrigation system will also be transferred to the Master Owners Association, and the Master Owners Association will thereafter operate, maintain, repair and replace the secondary irrigation system. Transfer of the water shares and the secondary irrigation system will be a condition precedent to final plat approval.

16.9. Water Impact Fee. Provided Developer dedicates the Water Rights and source capacity to City as provided herein, no Water Rights Acquisition or Source Capacity Development impact fees will be charged by City to Developer.

16.11. Reservation of Rights to Challenge Fees. Excepting the cash contributions agreed to by the developer under Section 10.4 of the Agreement, Developer hereby reserves all rights under any applicable law to challenge the legality of the amount of the fees within any applicable appeal time period following imposition of the fees on the Project; provided, however, no such right shall apply to the fees set forth in Section 10.4 hereof. Such challenge may be based upon generally applicable state and federal laws, including the Rational Nexus test described in the following section. For purposes of this Agreement, the Rational Nexus Test shall mean and refer to a standard of reasonableness whereby the Project and Property shall not bear more than an equitable share of the capital costs financed by an impact fee or exaction in relation to the benefits conferred on and impacts of a Project. The interpretation of "rational nexus" shall be governed by the federal or Utah case law and statutes in effect at the time of any challenge to an impact fee or exaction imposed as provided herein including but not limited to the standards of *Banberry Development Corp. v. South Jordan City* or successor case law.

17. Assessment Area. City hereby agrees to take such steps as are necessary to create an assessment area in accordance with Utah Code Ann. §11-42-101 for the Project that includes within its boundaries all of the Property. City will issue assessment bonds (the "Assessment Bonds") to assist in financing construction of certain water, sewer, storm retention/detention and drains, streets, water wells, water tanks, pressure release valves and other improvements within Project in the maximum amount of a three to one coverage ratio of the appraised value of the Project pursuant to the appraisal ordered and approved by the City's financial advisor, Zions Bank. City agrees to adopt a "Creation Resolution" as soon as reasonably possible following the execution of this Agreement, specifically designating the assessment area and indicating the

intent to include within the bond proceeds, the costs of issuance, engineering design and construction of all internal improvements of the Project to be financed by the Assessment Bonds. The City agrees that it will issue or cause to be issued interim warrants or bond anticipation notes (collectively, "Interim Financing") with a maximum maturity date of three (3) years from the date of this Agreement to fund the construction costs during the construction period of the Public Improvements, which Interim Financing together with all accrued and capitalized interest will be refinanced by the Assessment Bonds, which Assessment Bonds will have an amortization period of not more than twenty (20) years from the date of their issuance.

18. **Trails.** Developer will develop a trail system through the Property in accordance with the Trails Master Plan as depicted on Exhibit I hereto.

18.1 Public Trail Easement. Developer will designate and create on the final development plat for the Project the following non-exclusive public trail easements (the "Public Trail Easements"); (i) a non-exclusive public trail easement ten (10) feet in width that will run on the Property along the east side of the Weber-Provo Canal and which will connect with other public trails that border the north-south boundaries of the Property; (ii) a non-exclusive public trail easement ten (10) feet in width that will begin at the public access area being dedicated to the City pursuant to Section 10.4(c) of this Agreement and run on the Property along the southerly side of the Project's southern access road and connect with the public trail easement created in (i) above; (iii) a non-exclusive public trail easement ten (10) feet in width that will begin at the southwestern corner of the Property and run on the Property along the easterly side of State Road 32 to the northwestern corner of the Property; and (iv) a non-exclusive public trail easement ten (10) feet in width that will begin at the northwestern corner of the Property and run on the Property along the southerly side of the Project's northern emergency access road and connect with the public trail easement created in (i) above. The Developer shall transfer all obligations to supervise, maintain and repair the Public Trail Easements to a non-profit trails organization such as but not limited to Mountain Trails Foundation or Summit County Recreation District (the "Trails Supervisor"). Neither the City nor the developer shall be responsible for the maintenance and repair of the Public trails Easement. Unless mutually agreed to by the Developer and the Trails Supervisor, the Public Trail Easements shall be only be used by equestrians, pedestrians, mountain bikers and other users of non-motorized equipment during

The Developer shall construct all trails except the trail that runs along State Road 32.

mjf 8/2

the summer season and cross-country skiers and snow shoeing during the winter and no motorized equipment such as ATV's, motorcycles or snowmobiles will be allowed on the Public Trail Easements other than trail maintenance and emergency vehicles. The Project's roadways and/or bridges at canal crossings may intersect or coincide with the Public Trail Easements as shown on the Project Master Plat, and the public's right to use the Public Trail Easements shall be subordinated to the Project's road intersections or shared use.

18.2 Private Trail System. All trails shown on the Trails Master Plan other than the Public Trail Easement shall be private trails (the "Private Trails") whose use will be limited to the Developer and its assignees, including the owners of lots and condominium units in the Project and their families, guests, employees and invitees. The use of the Private Trails shall be governed by rules and regulations adopted by the Master Owners Association for the Project; provided, however, the Private Trails shall be only be used by equestrians, pedestrians, mountain bikers and users of other non-motorized equipment during the summer season and cross-country skiers and snow shoeing during the winter; and, no motorized equipment such as ATV's, motorcycles or snowmobiles will be allowed on the Private Trails other than trail maintenance and emergency vehicles, vehicles that are part of an organized recreational activity approved by the Master Owners Association, and utility vehicles used to service the recreational cabins. Additional private trails may be added to the Trails Master Plan in the Open Space Area as an Administrative Amendment under Section 4.2 of this Agreement. In lieu of a private trail leading from the condominium hotel portion of the Commercial Equestrian Campus to the Resort Events and Staging Area of the Commercial Equestrian Campus, and subject to the prior approval of the City, which approval shall not be unreasonably withheld, ~~Developer shall be entitled to construct a funicular system connecting such areas and facilities.~~ *LPM msf QV*

18.3 Design Standards. The final location, width, design and construction standards shall be as set forth in Trails Master Plan, and the location will be noted on the final development plat as recorded.

19. Acceptance of Public Improvements. Subject to fulfillment of all the conditions of this Agreement, and the City's final inspection and approval of the construction of any such public improvements, water facilities (including water tanks and pressure release valves), utilities, and easements ("Public Improvements") as may be agreed by the City, Developer shall convey and

dedicated the Public Improvements to the City, for public purposes. Following any such dedication, the City shall be responsible for the maintenance, repair and replacement of any and all such Public Improvements.

20. **Snow Removal and Storage.** The City shall not be obligated to remove snow from roads, streets or similar improvements within the Property. Snow removal shall be the obligation of the Developer and its successors and assigns.

21. **Developer's Construction Activities.** During the period of construction of improvements in the Project Developer or its contractors shall be entitled to operate rock quarries and rock crushing activities on the portions of the Property designated on the Project Master Plan, which activities will allow Developer to limit the amount of construction vehicles that will utilize public roads in the vicinity of the Project. The rock quarries will be used to provide architectural stone for improvements or structures in the Project and for road-bed or retention wall material for the Project's private roads. In connection with such construction activities Developer or its contractors shall be entitled to drive motorized vehicles over the roads designated on the Project Master Plan for construction vehicles notwithstanding the fact that said roads are located in the Open Space Area of the Project.

22. **Effective Date.** This Agreement is effective as of the date the City Council adopts a resolution authorizing the execution of this Agreement and, further, the City provides notice of the adoption of such resolution to the parties to this Agreement.

23. **Governing Law; Jurisdiction and Venue.** The laws of the State of Utah shall govern this Agreement. Jurisdiction and venue are proper in Summit City.

24. **Real Covenant, Equitable Servitude.** This Agreement constitutes a covenant and an equitable servitude on the Property. The terms of this Agreement touch and concern and both benefit and burden the Property. The benefits and burdens of this Agreement run with the land, and are intended to bind all successors in interest to any portion of the Property. This Agreement, a certified copy of the ordinance approving the Annexation, and the Annexation Plat shall be recorded in the official real estate records of Summit City, Utah.

25. **Successors and Assigns.**

25.1 **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 Project.

25.2 **Obligations and Rights of Mortgage Lenders.** Developer may finance the Property and may execute one or more mortgages, deeds of trust or other security arrangements with respect to the Property and may assign this Agreement to a holder of any such financial instrument without prior written notice to or consent of the City. The holder of any mortgage, deed of trust, or other security arrangement with respect to the Property, or any portion thereof, shall not be obligated under this Agreement to construct or complete improvements or to guarantee such construction or completion, but shall otherwise be bound by all of the terms and conditions of this Agreement which pertain to the Property or such portion thereof in which it holds an interest. Any such holder who comes into possession of the Property, or any portion thereof, pursuant to a foreclosure of a mortgage or a deed of trust, or deed in lieu of such foreclosure, shall take the Property, or such portion thereof, subject to any pro rata claims for payments or charges against the Property, or such portion thereof, deed restrictions, or other obligations which accrue prior to the time such holder comes into possession. Nothing in this Agreement shall be deemed or construed to permit or authorize any such holder to devote the Property, or any portion thereof, to any uses, or to construct any improvements thereon, other than those uses and improvements expressly provided for and approved by this Agreement, and, as would be the case in any assignment, the purchaser of the Property from the holder shall be subject to all of the terms and conditions of this Agreement, including the obligation to complete all required amenities, contributions and improvements.

