

STATE OF UTAH

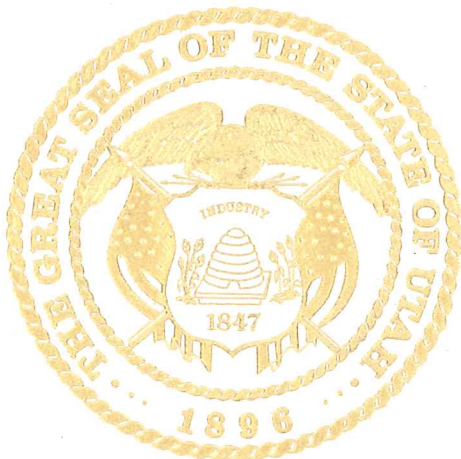


OFFICE OF THE LIEUTENANT GOVERNOR

CERTIFICATE OF ANNEXATION

I, GARY R. HERBERT, LIEUTENANT GOVERNOR OF THE STATE OF UTAH, HEREBY CERTIFY THAT there has been filed in my office a notice of annexation from CITY OF SANTAQUIN, dated November 19th, 2008, complying with Section 10-2-425, Utah Code Annotated, 1953, as amended.

NOW, THEREFORE, notice is hereby given to all whom it may concern that the attached is a true and correct copy of the notice of annexation, referred to above, on file with the Office of the Lieutenant Governor pertaining to CITY OF SANTAQUIN, located in Utah County, State of Utah.



IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed the Great Seal of the State of Utah this 17th day of December, 2008 at Salt Lake City, Utah.

Handwritten signature of Gary R. Herbert in black ink.

GARY R. HERBERT
Lieutenant Governor

**AMENDED ARTICLES OF INCORPORATION OF THE
CITY OF SANTAQUIN**

Pursuant to provisions of the "Utah Municipal Code," the City of Santaquin, Utah and Juab Counties, Utah, acting by its Mayor and approved by the City Council during a Public Meeting held on November 19, 2008, hereby amends its Articles of Incorporation as follows:

1. The name of the municipality is the Municipal Corporation of Santaquin, also known as the City of Santaquin.
2. The geographical description of the City is hereby amended to include the described property attached hereto as Exhibit "A".
3. The City of Santaquin is a "City of the Fifth Class" as defined in Utah Code Ann. § 10-2-301(2)(e), having a population of more than 1000 inhabitants, but less than 10,000 inhabitants.
4. These Amended Articles of Incorporation shall become effective on November 13, 2008.

DATED this 19 day of November, 2008.

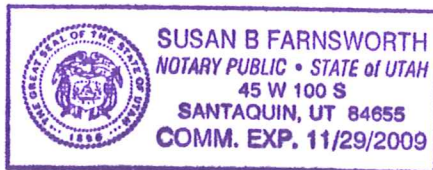
CITY OF SANTAQUIN

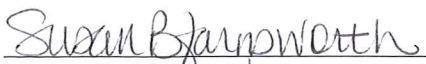

James E. DeGraffenried, Mayor

STATE OF UTAH)
 : ss
COUNTY OF UTAH)

James E. DeGraffenried, being first duly sworn upon oath, deposes and says: that I am the Mayor of the City of Santaquin and the foregoing Amended Articles of Incorporation of the City of Santaquin are truthful and accurate to the best of my knowledge and information.

Subscribed and sworn to before me this 19 day of November, 2008.




Notary Public 11/29/09

Received

DEC 16 2008

Gary R. Herbert
Lieutenant Governor

San 10
Santaquin City
IS W 1003

Santaquin UT 84655

Ordinance No. 11-01-2008



ENT 127542:2008 PG 1 of 21
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2008 Dec 04 11:12 am FEE 0.00 BY JL
RECORDED FOR SANTAQUIN CITY CORPORATION

AN ORDINANCE AMENDING THE ZONING MAP OF SANTAQUIN CITY TO INCLUDE THE SANTAQUIN 66 ANNEXATION AREA LOCATED ADJACENT TO THE CURRENT CORPORATE BOUNDARIES OF SANTAQUIN CITY, UTAH

WHEREAS, on November 15, 2007, Santaquin 66, LLC (the "Petitioner(s)"), petitioned to annex the real property described in Exhibit A (the "Property") to the City; and

WHEREAS, the Petitioners own the majority of the privately owned real property within the annexation area; and

WHEREAS, all Affected Entities have received notice of the proposed annexation and amendment to the official zone map; and

WHEREAS, on January 2, 2008, the Santaquin City Council held a public hearing to receive public input concerning the proposed annexation, which public hearing was properly scheduled and noticed in accordance with Utah law.

WHEREAS, all of the Petitioners have now executed the Annexation and Development Agreement; and

WHEREAS, Santaquin City, Utah desires to amend the Official Zone Map of Santaquin City to include the property within the City's regulatory boundary.

NOW, THEREFORE BE IT ORDAINED by the City Council of Santaquin City, Utah as follows:

SECTION 1. Official Zone Map Amended. The Official Zone Map of Santaquin City as adopted by section 02.0802 of the Santaquin City Zoning Ordinance, is hereby amended to include the annexed real property as depicted in Exhibit A.

SECTION 2. Designation. The amended area shall be zoned R10 as depicted on the zoning map, a copy of which is attached hereto as Exhibit B and incorporated herein by reference.

SECTION 3. Execution of Documents. The Mayor is hereby authorized to execute AMENDED ARTICLES OF INCORPORATION OF THE CITY OF SANTAQUIN and a certification of the Santaquin City Council that the legal procedures for annexation have been completed.

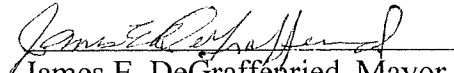
SECTION 4. Posting. A copy of this ordinance shall be deposited in the office of the Santaquin City Recorder, and on November 13, 2008, the Santaquin City Recorder shall certify that this Ordinance has been posted in three public places within the municipality, as provided in Utah Code Annotated § 10-3-711(1).

SECTION 5. Effective Date. This Ordinance shall take effect on November 13, 2008, and the described Annexation shall be effective upon the certification of the Utah Lt. Governor.

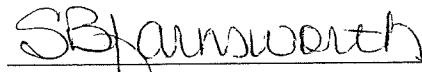
PASSED AND ADOPTED this 19 day of November, 2008.



SANTAQUIN CITY


James E. DeGraffenried, Mayor

ATTEST:


Susan B. Farnsworth, City Recorder

SANTAQUIN 66 ADDITION ANNEXATION BOUNDARY DISCRIPTION

BEGINNING AT A POINT LOCATED N0°04'32"W ALONG THE SECTION LINE 828.00 FEET ANE EAST 1565.83 FEET FROM THE WEST 1/4 CORNER OF SECTION 12, TOWNSHIP 10 SOUTH, RANGE 1 EAST S.L.B.&M. THENCE ALONG THE FOLLOWING COURSES & DIRECTIONS:

N0°46'02" E 139.26 ALONG CITY LIMITS AND IT'S EXTENSION TO A BOUNDARY LINE AGREEMENT RECORDED A ENTRY NUMBER 92158:2001, UTAH COUNTY RECORDS; S89°04'10"E 298.61 ALONG SAID BOUNDARY LINE AGREEMENT; S0°09'21"E ALONG SAID BOUNDARY LINE AGREEMENT; N89°13'58"W 300.84 ALONG THE EXTENSION OF, AND ALONG CURRENT CITY LIMITS TO THE POINT OF BEGINNING.

CONTAINS: ± 0.96 ACRES

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On November 19, 2008, the City Council of Santaquin City, Utah, adopted Ordinance No. 11-01-2008, thereby annexing certain property into Santaquin City. The City Council hereby certifies that it has complied with the requirements of Utah Code Ann. §10-2-401 et seq. to complete the lawful annexation of the property described and attached hereto as Exhibit A.

DATED this 19 day of November, 2008.



SANTAQUIN CITY

James E. DeGraffenried
JAMES E. DEGRAFFENRIED, Mayor

ATTEST:

Susan B. Farnsworth
Susan B. Farnsworth, City Recorder

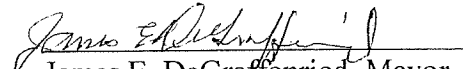
**AMENDED ARTICLES OF INCORPORATION OF THE
CITY OF SANTAQUIN**

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1. The name of the municipality is the Municipal Corporation of Santaquin, also known as the City of Santaquin.
2. The geographical description of the City is hereby amended to include the described property attached hereto as Exhibit "A".
3. The City of Santaquin is a "City of the Fifth Class" as defined in Utah Code Ann. § 10-2-301(2)(e), having a population of more than 1000 inhabitants, but less than 10,000 inhabitants.
4. These Amended Articles of Incorporation shall become effective on November 13, 2008.

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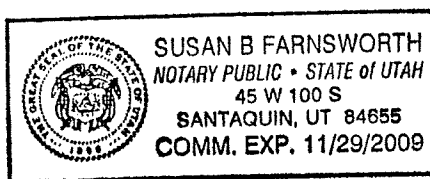
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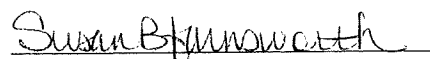

James E. DeGraffenried, Mayor

STATE OF UTAH)
 : ss
COUNTY OF UTAH)

James E. DeGraffenried, being first duly sworn upon oath, deposes and says: that I am the Mayor of the City of Santaquin and the foregoing Amended Articles of Incorporation of the City of Santaquin are truthful and accurate to the best of my knowledge and information.

Subscribed and sworn to before me this 19 day of November, 2008.




Notary Public 11/29/09

ANNEXATION AND DEVELOPMENT AGREEMENT FOR SANTAQUIN CITY - SANTAQUIN 66

THIS ANNEXATION AND DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of the 19 day of November, 2008, by and between Santaquin 66, LLC, a _____ limited liability company, (hereinafter referred to as the "Petitioner"), and Santaquin City, a fifth class city of the State of Utah (hereinafter referred to as the "City"), (together, the "Parties").

RECITALS

- A. WHEREAS, on November 15, 2007, Petitioner filed a Petition with the City (the "Petition"), formally requesting the annexation of approximately .96 acres of property adjacent to the City (hereinafter collectively referred to as "the Property"), which is more particularly described in Exhibit A; and
- B. WHEREAS, Petitioner owns all of the Property; and
- C. WHEREAS, on November 20, 2007, the City Council moved to accept the Petition; and
- D. WHEREAS, on December 19, 2007, the City Council received notice that the City Recorder had certified the Petition pursuant to the provisions of Utah Code Ann. § 10-2-405(2); and
- E. WHEREAS, no protests were filed with the City Recorder during the protest period, or since the time for protests.
- F. WHEREAS, on November 12, 2008, the Santaquin City Council held a public hearing to receive public input concerning the proposed annexation, which public hearing was properly scheduled and noticed in accordance with Utah law; and
- G. WHEREAS, the Parties intend to enter into this Agreement to finalize the annexation and zoning of the Property, establish annexation and development parameters for the development of any Project Area and to take all steps necessary to, and to develop the Project Area according to this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants hereafter set forth, the sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

SECTION I. DEFINITIONS

Unless the context requires a different meaning, any term or phrase used in this Agreement that has its first letter capitalized shall have that meaning given to it by the Santaquin Zoning Ordinance in

effect on the date of a complete application or, if different, by this Agreement. Certain such terms and phrases are referenced below; others are defined where they appear in the text of this Agreement.

1.1 **“After Acquired Property”** means any and all of the Property that has been or will be acquired by Petitioner after the date hereof.

1.2 **“Applicant”** means the person or entity that applies for the development of a Project.

1.3 **“Annexation Petition”** means that certain Petition for annexation to the City dated November 15, 2007, and certified by the City Recorder on December 19, 2007.

1.4 **“Buildout”** means the completion of all of the development of the land in the Project Area.

1.5 **“Design Guidelines”** means Santaquin City Standard Specifications and Drawings, adopted by Santaquin City on July 11, 2007, and amended on April 16, 2008, pursuant to Resolution Number 04-03-2008, together with any subsequent amendments thereto.

1.6 **“Owners”** means the owners of the Property, or any part thereof, as indicated on the tax records of Utah County.

1.7 **“Project”** means any portion of the Property proposed for development by the Petitioner or any successors or assigns thereof.

SECTION II. GENERAL RIGHTS AND RESPONSIBILITIES.

2.1 General Rights and Responsibilities of Petitioner

2.1.1 **Conditions of Approval and Impact Fees.** With respect to the development of the Project Area, Petitioner accepts and agrees to comply with the impact, connection and building fees of the City currently in effect, or as amended, the City agreeing and representing that any such fee schedule will be applied uniformly within the City or service area of the City, as applicable. Petitioner acknowledges that the development of any Project within the Project Area will require infrastructure supported by impact fees and finds the fees currently imposed to be a reasonable monetary expression of exactions that would otherwise be required at this time. Petitioner agrees not to challenge, contest or bring a judicial action seeking to avoid payment of or to seek reimbursement for such fees, so long as such fees are applied uniformly within the City or service area.