26. **Compliance with the City Code.** Notwithstanding any other provision of this Agreement, that upon its annexation to the City, the Property will be subject to any and all City Ordinances to the extent they are not inconsistent with the terms and conditions of this Agreement, and that the Property and those who reside thereon, will be subject to compliance with any and all of the City's Codes and Regulations pertaining to the Property.

27. **Full Agreement.** This Agreement, together with the recitals and exhibits attached to this Agreement (which are incorporated in and made a part of this Agreement by this reference), contains the full and complete agreement of the City and the Developer regarding the Annexation and development of the Property. This Agreement may be amended only by written amendment signed by all parties hereto or their successors or assigns.

28. **No Joint Venture, Partnership or Third Party Rights.** This Agreement does not create any joint venture, partnership, undertaking or business arrangement between the parties hereto. Except as otherwise specified herein, this Agreement, the rights and benefits under this Agreement, and the terms or conditions hereof, shall not inure to the benefit of any third party.

29. **Vested Rights.** Subject to the provisions of this Agreement, the Developer (or its assigns) shall have the right to use and develop the High Star Ranch Property in accordance with the uses, densities, intensities, and general configuration of development approved herein.

30. **Severability.** If any part or provision of this Agreement shall be determined to be unconstitutional, invalid or unenforceable by a court of competent jurisdiction, then such a decision shall not affect any other part or provision of this Agreement except that specific provision determined to be unconstitutional, invalid or unenforceable. If any condition, covenant or other provision of this Agreement shall be deemed invalid due its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law. Notwithstanding the foregoing, given the interdependence of many of the provisions of this Agreement, this Section shall only be applied to the extent the purpose and intent of this Agreement is not frustrated.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the
____ day of August, 2008.

[signature pages follow]

KAMAS CITY MUNICIPAL CORPORATION

By: Lewis P. Marchant

Lewis Marchant, Mayor

DATED this 22 day of August, 2008.

ATTEST:

By: Kim Peacock

Kim Peacock, City Recorder

DATED this day of August, 2008.

APPROVED AS TO FORM:

David Church

David Church, City Attorney

DATED this 22 day of August, 2008.

DEVELOPER:

Tri Star 2005, L.L.C., a Utah limited liability company

By: Mark J. Fischer

Mark J. Fischer, Manager

By: Jack Mahoney

Jack Mahoney, Manager

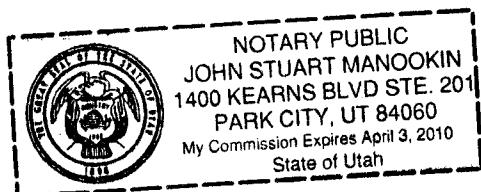
STATE OF UTAH)
: ss.
COUNTY OF SUMMIT)

On the 25 day of August, 2008, personally appeared before me Mark J. Fischer and Jack Mahoney, signer of the above Agreement, who being duly sworn, did say that they are the Managers of Tri Star 2005, LLC, a limited liability company of the State of the State of Utah, and that the Declaration was signed in behalf of said company under authority granted by its operating agreement, and said Mark J. Fischer and Jack Mahoney duly acknowledged to me that said company executed the same.

John Stuart Manookin
NOTARY PUBLIC
Residing at Park City County, Utah

My Commission Expires:

4-3-2010



CONSENT TO RECORD

The undersigned, U.S. Bank National Association, a national banking association, holder of a deed of trust on the property subject hereto, does hereby consent to the recordation of this Condominium Declaration and to the recordation of the Record of Survey Map recorded concurrently herewith and consents to the submission of the property to the Utah Condominium Ownership Act.

U.S. Bank National Association

By: Stefanie Wilson
Its Vice President _____

STATE OF UTAH }
 } ss.
COUNTY OF Summit }

On the 25 day of August, 2008, personally appeared before me Stefanie Wilson, signer of the above Consent to Record, who being duly sworn, did say that she is the Vice President of U.S. Bank National Association, a National Banking Association, and that the Consent to Record was signed in behalf of said Bank under authority granted by its Board of Trustees, and said _____ duly acknowledged to me that said Bank executed the same.

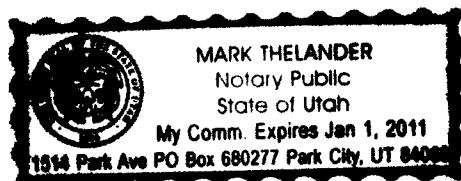
Mark Thelander

Notary Public

Residing at: 1514 Park Ave, Park City, UT 84060

My Commission Expires:

1/1/2011



Exhibits:

- A) Legal Description of Property
- B) Annexation Plat
- C) Project Master Plan
- D) Water Line Reimbursement Agreement
- E) Signage Criteria
- F) PUD Lot Plan
- G) (Exhibit Deleted)
- H) Legal Description of City Parcel
- I) Trails Master Plan
- J) Cash Contribution Schedule
- K) Private Roads Specifications

Exhibit "A"

Legal Description

A tract of land located in Summit County, Utah and being a part of Sections 9, 10 & 16 of Township 2 South, Range 6 East, Salt Lake Base and Meridian and having a Basis of Bearing taken as N 00° 38' 02" W between the Southwest Corner of Section 16 and the Northwest Corner of Section 16 described as follows:

Beginning at a point which is North 4005.71 feet and East 15.23 feet from the Northwest Corner of Section 16, T2S, R6E, SLB&M (said point being located on the Easterly Right of Way Line of SR 32 and running thence South 89° 36' 12" East 55.25 feet along an existing fence line; Thence North 75° 43' 03" East 30.58 feet along an existing fence line; Thence North 87° 06' 03" East 1924.90 feet more or less to the Westerly Line of the Provo River Water Users Canal; Thence South 88° 11' 39" East 139.71 feet to a point on the Easterly Line of the Provo River Water Users Canal, the next (11) courses are along the Easterly Line of said canal , thence North 16° 42' 09" West 104.94 feet; thence 106.73 feet along the arc of a 299.26 feet radius curve to the right through a central angle of 20° 26' 00"; thence North 3° 43' 51" East 203.60 feet; thence 108.52 feet along the arc of a 656.78 feet radius curve to the right through a central angle of 9° 28' 00"; thence North 13° 11' 51" East 106.50 feet; thence 107.99 feet along the arc of a 347.94 feet radius curve to the left through a central angle of 17° 47' 00"; thence North 4° 35' 09" West 236.80 feet; thence 125.98 feet along the arc of a 227.94 feet radius curve to the right through a central angle of 31° 40' 00"; thence North 27° 04' 51" East 168.98 feet; thence North 27° 04' 51" East 10.26 feet; thence North 4° 36' 32" East 33.17 feet more or less to the northerly line of Section 9, T2S, R6E; thence North 89° 28' 30" East 325.00 feet more or less to the North 1/4 Corner of said Section 9; thence South 89° 26' 11" East 2695.09 feet more or less to the stone marking the Northeast Corner of said Section 9; thence South 0° 37' 03" East 1349.26 feet along the Section Line to the Northerly Line of Parcel CD-528-A; thence North 89° 43' 59" East 2618.85 feet along said Northerly Line of Parcel CD-528-A; thence South 0° 20' 20" West 2686.98 feet more or less along the Easterly Line of said Parcel CD-528-A to a point on the Northerly Line of Parcel CD-530; thence North 89° 36' 51" East 2732.18 feet along the Northerly Line of Parcel CD-530 to the Easterly Line of Section 10, T2S, R6E, SLB&M; thence South 0° 54' 43" East 1340.79 feet more or less to the Forest Service Monument marking the Southeast Corner of said Section 10; thence North 89° 54' 30" West 2761.26 feet along the Southerly Line of Section 10; thence South 89° 03' 23" West 2592.16 feet along said line to the Easterly Line of Section 9, T2S, R6E, SLB&M; thence South 0° 31' 20" West 1322.65 feet along the Section Line; thence North 89° 45' 20" West 2639.96 feet; thence South 89° 49' 44" West 2080.93 feet; thence North 33° 30' 43" West 243.35 feet; thence South 89° 26' 55" West 5.13 feet; thence North 38° 07' 19" West 566.25 feet; thence North 0° 25' 52" West 61.76 feet; thence North 36° 51' 52" West 53.12 feet more or less to a point on the Easterly Right of Way Line of SR 32; the next (8) courses are along said Easterly Right of Way Line of SR 32, thence North 0° 09' 04" East 273.92 feet; thence North 0° 32' 20" West 499.37 feet; thence North 0° 31' 14" West 500.17 feet; thence North 0° 35' 45" West 499.91 feet; thence North 0° 27' 46" West 500.02 feet; thence North 0° 34' 12" West 499.87 feet; thence North 0° 31' 45" West 250.36 feet;

thence North 0° 31' 39" West 1588.94 feet to the POINT OF BEGINNING; said described tract containing 1067.67 Acres, more or less. Excepting therefrom any portion of the above described property lying within the bounds of the Weber-Provo Diversion Canal.