2.1.2 **Construction Mitigation.** Prior to any development of the Project Area, Petitioner shall provide the following measures, all to the reasonable satisfaction of the City’s Engineer, to mitigate the impact of construction within the Project Area. Petitioner shall also adhere to the usual construction impact mitigation measures required by the City. Additional reasonable site-

specific mitigation measures may be required. The following measures shall be included in each application for development of any Development Phase:

2.1.2.1 Limits of disturbance, vegetation protection and the re-vegetation plan for all construction, including construction of public improvements;

2.1.2.2 Protection of existing infrastructure improvements from abuse or damage while new infrastructure improvements are being constructed; and

2.1.2.3 Construction traffic routing plan to minimize traffic impacts on Santaquin City and residential areas as approved by the City.

2.1.3 **Subsequent Applications Under Future Development Code.** Without waiving any rights granted by this Agreement, Petitioner may, from time-to-time or at any time, choose to submit some or all of the Project Area for development under the version of the City's Development Code in place at the time of the application.

2.1.4 **Vested Rights in Concept Plan.** Subject to the provisions of this Agreement, Petitioner shall have the vested right for a term of five (5) years from the execution of this Agreement, to develop the Project Area in accordance with the Concept Plan attached hereto as Exhibit B, in accordance with the land use regulations of the City as they exist on the date of execution of this Agreement, for use and density for up to a maximum of three (3) residential units. The provisions of the Concept Plan shall form a part of this Agreement. At the end of said five year term, no Preliminary Plat may be approved that is not in compliance with all City land use ordinances in effect on the date that the complete application was submitted to the City. Notwithstanding the foregoing, the land use regulations which are applicable to the Project may be modified when required by federal and/or state laws and regulations promulgated to avoid any imminent and substantial risk or threat of injury to the public health and safety. All development within the Project Area shall be subject to and comply with any future amendments or changes to the Uniform Building Code, American Association of State Highway Transportation Officials (AASHTO) standards, federal water quality regulations, as the City makes changes or amendments based on any such standards, codes and/or regulations that may now or then be applicable to the Project or any phase thereof.

2.1.5 **After Acquired Property.** Petitioner agrees that its rights and obligations under this Agreement shall apply to any and all After Acquired Property as defined herein.

2.2 **General Rights and Responsibilities of the City**

2.2.1 **Reserved Legislative Powers.** This Agreement shall not limit the future exercise of the police powers of the City to enact ordinances, standards, or rules regulating development. The City acknowledges, however, that any exercise of its legislative or police powers which alters or modifies this Agreement to Petitioner's detriment may render the City liable to such remedies as may be available to Petitioner under such circumstances.

2.2.2 Compliance with City Requirements and Standards. Petitioner expressly acknowledges that nothing in this Agreement shall be deemed to relieve it of its obligations to comply with all applicable requirements of the City necessary for approval and recordation of subdivision plats and site plans for any Project, in effect at the time of development approval, including the payment of unpaid fees, the approval of subdivision plats and site plans, the approval of building permits and construction permits, and compliance with all applicable ordinances, resolutions, policies and procedures of the City. Petitioner specifically acknowledges that the City may enact ordinance(s) regulating land use and development in a flood plain or potential geologic hazard are to protect life or prevent the substantial loss of or damage to real property, and agree to be bound by any such ordinances whether adopted prior to or subsequent to the execution of this Agreement.

2.2.3 Power of Eminent Domain. The City agrees that in the event Petitioner needs to obtain easements or rights of way for the purpose of constructing infrastructure improvements for a Project and is otherwise unable to negotiate a reasonably acceptable contract for such easements or rights of way, the City, upon the request of Petitioner, may *consider* exercise of its power of eminent domain to obtain such easements or rights of way, any and all costs of which shall be borne by the Petitioner so requesting.

2.2.4 Property to Become a Part of Santaquin City. Upon annexation, the Property shall become, for all purposes—including government, taxation, municipal services and protection, and consideration in all municipal matters—a part of Santaquin City. Development therein, and the residents and occupants thereof, shall be treated in all respects as is any other development, resident, or occupant of Santaquin City.

2.3 Recording. The City shall cause this Agreement, together with all exhibits and attachments, to be recorded with the Utah County Recorder.

SECTION III. SPECIFIC RIGHTS AND RESPONSIBILITIES

3.1 Water

3.1.1 Obligations of the Petitioner.

3.1.1.1 Water System. The Applicant for development of any Project, shall design, build and dedicate to the City an adequate water delivery system according to City specifications and standards, including all distribution lines, for the Project Area, including all fire flow and irrigation needs. All facilities necessary to provide a water system installed by Applicant within all Project Areas, upon acceptance by the City, shall be owned, operated and maintained by the City. The obligations of Applicant or its successors or assigns shall include the construction of water distribution lines outside the Project Area and outside the Property as necessary to connect to the existing Santaquin City water system. Applicant shall be similarly responsible for such infrastructure at such time as any portion of a Project Area is developed.

3.1.1.2 Satisfaction of Water Rights Requirement. Petitioner hereby asserts that it is familiar with Santaquin City Code § 8-1-10 A. 2 and hereby agrees that prior to either approval of a preliminary plat for, or issuance of a building permit on, any parcel of property that is included in the Project Area, the owner of the subject parcel shall either dedicate water rights to the City or, with the City's written consent, pay a cash equivalent in value to the cost of the required water rights, as specified by, or as determined in accordance with, the provisions of the City Code. The City, in its sole discretion, shall determine whether the requirements of this section shall be satisfied by the dedication of water rights or the payment of money in lieu of said water rights. The City shall not be required to approve any plat, or issue any building permit, until such requirements are fully satisfied.

3.1.2 City Obligations. Upon the dedication and acceptance by the City of the water delivery system, satisfaction of the water rights requirements (as outlined in section 3.1.1.2) and payment of impact fees, the City shall provide all use areas served by such infrastructure within the Project Area with water service at a level generally provided to other areas of the City.

3.2 Sanitary Sewer Service and Facilities

3.2.1 Petitioner's Obligations. In recognition and consideration of the City's willingness to provide the sanitary sewer service necessary to meet the demands of the Project Area at Buildout, Petitioner voluntarily agrees as follows:

3.2.1.1 Easements and Installation. Petitioner shall grant to the City, at no cost to the City, all easements necessary for the operation, maintenance, and replacement of all wastewater collection lines and related facilities, located within the Project Area as the City determines to be necessary.

3.2.1.2 Construction of Sewer Infrastructure. Each Applicant for the development of a Project shall install, at its sole expense, all sewer lines and other infrastructure improvements which the City deems necessary to provide such disposal and treatment service from the Project to the existing Santaquin Sewer System, including both on-site and off-site improvements.

3.2.1.3 Payment of Sewer Impact Fees. All preliminary and final subdivision plats and all site plan approvals presented after the effective date of this Agreement are subject to the payment of sewer impact fees and sewer connection fees then in effect and generally applicable to other development within the City, payable at the time of building permit issuance.

3.2.2 City Obligations. Upon construction to City specifications and standards of all required sewer-related infrastructure improvements, the payment of all required impact fees and other fees described herein, and dedication and acceptance of all lines and necessary sewer-related improvements and easements, the City shall provide to the Project Area, sanitary sewer service at a level generally provided to other areas of the City.

3.3 **Flood and Watershed Protection Facilities.**

3.3.1 **Flood and Watershed Protection Study.** Prior to any development of a Project, the Applicant, or its successors or assigns, shall provide to the City a Flood and Watershed Protection Study if the City in its sole discretion determines that such a study is in the best interests of the City. The Flood and Watershed Protection Study shall be prepared by a professional engineer, licensed in the state of Utah and approved by the City. Said study shall include: (i) data and analysis concerning the possibility of future flooding and/or soil erosion in the Project Area; (ii) data and analysis concerning the potential effects of the development of the Project on adjacent areas with respect to future flooding and/or soil erosion; and (iii) recommendations for the mitigation of potential adverse effects of flooding and/or soil erosion on the Project and adjacent properties. All costs of said study shall be the sole responsibility of the Applicant.

3.3.2 **Construction of Flood and Watershed Protection Facilities.** Prior to the issuance of any permit for the construction of any permanent structure in a Project, the Applicant shall construct facilities, which, in the sole discretion of the City, are sufficient to protect: (i) the Project from future flooding and/or soil erosion; and (ii) areas adjacent to the Project and the Project Area from an increased danger of future flooding and/or soil erosion resulting from development in the Project. Such construction, including any necessary acquisition of property, rights-of-way and/or easements, shall be the sole responsibility of the Applicant.

3.4 **Transportation and Traffic Mitigation**

3.4.1 **Applicant's Obligations.** Each Applicant for the development of a Project shall provide the following transportation and traffic mitigation measures which are intended to reduce potential traffic impacts resulting from the development anticipated by the Project.

3.4.1.1 **Plans and Permits.** Prior to any development of a Project, the Applicant shall obtain all necessary approvals and permits from the City, and from the Utah Department of Transportation (hereinafter "UDOT") if applicable.

3.4.1.2 **Roads Within a Project.** In the event that the City shall approve a final plat for development of a Project, the Applicant shall construct all roads within the Project that are designated on said final plat or the documents, including internal circulation routes. All such construction shall be completed in accordance with the requirements of all such approvals and permits and the Design Guidelines. Prior to the construction of any of the improvements described herein, the Applicant shall obtain the City's written approval of all plans, drawings and specifications with respect to the alignment and construction of such road improvements. Upon completion of the construction of such improvements, the same shall be dedicated to the City. Applicant shall pay all costs of construction of such improvements.

3.4.1.4 **Sidewalk, Curb and Gutter.** Petitioner shall construct, at its sole expense, sidewalk, curb and gutter along both sides of all public roads within a Project and along all

existing public roads that will provide access to and are adjacent to the front access of any portion of a Project where said public roads abut the Project. Said improvements shall be constructed in accordance with Design Standards and shall be completed within one year of the execution of this agreement and upon completion shall be dedicated to the City. Each Applicant for development of a Project shall construct, at its sole expense, Internal Curbing & Pedestrian Pathways in all portions of the Project as may be required by the City in connection with the approval of any final subdivision or development plat, or building permit.

3.4.1.5 Landscaping. Upon the City's approval of any plat within a Project, the Applicant shall construct and create, at Applicant's sole cost and expense, landscape improvements as set forth in the City's Design Guidelines and Development Code. Such landscape improvements shall include the construction, creation, and maintenance of such improvements as shall be approved by the City in connection with the required development process.

3.4.1.6 Trails. In the event that any part of a Project includes property that is designated as a trail on the Santaquin City Master Trails Plan, Applicant shall incorporate the trails as described in said plan into the Project and shall design and construct all such trails, at its sole expense, in accordance with the Design Guidelines, and upon completion shall dedicate said trails to the City.

3.4.2 City Obligations.

3.4.2.1 Dedication. The City shall accept the dedication of all streets in each Project, so long as such streets are constructed to the City specifications and standards, are dedicated free of all liens and encumbrances, and are covered by all required bonds and warranties.

3.5 Utilities.

3.5.1 Applicant's Obligations. Each Applicant for development of a Project shall be responsible for the provision of all utility infrastructure within the Project, including (but not necessarily limited to) the following:

3.5.1.1 As provided in § 3.1 hereof, culinary and secondary water systems, including all appurtenances;

3.5.1.2 As provided in § 3.2 hereof, sewer and sanitary systems;

3.5.1.3 Runoff and storm drainage;

3.5.1.4 Natural gas;

3.5.1.5 Electricity;

3.5.1.6 Telecommunications; and

3.5.1.7 Street lighting.

3.5.2 **Easements, Rights-of-Way, Etc.** Petitioner shall grant, provide, and/or dedicate all such easements, rights of way, rights of entry, or other servitudes as may be necessary for the installation and maintenance of the infrastructure contemplated herein.

3.5.3 **City's Obligations.** The City agrees to allow, upon proper application and permit, work on property owned by the City as may be necessary to connect, link, construct, or accommodate utility improvements in the Project Area.

3.5.4 **Underground Utilities.** All utility lines, conduits, pipes, maintenance or service stations, pump houses, and the like, that are installed or replaced in connection with the development of a Project, whether within or outside the Property, shall be installed underground, to the extent that such installation (i) is reasonably practicable, (ii) lies within the parameters of City specifications, (iii) complies with applicable federal, state, and local law, regulation, and ordinance, and (iv) accords with industry standards and practices. All such utilities necessary for appropriate service to the Project, whether within or outside the Project, shall be installed or replaced at the sole cost of the Applicant.

SECTION IV. ZONING

4.1 **Amendment of the Santaquin Zoning Map.** Upon Annexation of the Property, the Santaquin City Zoning Map shall be amended to include the Property in a(n) R10 zone. Notwithstanding any provisions of the R10 zone to the contrary, the minimum lot size in the Project Area shall be ten thousand (12,000) square feet.