Exhibit "B"

Legal Description

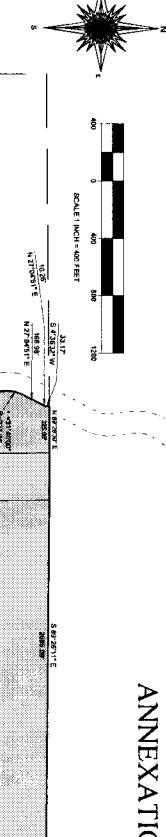
A tract of land located in Summit County, Utah and being a part of Sections 9, 10 & 16 of Township 2 South, Range 6 East, Salt Lake Base and Meridian and having a Basis of Bearing taken as N 00° 38' 02" W between the Southwest Corner of Section 16 and the Northwest Corner of Section 16 described as follows:

Beginning at a point which is North 4005.71 feet and East 15.23 feet from the Northwest Corner of Section 16, T2S, R6E, SLB&M (said point being located on the Easterly Right of Way Line of SR 32 and running thence South 89° 36' 12" East 55.25 feet along an existing fence line; Thence North 75° 43' 03" East 30.58 feet along an existing fence line; Thence North 87° 06' 03" East 1924.90 feet more or less to the Westerly Line of the Provo River Water Users Canal; Thence South 88° 11' 39" East 139.71 feet to a point on the Easterly Line of the Provo River Water Users Canal, the next (11) courses are along the Easterly Line of said canal , thence North 16° 42' 09" West 104.94 feet; thence 106.73 feet along the arc of a 299.26 feet radius curve to the right through a central angle of 20° 26' 00"; thence North 3° 43' 51" East 203.60 feet; thence 108.52 feet along the arc of a 656.78 feet radius curve to the right through a central angle of 9° 28' 00"; thence North 13° 11' 51" East 106.50 feet; thence 107.99 feet along the arc of a 347.94 feet radius curve to the left through a central angle of 17° 47' 00"; thence North 4° 35' 09" West 236.80 feet; thence 125.98 feet along the arc of a 227.94 feet radius curve to the right through a central angle of 31° 40' 00"; thence North 27° 04' 51" East 168.98 feet; thence North 27° 04' 51" East 10.26 feet; thence North 4° 36' 32" East 33.17 feet more or less to the northerly line of Section 9, T2S, R6E; thence North 89° 28' 30" East 325.00 feet more or less to the North 1/4 Corner of said Section 9; thence South 89° 26' 11" East 2695.09 feet more or less to the stone marking the Northeast Corner of said Section 9; thence South 0° 37' 03" East 1349.26 feet along the Section Line to the Northerly Line of Parcel CD-528-A; thence North 89° 43' 59" East 2618.85 feet along said Northerly Line of Parcel CD-528-A; thence South 0° 20' 20" West 2686.98 feet more or less along the Easterly Line of said Parcel CD-528-A to a point on the Northerly Line of Parcel CD-530; thence North 89° 36' 51" East 2732.18 feet along the Northerly Line of Parcel CD-530 to the Easterly Line of Section 10, T2S, R6E, SLB&M; thence South 0° 54' 43" East 1340.79 feet more or less to the Forest Service Monument marking the Southeast Corner of said Section 10; thence North 89° 54' 30" West 2761.26 feet along the Southerly Line of Section 10; thence South 89° 03' 23" West 2592.16 feet along said line to the Easterly Line of Section 9, T2S, R6E, SLB&M; thence South 0° 31' 20" West 1077.24 feet along the Section Line; thence North 89° 17' 55" West 4834.35 feet; thence North 33° 30' 43" West 26.19 feet; thence South 89° 26' 55" West 5.13 feet; thence North 38° 07' 19" West 566.25 feet; thence North 0° 25' 52" West 61.76 feet; thence North 36° 51' 52" West 53.12 feet more or less to a point on the Easterly Right of Way Line of SR 32; the next (8) courses are along said Easterly Right of Way Line of SR 32, thence North 0° 09' 04" East 273.92 feet; thence North 0° 32' 20" West 499.37 feet; thence North 0° 31' 14" West 500.17 feet; thence North 0° 35' 45" West 499.91 feet; thence North 0° 27' 46" West 500.02 feet; thence North 0° 34' 12" West 499.87 feet; thence North 0° 31' 45" West 250.36 feet; thence North 0° 31' 39" West 1588.94 feet to the POINT

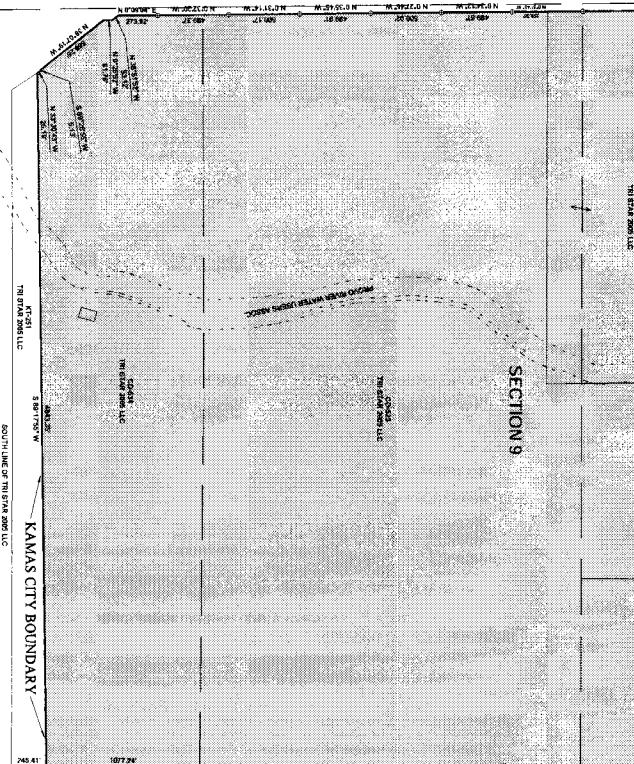
OF BEGINNING; said described tract containing 1042.86 Acres, more or less. Excepting therefrom any portion of the above described property lying within the bounds of the Weber-Provo Diversion Canal.

ANNEXATION PROPOSAL

Proposed Annexation Description

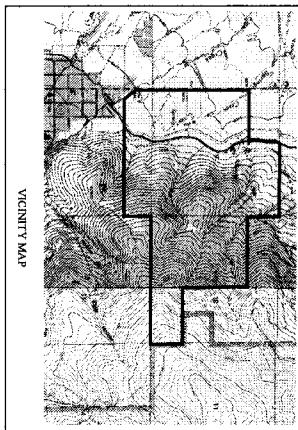
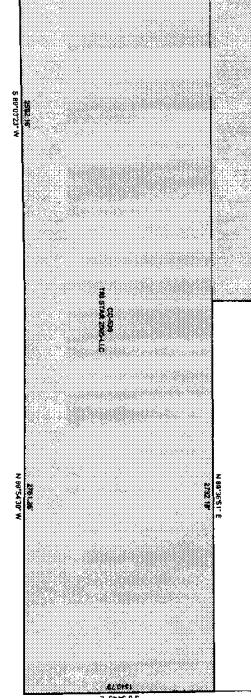


SECTION 9



NOTE: This map is not to proportion or scale.
1. This map has been created for identifying purposes only.
2. This map is a preliminary proposed annexation map. It does not
constitute a final map.

SECTION 10



ANNEXATION PROPOSAL

Prepared for: High Star Ranch
Including Parts of Sections: 9, 10 & 16 of T2S, R6E, SLB&M
Marion / Kamas, Summit County, Utah



SURVEYED BY:	DRAWN BY:
POSTAGE:	PROJECT NO.:
DATE:	