SECTION V. GENERAL PROVISIONS

5.1 **Covenants Running with the Land.** The provisions of this Agreement shall constitute real covenants, contract and property rights and equitable servitudes, which shall run with all of the land subject to this Agreement. The burdens and benefits hereof shall bind and inure to the benefit of each of the Parties hereto and all successors in interest to the Parties hereto. All successors in interest shall succeed only to those benefits and burdens of this Agreement which pertain to the portion of the Property to which the successor holds title, or which would apply to the Petitioner through whom the interest was acquired. Such titleholder is not a third party beneficiary of the remainder of this Agreement or to zoning classifications and benefits relating to other portions of the Property.

5.2 **Transfer of Property.** Petitioner shall have the right, with the City's consent, to assign or transfer all or any portion of his/her rights and obligations under this Agreement to any party acquiring an interest or estate in the Project Area or any portion thereof, except as specifically set forth below. The City may not unreasonably withhold its consent to such assignment. Unless the City objects in writing within thirty (30) days of receiving written notice of a proposed transfer or assignment, the City shall be deemed to have approved of and consented to the same. In the event of an assignment, to which the City consents, the transferee shall succeed to all of Petitioner's rights

under this Agreement. However, in the event of an assignment or a transfer to which the City does not consent, this Agreement may be declared void as to that portion of the Property that is so assigned or transferred, at the option of the City. Notwithstanding the foregoing, a Petitioner selling or conveying individual lots or parcels of land to builders, individuals or another Petitioner shall not be deemed to be an "assignment" subject to the above requirement for approval unless specifically designated as an assignment by the Petitioner.

5.3 **No Agency, Joint Venture or Partnership.** It is specifically understood and agreed to by and among the Parties that: (i) each Project Area is a private development; (ii) City and Petitioner hereby renounce the existence of any form of agency relationship, joint venture or partnership between City and Petitioner; and (iii) nothing contained herein shall be construed as creating any such relationship between City and Petitioner.

5.4 **Consent.** In the event this Agreement provides for consent from the City or the Petitioner, such consent shall be deemed to be given thirty (30) days after consent is requested in writing in the event no response to the request is received within that period. All requests for consent shall be made in writing.

5.5 **Legal Challenges.** In the event that any person challenges this Agreement or the development contemplated herein, upon request by Petitioner, or with notice to Petitioner and Petitioner's consent or acquiescence, the City may undertake to defend this Agreement or the development. In such a case, Petitioner agrees to accept responsibility, jointly and severally, for all legal fees, including attorneys' fees, expenses, and/or court costs incurred by the City upon presentation to the Petitioner of an itemized list of costs, expenses, and fees.

SECTION VI. MISCELLANEOUS

6.1 **Incorporation of Recitals, Introductory Paragraphs, and Exhibits.** The Recitals contained in this Agreement, the introductory paragraph preceding the Recitals, and all Exhibits referred to or attached hereto are hereby incorporated into this Agreement as if fully set forth herein.

6.2 **Other Miscellaneous Terms.** The singular shall include the plural; the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive.

6.3 **Severability.** If any provision of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

6.4 **Construction.** This Agreement has been reviewed and revised by legal counsel for Petitioner, and by legal counsel for the City, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.

6.5 **Further Assurances, Documents, and Acts.** Each of the Parties agrees to cooperate in good faith with the others, and to execute and deliver such further documents, and to take all further acts reasonably necessary in order to carry out the intent and purposes of this Agreement and the actions contemplated hereby. All provisions and requirements of this Agreement shall be carried out by each party as allowed by law.

6.6 **Assignment.** Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned by the Petitioner to any other party, individual or entity without assigning the obligations as well as the rights under this Agreement. The rights of the City under this Agreement shall not be assigned.

6.7 **Governing Law, and Dispute Resolution, and Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

6.7.1 **Mediation.** Any and all disputes arising out of or related to this Agreement or the Parties' performance hereunder shall be submitted to mediation before a mutually acceptable mediator prior to initiation of litigation or any other binding or adjudicative dispute resolution process. The parties shall: (i) mediate in good faith; (ii) exchange all documents which either believes to be relevant and material to the issue(s) in dispute; (iii) exchange written position papers stating their position on the dispute(s) and outlining the subject matter and substance of the anticipated testimony of persons having personal knowledge of the facts underlying the dispute(s), and; (iv) engage and cooperate in such further discovery as the parties agree or mediator suggests may be necessary to facilitate effective mediation. Mediator, venue, and related costs shall be shared equally by the Parties. Venue of the mediation shall be Utah County, State of Utah. In the event the Parties are unable to agree upon a mediator, the mediator shall be appointed by a court of competent jurisdiction. This provision shall be specifically enforceable according to its terms, including but not limited to an action to compel mediation. The prevailing party in any action to enforce, in whole or in part, this mediation clause or in any subsequent arbitration or mediation shall be entitled to reimbursement of attorneys' fees and costs incurred in said action.

6.7.2 **Default Litigation.** If any Party hereto is required to engage the services of legal counsel by reason of the default of another Party, the nondefaulting Party shall be entitled to receive its costs and reasonable attorneys' fees, both before and after judgment and whether or not suit be filed or if the provisions of this Agreement are enforced through arbitration. Said costs and attorneys' fees shall include, without limitation, costs and attorneys' fees incurred in any appeal and in any proceedings under any present or future federal bankruptcy act or state receivership act.

6.8 **Notices.** Any notice or communication required hereunder between the Parties must be in writing and may be given either personally or by registered or certified mail, return receipt requested, or by facsimile. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent; or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United

States mail. If personally delivered, a notice is given when delivered to the party to whom it is addressed. If given by facsimile to the address and number for such party set forth below (provided, however, that the notice is not effective unless a duplicate copy of the facsimile notice is promptly given by one of the other methods permitted under this paragraph), the notice is deemed to have been given upon receipt by the other Party. Any Party hereto may at any time, by giving ten (10) days written notice to other Parties hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at the address set forth below:

If to City to:

*Santaquin City Recorder
45 West 100 South
Santaquin, UT 84655
Facsimile: (801) 754-3526*

Copy to:

*Brett B. Rich, Esq.
Nielsen & Senior
53rd Park Plaza, Suite 400
5217 South State Street
Salt Lake City, Utah 84107
Facsimile: (801) 327-8222*

If to Petitioner to:

*Santaquin 66, LLC
c/o Ben Howell
2220 Village Walk Drive, #3203
Henderson, NV 89052
Facsimile: (702) 407-6823*

6.9 Counterparts and Exhibits. This Agreement is executed in two (2) duplicate counterparts, each of which is deemed to be an original. This Agreement consists of twelve (12) pages, including notary acknowledgment forms, and two (2) additional exhibit(s), which constitute the entire understanding and agreement of the Parties to this Agreement. The following exhibit is attached to this Agreement and incorporated herein for all purposes:

Exhibit A	Legal description of the Property
Exhibit B	Concept Plan

6.10 Duration. This Agreement shall continue in force and effect until all obligations hereunder have been satisfied.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties, by persons duly authorized to execute the same and by the City of Santaquin, acting by and through its City Council as of the 19 day of November, 2008.