SHET 1 OF 1

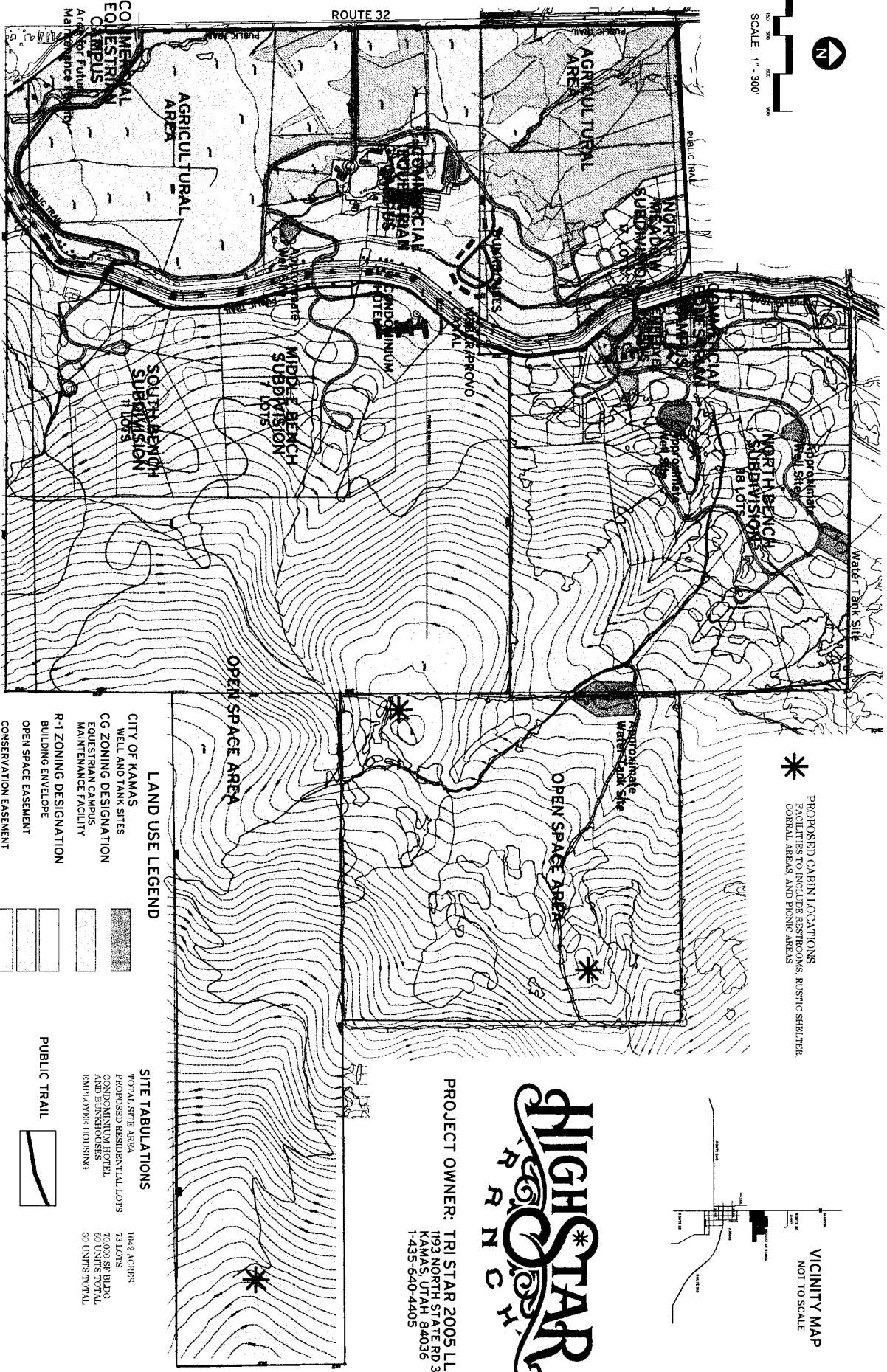
HIGH MOUNTAIN
SURVEYING, LLC
P.O. Box 445
Coalville, Utah 84017
(435) 336-4210

Project Master Plan Exhibit "C"

MARCH 24, 2007
APRIL 17, 2008
MAY 11, 2008
JULY 23, 2008
AUGUST 7, 2008
AUGUST 22, 2008

HIGH STAR RANCH

HIGH STAR NORTH
HIGH STAR SOUTH
HIGH STAR EQUESTRIAN CAMPUS
HIGHWAY 32
KAMAS, UTAH



00854222 Page 38 of 53 Summit

Exhibit "D"

**WATER LINE
REIMBURSEMENT AGREEMENT**

THIS WATER LINE REIMBURSEMENT AGREEMENT (the **Agreement**) is made and entered into as of this _____ day of _____, 2008, by and between **Tri Star 2005, LLC** a Utah limited liability company, ("Tri Star") and **KAMAS CITY**, a municipal corporation organized and existing under the laws of the State of Utah (the **City**). **TRI STAR** and the **City** are sometimes referred to individually as a **Party** and collectively as the **Parties**.

RECITALS:

A. **TRI STAR** is developing the **High Star Ranch** on lands located continuous to the north boundary of **City** and has filed a petition with **City** to annex the **High Star Ranch** property to **City**.

B. As part of the annexation and development of the **High Star Ranch**, **TRI STAR** will be required to extend certain **City** utility services including culinary water and sewer lines to its project in order to receive municipal services from **City**. **City** is currently upgrading a main water transmission line running south to north in Highway 32 and pursuant to this Agreement will extend this line to the **City**'s current north boundary; and,

C. Although the annexation petition process has just commenced, and will not be completed, if at all, for some time, there is a recognized economic saving to continuing with the extension of the water main further north along Highway 32 to while the contractor is mobilized and on site. These economic savings may be lost if the further extension of the water main is delayed until the completion of the annexation process. The parties therefore agree that **City** will cause its contractor to extend the current water line extension project north to the **City**'s current north boundary at the **City**'s initial expense. **TRI STAR** agrees to reimburse the **City** for its proportionate share of the costs of this line extension, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the **Parties** agree as follows:

1. REIMBURSEMENT TO CITY. **TRI STAR**, upon annexation of its property to **City**, shall reimburse **City** for its share of the costs, \$291,691.00, incurred in constructing the water main from the point where **City** had ended the extension project at 350 North to the new ending point at the north boundary of **City**, located at approximately 600 North. **TRI STAR** will make the reimbursement payment to **City** within 30 days of the recording of the annexation plat. If the **High Star Ranch** property is not annexed to **City**, **TRI STAR** will have no obligation to provide reimbursement to **City** under this Agreement or otherwise.

Exhibit "D"

2. NOTICES. Any notice required to be given to TRI STAR hereunder shall be sufficient if given in writing and personally delivered, or mailed by certified or registered mail addressed to TRI STAR, _____ with a copies to: Steven E. Clyde, Clyde Snow, One Utah Center, Suite 1300, 201 South Main, Salt Lake City, UT 84111-2216, or to such address or addresses as TRI STAR shall hereinafter designate to the City in writing. Any notice hereunder contemplated to be given to the City shall be sufficient if given in writing and personally delivered, or by certified or registered mail addressed to Kamas City Corporation, _____ or to such address or addresses as the City shall hereinafter designate to TRI STAR in writing. Notices given by mail shall be deemed effective 48 hours following the time of posting and mailing. Notices given personally shall be deemed effective upon delivery thereof to the address indicated and obtaining a signed receipt therefore.

3. MODIFICATION OR AMENDMENTS. No amendment, change or modification of this Agreement shall be valid unless in writing and signed by the Parties hereto.

4. SUCCESSORS AND ASSIGNS. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the Parties hereto and their respective successors and assigns.

5. ASSIGNMENT. TRI STAR may assign all or a portion of its rights under this Agreement to an affiliated person or entity, including any partnership, corporation or limited liability company in which TRI STAR is a general partner, shareholder or member.

6. ATTORNEYS= FEES. In the event any action or negotiation is instituted by a Party to enforce any of the terms and provisions contained herein, the prevailing Party in such action or negotiation shall be entitled to reasonable attorney's= fees, costs and expenses.

7. ENTIRE AGREEMENT. This Agreement constitutes the entire understanding and agreement by and between the Parties concerning the subject of this Agreement, and all prior agreements, understandings or representations with respect to the subject of this Agreement are hereby terminated and canceled in their entirety and are of no force and effect.

8. NO THIRD PARTY BENEFICIARIES. This Agreement shall not be deemed to create any right in any person who is not a party (other than the permitted successors and assigns of a party) and shall not be construed in any respect to be a contract, in whole or in part, for the benefit of any third party (other than permitted successors and assigns of a party hereto).

9. WAIVER. The waiver by any Party of a breach or any provision of this Agreement shall not be deemed a continuing waiver or waiver of any subsequent breach whether of the same or another provision of this Agreement.

10. APPLICABLE LAW. This Agreement shall, in all respects, be governed by the laws of the State of Utah.

Exhibit "D"

11. WARRANTY OF AUTHORITY. The individuals executing this Agreement on behalf of the Parties hereby warrant that they have the requisite authority to execute this Agreement on behalf of the respective Parties and that the respective Parties have agreed to be and are bound hereby.

IN WITNESS WHEREOF, the Parties have hereunto set their hands the day and year first above written.

KAMAS CITY

ATTEST:

By: _____
City Recorder

By: _____
Mayor

TRI STAR 2005, LLC
A Utah Limited Liability Company

By: _____
Manger

Exhibit "D"
ACKNOWLEDGMENTS

STATE OF UTAH)

:ss.

County of Summit)

On the _____ day of _____, 2008, personally appeared before me
_____ and _____, known to me, or proved to me on the basis of
satisfactory evidence, to be the Mayor and City Recorder, respectively, of the City of Kamas,
Utah, and who duly acknowledged that the within and foregoing instrument was signed on behalf
of said City by authority of its City Council, and that said City executed the same.

NOTARY PUBLIC

(Seal)

STATE OF UTAH)

: ss.

County of Summit)

On the _____ day of _____, 2008, personally appeared before me
_____ known to me, or proved to me on the basis of satisfactory evidence, to
be the Manager of Tri Star 2005 LLC, and who duly acknowledged that the within and foregoing
instrument was signed on behalf of Tri Star 2005 LLC, by authority of a resolution of Tri Star
2005 LLC adopted pursuant to its Operating Agreement, and that Tri Star 2005 LLC executed the
same.