SANTAQUIN CITY

James E. DeGraffenried
JAMES E. DeGRAFFENRIED, Mayor

ATTEST:

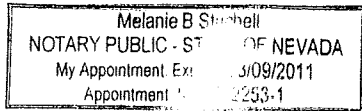
Susan B. Farnsworth
Susan B. Farnsworth, City Recorder

PETITIONER:

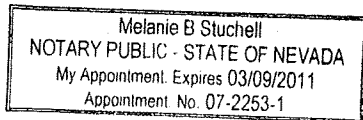
Ben Howell
BEN HOWELL, Managing Member
Santaquin 66, LLC

Nevada
STATE OF ~~UTAH~~)
 :SS
COUNTY OF ~~UTAH~~)
 Clark

On this 13 day of NOVEMBER, 2008, before me personally appeared Ben Howell, personally known to me, who after being duly sworn acknowledged to me that he executed this document. Witness my hand and official seal.



Melanie Stuchell
Notary Public



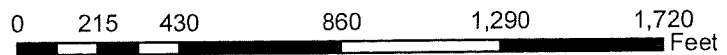
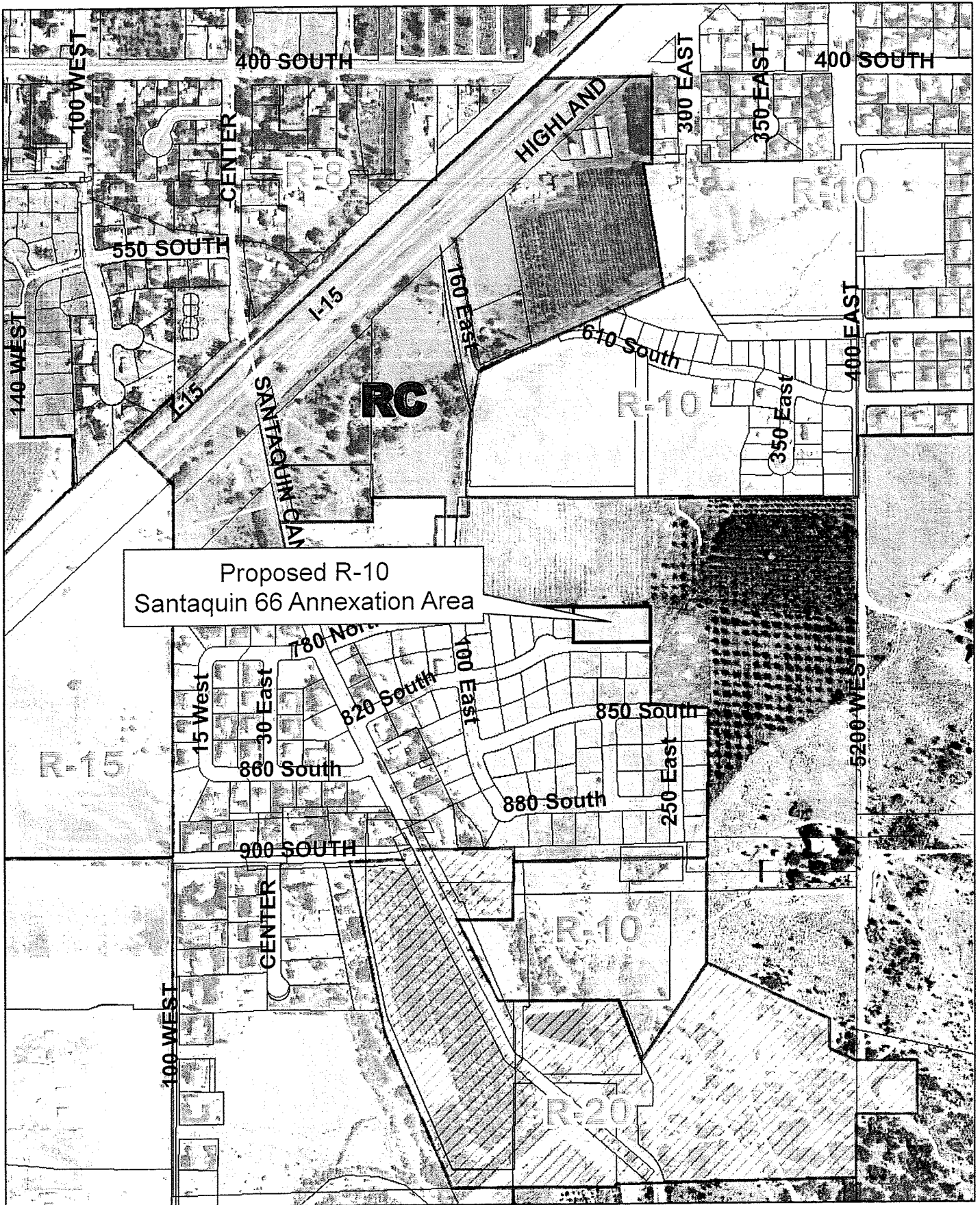
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SANTAQUIN 66 ADDITION ANNEXATION BOUNDARY DISCRPTION