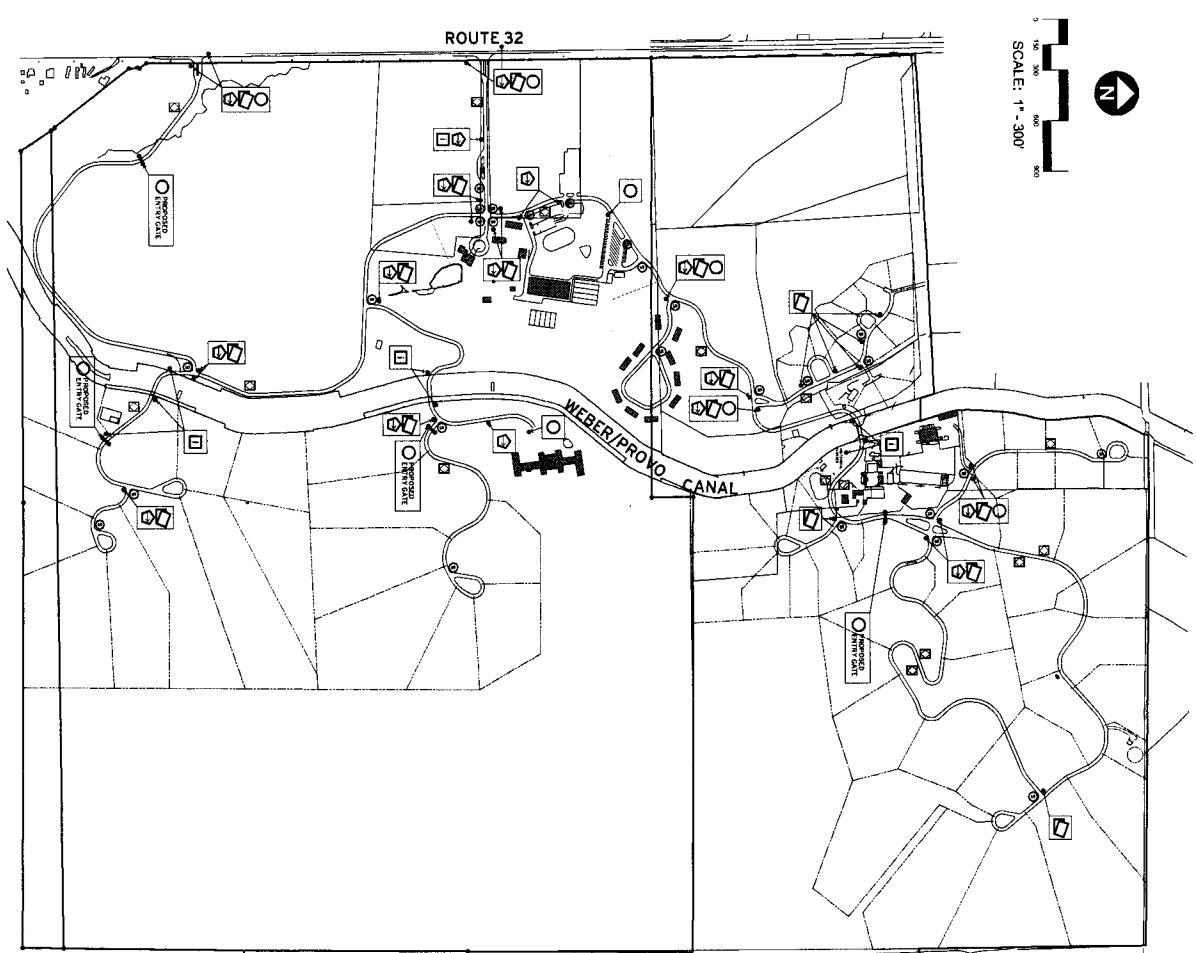
SIGNATURE OF NOTARY

(Seal)

Signage Master Plan

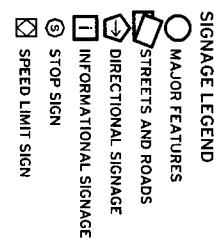
Exhibit "E"

AUGUST 7, 2008
AUGUST 22, 2008



HIGH STAR RANCH

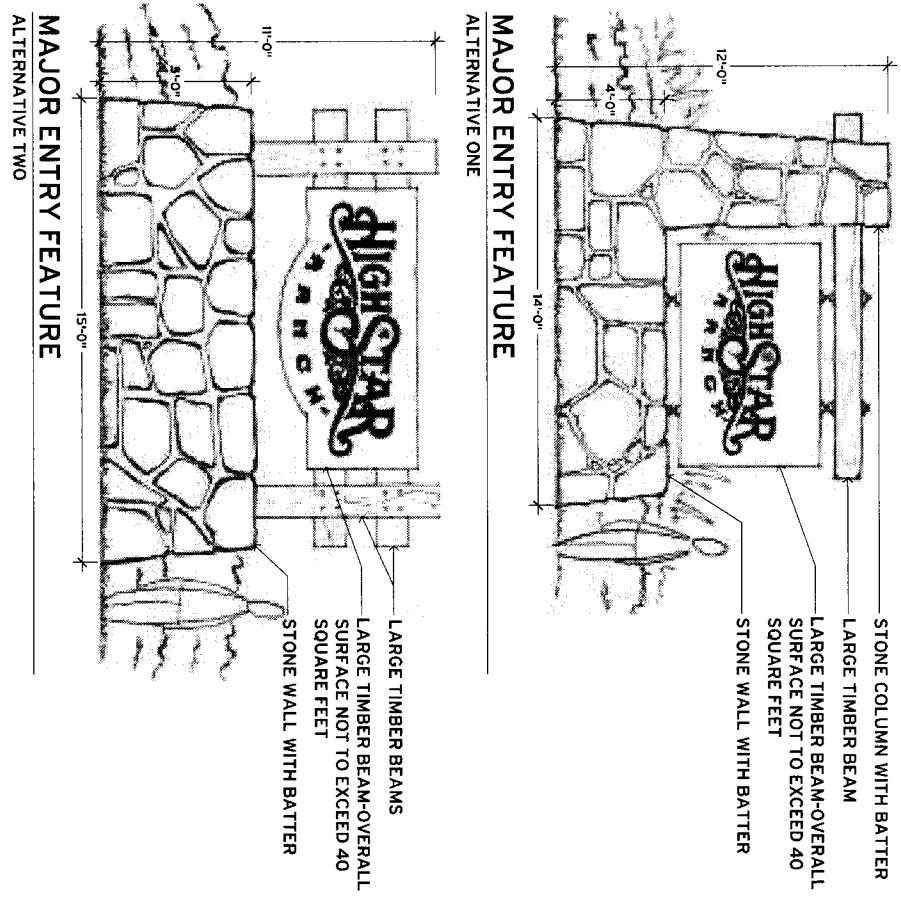
HIGH STAR NORTH
HIGH STAR SOUTH
HIGH STAR EQUESTRIAN CAMPUS
HIGHWAY 32
KAMAS, UTAH



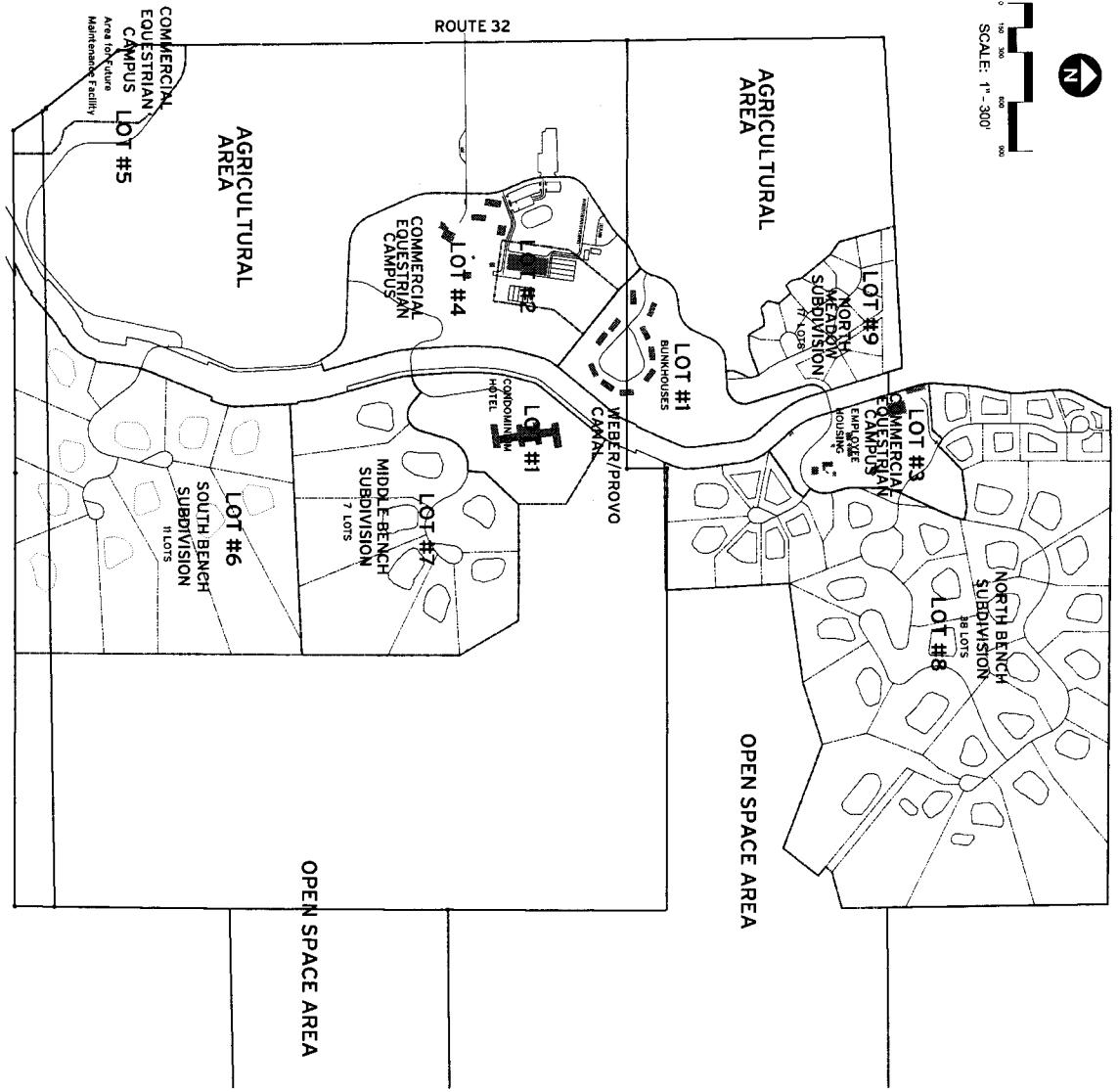
PROJECT OWNER: TRI STAR 2005 LLC
1193 NORTH STATE RD 32
KAMAS, UTAH 84036
1-435-640-4405

land planning * landscape architecture

Post Office Box 66375
1681 Bonanza Drive Suite 200B
Park City, Utah 84060
435-645-0023 435-501-3766
pseoplanningutahpc.biz



Planned Unit Development Lots Exhibit "F"



HIGH STAR RANCH

HIGH STAR NORTH
HIGH STAR SOUTH
HIGH STAR EQUESTRIAN CAMPUS

HIGHWAY 32
KAMAS, UTAH

HIGH STAR

RANCH

PROJECT OWNER: TRI STAR 2005 LLC

1093 NORTH STATE RD 32
KAMAS, UTAH 84036

1-435-640-4405



MARCH 14, 2007
MAY 1, 2008
JULY 23, 2008
AUGUST 7, 2008

1605 Bountiful Drive Suite 2008
Park City, Utah 84068

435-645-0623 437-50375
pete@landsolutionspc.com

Land Solutions

Exhibit "F" Continued

Lot #1 (Detached Hotel Units)

Beginning at a point along the section line S00°31'34"E 2845.93 feet and East 1434.22 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence northeasterly 94.57 feet along the arc of a 375.11 foot radius curve to the left, chord bears N35°35'05"E 94.32 feet; thence northeasterly 264.56 feet along the arc of a 307.46 foot radius curve to the right, chord bears N53°35'13"E 256.48 feet; thence northeasterly 154.10 feet along the arc of a 150.00 foot radius curve to the left, chord bears N54°11'23"E 147.41 feet; thence N24°45'33"E 119.90 feet; thence northeasterly 161.05 feet along the arc of a 150.00 foot radius curve to the right, chord bears N55°31'06"E 153.43 feet; thence N86°16'39"E 172.60 feet; thence northeasterly 74.05 feet along the arc of a 100.00 foot radius curve to the left, chord bears N65°03'47"E 72.37 feet; thence N43°50'54"E 8.24 feet; thence northerly 106.19 feet along the arc of a 100.00 foot radius curve to the left, chord bears N13°25'36"E 101.27 feet; thence N16°59'42"W 369.97 feet; thence northerly 125.87 feet along the arc of a 100.03 foot radius curve to the right, chord bears N19°03'37"E 117.73 feet; thence S16°42'09"E 93.29 feet; thence southeasterly 232.08 feet along the arc of a 548.34 foot radius curve to the left, chord bears S28°49'39"E 230.35 feet; thence S40°57'09"E 183.90 feet; thence southeasterly 101.02 feet along the arc of a 170.49 foot radius curve to the right, chord bears S23°58'39"E 99.55 feet; thence S07°00'09"E 297.50 feet; thence southerly 72.40 feet along the arc of a 136.68 foot radius curve to the right, chord bears S08°10'21"W 71.56 feet; thence S23°20'51"W 291.94 feet; thence N88°21'16"W 10.76 feet; thence S23°20'51"W 89.78 feet; thence southwesterly 57.52 feet along the arc of a 207.94 foot radius curve to the right, chord bears S31°16'21"W 57.34 feet; thence S39°11'51"W 457.26 feet; thence N50°48'09"W 596.45 feet; thence N44°02'47"W 196.84 feet to the Point of Beginning.

Contains 760,804 SF or 17.466 acres (0.02 closure)

Lot #1 (Condominium Main Lodge)

Beginning at a point along the section line S00°31'34"E 4261.25 feet and East 2072.60 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence northerly 15.82 feet along the arc of a 636.78 foot radius curve to the right, chord bears N03°55'51"W 15.82 feet; thence N03°13'09"W 261.00 feet; thence northerly 203.03 feet along the arc of a 1352.68 foot radius curve to the right, chord bears N01°04'51"E 202.84 feet; thence N05°22'51"E 65.70 feet; thence northerly 32.30 feet along the arc of a 207.94 foot radius curve to the right, chord bears N09°49'51"E 32.27 feet; thence N14°16'51"E 168.70 feet; thence northeasterly 55.09 feet along the arc of a 126.68 foot radius curve to the right, chord bears N26°44'21"E 54.66 feet; thence N39°11'51"E 466.30 feet; thence northeasterly 48.64 feet along the arc of a 367.94 foot radius curve to the left, chord bears N35°24'37"E 48.61 feet; thence S58°22'37"E 464.13 feet; thence South 289.23 feet; thence S43°22'38"W 283.51 feet; thence S04°56'56"W 104.93 feet; thence southwesterly 260.14 feet along the arc of a 185.00 foot radius curve to the left, chord bears S56°05'41"W 239.23 feet; thence S15°48'41"W 173.66 feet; thence westerly 200.86 feet along the arc of a 100.00 foot radius curve to the right, chord bears S73°21'16"W 168.76 feet; thence N49°06'09"W 93.62 feet; thence southwesterly 121.00 feet along the arc of a 150.00 foot radius curve to the right, chord bears S59°59'01"W 117.74 feet to the Point of Beginning.

Contains 610,633 SF or 14.02 acres (0.01 closure)

Exhibit "F" Continued

Lot #2

Beginning at a point along the section line S00°31'34"E 3702.90 feet and East 1259.76 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence N07°58'20"E 418.61 feet; thence N39°11'51"E 388.25 feet; thence S50°48'09"E 342.01 feet; thence S39°11'51"W 233.12 feet; thence S07°58'20"W 373.96 feet; thence N82°01'40"W 372.89 feet to the Point of Beginning.

Contains 254,025 SF or 5.832 acres (0.01 closure)

Lot #3 (Commercial Equestrian Campus)

Beginning at a point along the section line S00°31'34"E 1089.30 feet and East 2159.14 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence N85°54'03"E 283.86 feet; thence N39°55'59"E 81.02 feet; thence S56°09'56"E 53.12 feet; thence N27°44'09"E 22.09 feet; thence N46°08'31"E 187.62 feet; thence N83°02'46"E 226.94 feet; thence S79°26'07"E 79.33 feet; thence southerly 129.04 feet along the arc of a 500.00 foot radius curve to the right, chord bears S17°57'29"W 128.68 feet; thence S25°01'17"W 297.90 feet; thence southerly 118.41 feet along the arc of a 300.04 foot radius curve to the left, chord bears S13°42'57"W 117.64 feet; thence S02°01'11"W 156.62 feet; thence southerly 72.64 feet along the arc of a 250.00 foot radius curve to the left, chord bears S06°18'13"E 72.38 feet; thence S14°38'58"E 83.27 feet; thence southerly 133.92 feet along the arc of a 149.54 foot radius curve to the right, chord bears S11°00'25"W 129.49 feet; thence S53°25'17"E 66.34 feet; thence S36°34'43"W 70.98 feet; thence S63°12'42"W 82.50 feet; thence S54°53'01"W 205.18 feet; thence N40°57'09"W 183.90 feet; thence northwesterly 177.06 feet along the arc of a 418.34 foot radius curve to the right, chord bears N28°49'39"W 175.74 feet; thence N16°42'09"W 554.54 feet; thence N16°42'09"W 90.56 feet; thence northerly 69.69 feet along the arc of a 299.27 foot radius curve to the right, chord bears N10°01'54"W 69.53 feet to the Point of Beginning.