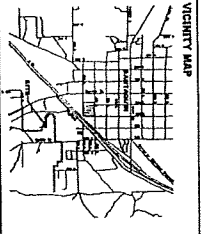
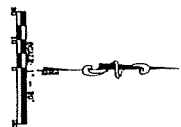
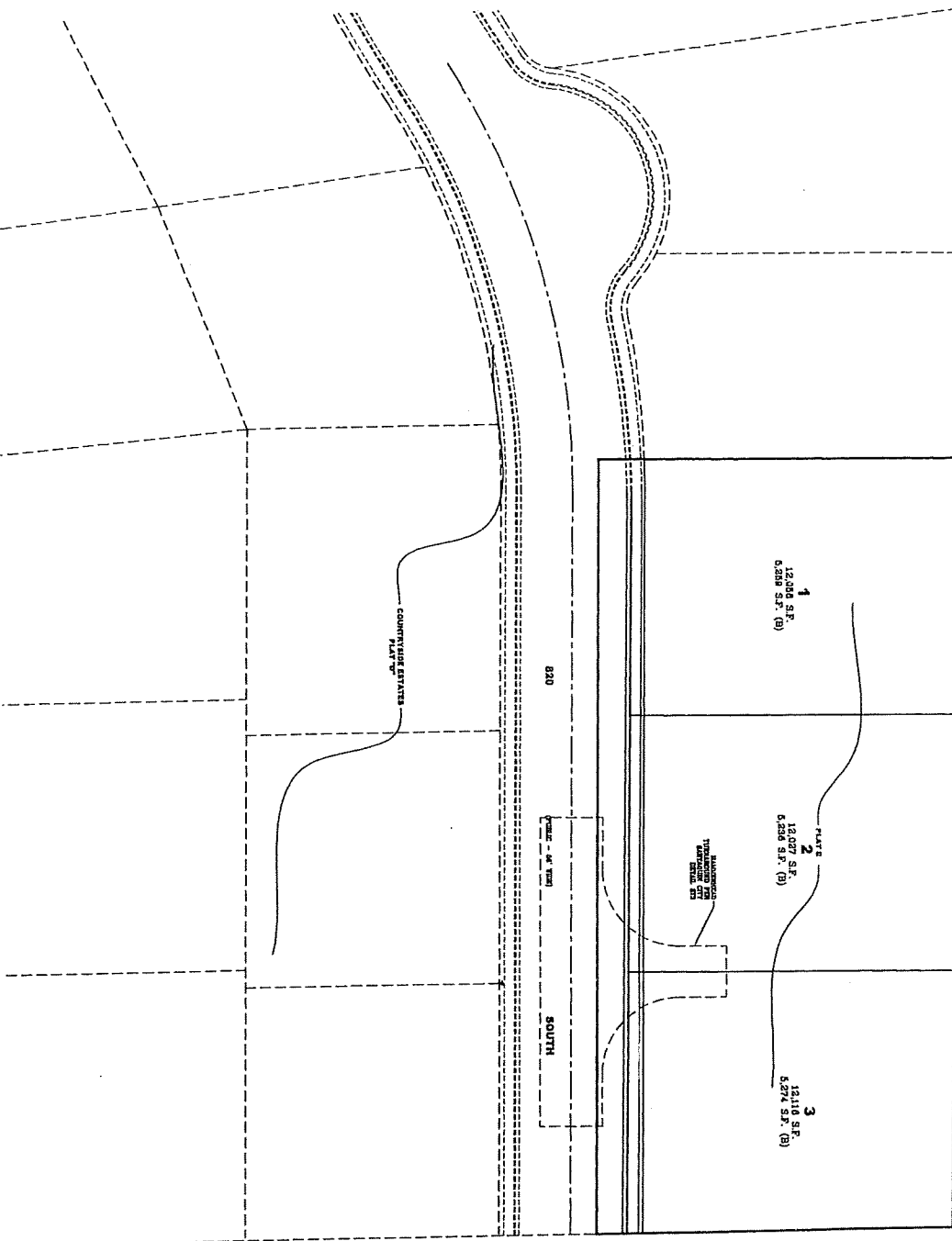
BEGINNING AT A POINT LOCATED N0°04'32"W ALONG THE SECTION LINE 828.00 FEET ANE EAST 1565.83 FEET FROM THE WEST 1/4 CORNER OF SECTION 12, TOWNSHIP 10 SOUTH, RANGE 1 EAST S.L.B.&M. THENCE ALONG THE FOLLOWING COURSES & DIRECTIONS:

N0°46'02" E 139.26 ALONG CITY LIMITS AND IT'S EXTENSION TO A BOUNDARY LINE AGREEMENT RECORDED A ENTRY NUMBER 92158:2001, UTAH COUNTY RECORDS; S89°04'10"E 298.61 ALONG SAID BOUNDARY LINE AGREEMENT; S0°09'21"E ALONG SAID BOUNDARY LINE AGREEMENT; N89°13'58"W 300.84 ALONG THE EXTENSION OF, AND ALONG CURRENT CITY LIMITS TO THE POINT OF BEGINNING.

CONTAINS: ± 0.96 ACRES



COUNTRYSIDE ESTATES PLAT "E" SANTAQUIN, UTAH



TABULATIONS

NO.	DATE	BY	REVISION
1	06/17/2008	RAF	ISSUED FOR PERMITS
2			
3			
4			
5			

NOTES

- ALL CONSTRUCTION TO BE DONE ACCORDING TO REGULATIONS OF THE SALT LAKE COUNTY ENGINEERING DEPARTMENT.
- PERMITS FOR CONSTRUCTION SHALL BE OBTAINED FROM THE SALT LAKE COUNTY ENGINEERING DEPARTMENT.
- ALL UTILITIES TO BE LOCATED AND DEPTH TO BE DETERMINED BY THE ENGINEER.
- ALL UTILITIES TO BE DELETED FROM THE DEVELOPMENT PLAN.
- ALL UTILITIES TO BE DELETED FROM THE DEVELOPMENT PLAN.
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TABLE OF CONTENTS

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3	LEGEND	3
4	TABLE OF CONTENTS	4
5	DEVELOPMENT PLAN	5
6	CONTRACT SPECIFICATIONS	6