Contains 559,645 SF or 12.848 acres (0.01 closure)

Lot #4 (Commercial Equestrian Campus)

Beginning at a point along the section line S00°31'34"E 2845.93 feet and East 1434.22 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence S44°02'47"E 196.84 feet; thence S50°48'09"E 596.45 feet; thence S39°11'51"W 9.04 feet; thence southwesterly 124.67 feet along the arc of a 286.68 foot radius curve to the left, chord bears S26°44'21"W 123.69 feet; thence S14°16'51"W 168.70 feet; thence southerly 53.17 feet along the arc of a 367.94 foot radius curve to the left, chord bears S10°08'27"W 53.13 feet; thence southerly 3.98 feet along the arc of a 367.94 foot radius curve to the left, chord bears S05°41'27"W 3.98 feet; thence northerly 3.98 feet along the arc of a 367.94 foot radius curve to the right, chord bears N05°41'27"E 3.98 feet; thence S05°23'55"W 69.68 feet; thence southerly 227.05 feet along the arc of a 1512.68 foot radius curve to the left, chord bears S01°04'51"W 226.84 feet; thence S03°13'09"E 261.00 feet; thence southerly 172.21 feet along the arc of a 796.78 foot radius curve to the left, chord bears S09°24'39"E 171.87 feet; thence S15°36'09"E 390.70 feet; thence S74°23'51"W 68.31 feet; thence S73°57'06"W 50.20 feet; thence northwesterly 364.15 feet along the arc of a 375.00 foot radius curve to the left, chord bears N59°42'58"W 350.01 feet; thence N87°32'08"W

Exhibit "F" Continued

346.69 feet; thence northwesterly 222.29 feet along the arc of a 200.00 foot radius curve to the right, chord bears N55°41'39"W 211.03 feet; thence N23°51'10"W 201.09 feet; thence northerly 301.07 feet along the arc of a 700.00 foot radius curve to the right, chord bears N11°31'53"W 298.75 feet; thence N00°35'17"E 241.94 feet; thence northerly 124.86 feet along the arc of a 300.00 foot radius curve to the left, chord bears N11°07'59"W 123.96 feet; thence N23°03'21"W 130.24 feet; thence northerly 114.01 feet along the arc of a 300.00 foot radius curve to the right, chord bears N12°10'06"W 113.33 feet; thence N01°16'51"W 138.27 feet; thence northeasterly 152.89 feet along the arc of a 150.00 foot radius curve to the right, chord bears N27°55'10"E 146.36 feet; thence N57°07'11"E 292.40 feet; thence northeasterly 45.76 feet along the arc of a 200.00 foot radius curve to the left, chord bears N50°33'52"E 45.66 feet; thence N44°00'33"E 5.61 feet; thence northeasterly 107.35 feet along the arc of a 300.00 foot radius curve to the right, chord bears N54°15'36"E 106.78 feet; thence northeasterly 142.09 feet along the arc of a 375.11 foot radius curve to the left, chord bears N53°39'33"E 141.24 feet to the Point of Beginning.

Contains 1,569,820 SF or 36.038 acres (0.00 closure)

Lot #5 (Commercial Equestrian Campus)

Beginning at a point along the section line S00°31'34"E 280.02 feet and East 51.78 feet from the Southwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence East 83.52 feet; thence easterly 165.48 feet along the arc of a 250.00 foot radius curve to the right, chord bears S71°02'14"E 162.48 feet; thence S52°04'27"E 245.16 feet; thence S37°55'33"W 23.35 feet; thence S41°05'30"E 88.28 feet; thence S01°28'11"W 394.29 feet; thence S37°53'30"E 82.33 feet; thence S73°02'36"E 89.11 feet; thence S50°04'50"E 81.00 feet; thence S00°10'16"E 235.54 feet; thence S89°49'44"W 141.64 feet; thence N33°30'43"W 217.16 feet; thence N33°30'43"W 26.19 feet; thence S89°26'55"W 5.13 feet; thence N38°07'19"W 566.25 feet; thence N00°25'52"W 61.76 feet; thence N36°51'52"W 53.12 feet; thence N00°03'16"E 308.90 feet to the Point of Beginning.

Contains 331,141 SF or 7.602 acres (0.03 closure)

Lot #6 (South Bench Subdivision (11 lots))

Beginning at a point along the section line S00°31'34"E 5009.95 feet and East 2240.15 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence N87°21'57"E 314.49 feet; thence N87°21'57"E 164.93 feet; thence N87°21'57"E 88.28 feet; thence N87°21'57"E 323.59 feet; thence N87°21'57"E 545.43 feet; thence N87°21'57"E 89.72 feet; thence S00°14'40"W 435.58 feet; thence S00°14'40"W 451.71 feet; thence S00°14'40"W 330.33 feet; thence S00°14'40"W 546.99 feet; thence N89°45'20"W 1089.30 feet; thence S89°49'54"W 1214.37 feet; thence N63°44'51"E 11.89 feet; thence S89°42'51"W 75.37 feet; thence N63°44'51"E 79.00 feet; thence northeasterly 128.77 feet along the arc of a 538.34 foot radius curve to the left, chord bears N56°53'42"E 128.46 feet; thence S39°57'27"E 10.00 feet; thence northeasterly 13.67 feet along the arc of a 548.34 foot radius curve to the

Exhibit "F" Continued

left, chord bears N49°19'42"E 13.67 feet; thence N48°36'51"E 176.20 feet; thence northeasterly 89.80 feet along the arc of a 408.34 foot radius curve to the right, chord bears N54°54'51"E 89.62 feet; thence N61°12'51"E 44.60 feet; thence N28°47'09"W 10.00 feet; thence N61°12'51"E 15.10 feet; thence northeasterly 229.91 feet along the arc of a 266.68 foot radius curve to the left, chord bears N36°30'58"E 222.86 feet; thence S78°10'54"E 10.00 feet; thence northerly 20.54 feet along the arc of a 276.68 foot radius curve to the left, chord bears N09°41'29"E 20.54 feet; thence N07°33'51"E 170.30 feet; thence northerly 162.37 feet along the arc of a 646.78 foot radius curve to the right, chord bears N14°45'21"E 161.94 feet; thence N21°56'51"E 205.40 feet; thence N21°56'51"E 200.00 feet; thence S68°03'09"E 20.00 feet; thence N21°56'51"E 29.20 feet; thence northerly 163.15 feet along the arc of a 377.94 foot radius curve to the left, chord bears N09°34'51"E 161.88 feet; thence N02°47'09"W 250.99 feet; thence N02°57'50"W 48.01 feet to the Point of Beginning.

Contains 2,996,773 SF or 68.796 acres (0.00 closure)

Lot #7 (Middle Bench Subdivision (11 lots))

Beginning at a point along the section line S00°31'34"E 5009.95 feet and East 2240.15 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence N02°57'50"W 50.27 feet; thence S85°49'44"W 10.00 feet; thence northerly 206.57 feet along the arc of a 1030.70 foot radius curve to the left, chord bears N09°53'12"W 206.23 feet; thence N15°36'09"W 390.70 feet; thence northerly 121.80 feet along the arc of a 636.78 foot radius curve to the right, chord bears N10°07'22"W 121.62 feet; thence northeasterly 121.00 feet along the arc of a 150.00 foot radius curve to the left, chord bears N59°59'00"E 117.74 feet; thence S49°06'09"E 93.62 feet; thence easterly 200.86 feet along the arc of a 100.00 foot radius curve to the left, chord bears N73°21'16"E 168.76 feet; thence N15°48'41"E 173.66 feet; thence northeasterly 260.14 feet along the arc of a 185.00 foot radius curve to the right, chord bears N56°05'41"E 239.23 feet; thence N04°56'56"E 104.93 feet; thence N43°22'38"E 283.51 feet; thence S89°41'28"E 708.63 feet; thence S30°12'22"E 418.88 feet; thence S00°14'40"W 969.79 feet; thence S87°21'57"W 1047.02 feet; thence S87°21'57"W 479.41 feet to the Point of Beginning.

Contains 1,898,278 square feet or 43.578 acres (0.01 closure)

Lot #8 (North Bench Subdivision (38 lots))

Beginning at a point along the section line S00°31'34"E 1089.30 feet and East 2159.14 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence northerly 37.04 feet along the arc of a 299.26 foot radius curve to the right, chord bears N00°11'06"E 37.02 feet; thence N03°43'51"E 203.60 feet; thence northerly 108.52 feet along the arc of a 656.78 foot radius curve to the right, chord bears N08°27'51"E 108.39 feet; thence N13°11'51"E 106.50 feet; thence northerly 107.99 feet along the arc of a 347.94 foot radius curve to the left, chord bears N04°18'21"E 107.56 feet; thence N04°35'09"W 236.80 feet; thence northerly 125.98 feet along the arc of a 227.94 foot radius curve to the right, chord bears N11°14'51"E 124.38

Exhibit "F" Continued

feet; thence N27°04'51"E 179.23 feet; thence N04°36'32"E 33.17 feet; thence N89°28'30"E 325.00 feet; thence S89°26'11"E 2695.09 feet; thence S00°37'03"E 1349.26 feet; thence S00°37'03"E 276.79 feet; thence S74°45'19"W 228.48 feet; thence S39°35'39"W 50.00 feet; thence S50°24'21"E 70.72 feet; thence S38°05'48"W 270.76 feet; thence N69°16'53"W 678.26 feet; thence S72°31'05"W 395.04 feet; thence S82°18'30"W 605.73 feet; thence S02°56'03"E 446.16 feet; thence S02°56'03"E 311.81 feet; thence S89°38'28"W 415.06 feet; thence S89°38'28"W 365.49 feet; thence N23°20'51"E 49.98 feet; thence northerly 141.26 feet along the arc of a 266.68 foot radius curve to the left, chord bears N08°10'21"E 139.62 feet; thence N07°00'09"W 168.90 feet; thence N07°00'09"W 128.60 feet; thence northwesterly 178.05 feet along the arc of a 300.49 foot radius curve to the left, chord bears N23°58'39"W 175.46 feet; thence N54°53'01"E 205.18 feet; thence N63°12'42"E 82.50 feet; thence N36°34'43"E 70.98 feet; thence N53°25'17"W 66.34 feet; thence northerly 133.89 feet along the arc of a 150.00 foot radius curve to the left, chord bears N11°00'25"E 129.49 feet; thence N14°38'58"W 83.27 feet; thence northerly 72.64 feet along the arc of a 250.00 foot radius curve to the right, chord bears N06°18'14"W 72.38 feet; thence N02°01'11"E 156.62 feet; thence northerly 118.41 feet along the arc of a 300.00 foot radius curve to the right, chord bears N13°42'57"E 117.64 feet; thence N25°01'17"E 297.90 feet; thence northerly 129.04 feet along the arc of a 500.00 foot radius curve to the left, chord bears N17°57'29"E 128.68 feet; thence N79°26'07"W 79.33 feet; thence S83°02'46"W 226.94 feet; thence S46°08'31"W 187.62 feet; thence S27°44'09"W 22.09 feet; thence northwesterly 53.22 feet along the arc of a 250.00 foot radius curve to the right, chord bears N56°09'56"W 53.12 feet; thence S39°55'59"W 81.02 feet; thence S85°54'03"W 283.86 feet to the Point of Beginning.

Contains 5,892,982 SF or 135.284 acres (0.00 closure)

Lot #9 (North Meadow Subdivision (17 lots))

Beginning at a point along the section line S00°31'34"E 1297.71 feet and East 1202.54 feet from the Northwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence N86°55'53"E 95.07 feet; thence N87°05'20"E 405.78 feet; thence N87°10'27"E 230.50 feet; thence N86°39'13"E 129.47 feet; thence S16°42'09"E 491.31 feet; thence southerly 125.87 feet along the arc of a 100.00 foot radius curve to the left, chord bears S19°03'46"W 117.72 feet; thence S16°59'42"E 369.97 feet; thence southerly 106.19 feet along the arc of a 100.00 foot radius curve to the right, chord bears S13°25'36"W 101.27 feet; thence S43°50'54"W 8.24 feet; thence southwesterly 74.05 feet along the arc of a 100.00 foot radius curve to the right, chord bears S65°03'46"W 72.37 feet; thence S86°16'39"W 101.32 feet; thence N03°43'21"W 25.04 feet; thence northerly 49.42 feet along the arc of a 100.00 foot radius curve to the right, chord bears N10°26'10"E 48.92 feet; thence northerly 130.52 feet along the arc of a 205.10 foot radius curve to the left, chord bears N05°02'33"E 128.33 feet; thence S69°20'18"W 158.54 feet; thence S86°21'12"W 90.83 feet; thence N29°16'09"W 109.21 feet; thence N88°56'50"W 34.21 feet; thence S75°55'22"W 77.19 feet; thence N44°55'19"W 57.70 feet; thence N12°25'35"E 69.29 feet; thence N40°06'21"W 93.81 feet; thence S61°22'11"W 57.50 feet; thence N40°32'51"W 40.39 feet; thence N14°00'31"W 67.73 feet; thence N39°15'37"W 225.69 feet; thence N54°40'55"W 91.57 feet; thence N15°35'38"W 352.40 feet to the Point of Beginning.

Contains 687,960 SF or 15.793 acres (0.01 closure)

EXHIBIT H

LEGAL DESCRIPTION OF CITY PARCEL-Lot #5

Beginning at a point along the section line S00°31'34"E 280.02 feet and East 51.78 feet from the Southwest Corner of Section 9, Township 2 South, Range 6 East, Salt Lake Base and Meridian; and running thence East 83.52 feet; thence easterly 165.48 feet along the arc of a 250.00 foot radius curve to the right, chord bears S71°02'14"E 162.48 feet; thence S52°04'27"E 245.16 feet; thence S37°55'33"W 23.35 feet; thence S41°05'30"E 88.28 feet; thence S01°28'11"W 394.29 feet; thence S37°53'30"E 82.33 feet; thence S73°02'36"E 89.11 feet; thence S50°04'50"E 81.00 feet; thence S00°10'16"E 235.54 feet; thence S89°49'44"W 141.64 feet; thence N33°30'43"W 217.16 feet; thence N33°30'43"W 26.19 feet; thence S89°26'55"W 5.13 feet; thence N38°07'19"W 566.25 feet; thence N00°25'52"W 61.76 feet; thence N36°51'52"W 53.12 feet; thence N00°03'16"E 308.90 feet to the Point of Beginning.

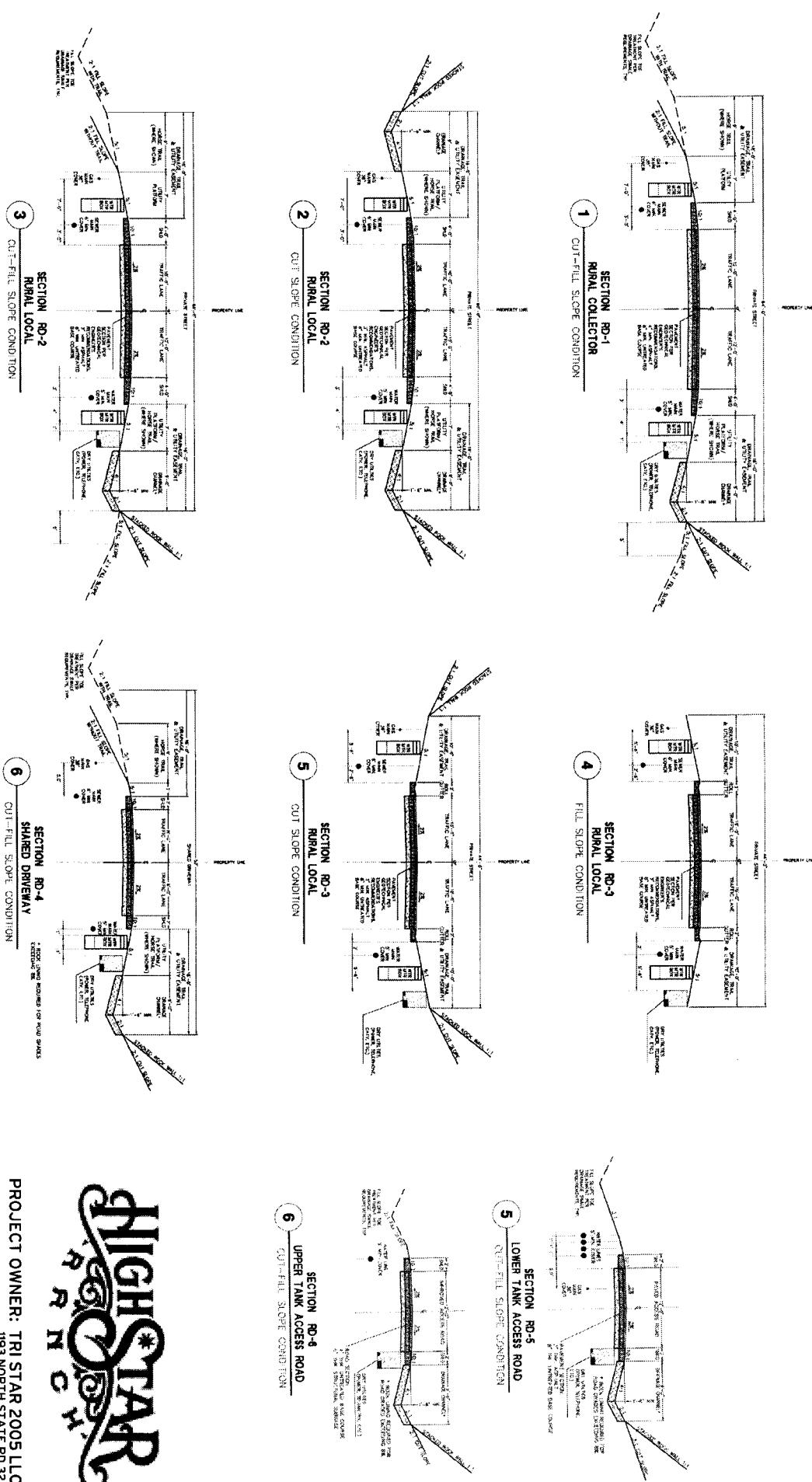
Contains 331,141 SF or 7.602 acres (0.03 closure)

Exhibit "J"
Cash Contribution Schedule

<u>Residential Subdivisons</u>	Cash Contribution Per Subdivision
South Bench Subdivision	\$ 709,428.00
Middle Bench Subdivision	\$ 354,715.00
North Bench Subdivision	\$ 1,418,857.00
Total Cash Contributions	\$ 2,483,000.00

Road Section Plan Exhibit "K"

AUGUST 7, 2008
AUGUST 22, 2008



HIGH STAR RANCH

HIGH STAR EQUESTRIAN CAMPUS
HIGHWAY 32
KAMAS, UTAH
HIGH STAR NORTH
HIGH STAR SOUTH

PROJECT OWNER: TRI STAR 2005 LLC
193 NORTH STATE RD 32
RANCHO MIRAGE, CA 92270

PROJECT OWNER: TRISTAR 2005 LLC
1193 NORTH STATE RD 32
KANAS, UTAH 84036
1-435-640-4405

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