LEGEND

SYMBOL	DESCRIPTION
(Symbol)	PROPERTY LINE
(Symbol)	EXISTING LOT LINE
(Symbol)	PROPOSED LOT LINE
(Symbol)	EXISTING DRIVE
(Symbol)	PROPOSED DRIVE
(Symbol)	EXISTING SIDEWALK
(Symbol)	PROPOSED SIDEWALK
(Symbol)	EXISTING CURB
(Symbol)	PROPOSED CURB
(Symbol)	EXISTING UTILITY
(Symbol)	PROPOSED UTILITY
(Symbol)	EXISTING FENCE
(Symbol)	PROPOSED FENCE
(Symbol)	EXISTING WALL
(Symbol)	PROPOSED WALL
(Symbol)	EXISTING POLE
(Symbol)	PROPOSED POLE
(Symbol)	EXISTING SIGN
(Symbol)	PROPOSED SIGN
(Symbol)	EXISTING LIGHT
(Symbol)	PROPOSED LIGHT
(Symbol)	EXISTING VALVE
(Symbol)	PROPOSED VALVE
(Symbol)	EXISTING MANHOLE
(Symbol)	PROPOSED MANHOLE
(Symbol)	EXISTING TIE
(Symbol)	PROPOSED TIE
(Symbol)	EXISTING EASEMENT
(Symbol)	PROPOSED EASEMENT
(Symbol)	EXISTING RIGHT OF WAY
(Symbol)	PROPOSED RIGHT OF WAY
(Symbol)	EXISTING CORNER
(Symbol)	PROPOSED CORNER
(Symbol)	EXISTING MONUMENT
(Symbol)	PROPOSED MONUMENT
(Symbol)	EXISTING SURVEY
(Symbol)	PROPOSED SURVEY
(Symbol)	EXISTING ADJACENT PROPERTY
(Symbol)	PROPOSED ADJACENT PROPERTY
(Symbol)	EXISTING ROAD
(Symbol)	PROPOSED ROAD
(Symbol)	EXISTING RAILROAD
(Symbol)	PROPOSED RAILROAD
(Symbol)	EXISTING AIRWAY
(Symbol)	PROPOSED AIRWAY
(Symbol)	EXISTING WATERWAY
(Symbol)	PROPOSED WATERWAY
(Symbol)	EXISTING DRAINAGE
(Symbol)	PROPOSED DRAINAGE
(Symbol)	EXISTING FLOODPLAIN
(Symbol)	PROPOSED FLOODPLAIN
(Symbol)	EXISTING ZONING
(Symbol)	PROPOSED ZONING
(Symbol)	EXISTING DISTRICT
(Symbol)	PROPOSED DISTRICT
(Symbol)	EXISTING CITY
(Symbol)	PROPOSED CITY
(Symbol)	EXISTING COUNTY
(Symbol)	PROPOSED COUNTY
(Symbol)	EXISTING STATE
(Symbol)	PROPOSED STATE
(Symbol)	EXISTING FEDERAL
(Symbol)	PROPOSED FEDERAL
(Symbol)	EXISTING NATIONAL
(Symbol)	PROPOSED NATIONAL
(Symbol)	EXISTING INTERNATIONAL
(Symbol)	PROPOSED INTERNATIONAL

OWNERS/DEVELOPER
 SANTAQUIN UTAH
 820 SOUTH VALLEY DRIVE
 SANTAQUIN UTAH 84403
 (801) 487-4848
 FAX (801) 487-4848

DESIGNER
 CIP

DATE
 06/17/2008

SCALE
 1" = 60'

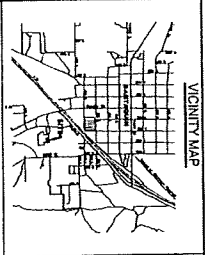
CHECKED BY
 RAF

PROJECT
 07-0002

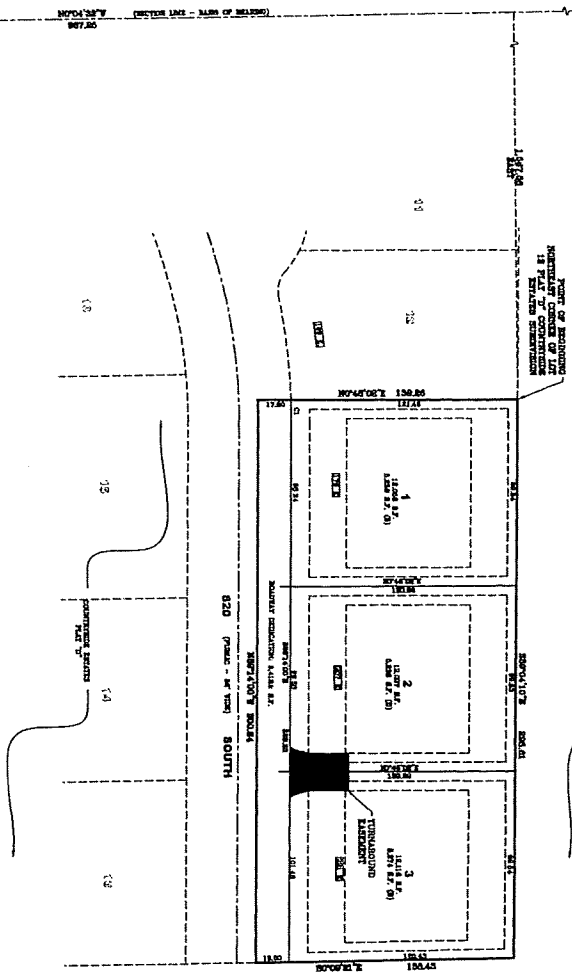
DESIGNED BY
 CIP

DRAWN BY
 RAF

COVER SHEET

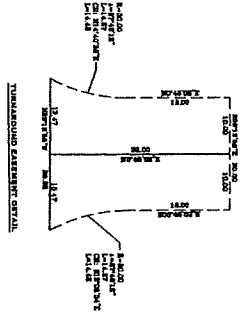
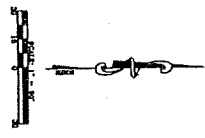


UNIVERSITY CENTER OF SALT LAKE COUNTY IS THE TOTAL COUNTY JURISDICTION

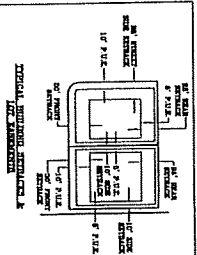


DEVELOPER: [Name] 2000 VILLAGE VUE DRIVE SOUTH SALT LAKE CITY, UT 84119 (765) 477-0000 FAX (765) 477-0000 FAX

STATE OF UTAH, COUNTY OF SALT LAKE, CITY OF SALT LAKE, DISTRICT OF [Number]



CLUSTER TABLE	CLUSTER	CLUSTER
1	150.00'	117.17'
2	150.00'	117.17'
3	150.00'	117.17'



NOTES
 1. ALL NOTES SHALL BE READ IN CONJUNCTION WITH THE SUBMITTAL AND THE CITY OF SALT LAKE COUNTY ZONING ORDINANCES AND THE CITY OF SALT LAKE COUNTY SUBDIVISION MAP ACT.
 2. THE SUBMITTANT SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF SALT LAKE COUNTY AND THE STATE OF UTAH.
 3. THE SUBMITTANT SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF SALT LAKE COUNTY AND THE STATE OF UTAH.
 4. THE SUBMITTANT SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE CITY OF SALT LAKE COUNTY AND THE STATE OF UTAH.

QUESTIONS APPROVAL
 I, the undersigned, being duly qualified, do hereby certify that the above is a true and correct copy of the original as shown to me by the applicant and that the same is a true and correct copy of the original as shown to me by the applicant and that the same is a true and correct copy of the original as shown to me by the applicant.

SUBMITTER'S CERTIFICATE
 I, the undersigned, being duly qualified, do hereby certify that the above is a true and correct copy of the original as shown to me by the applicant and that the same is a true and correct copy of the original as shown to me by the applicant and that the same is a true and correct copy of the original as shown to me by the applicant.

BOUNDARY DESCRIPTION
 The boundary description of the subject property is as follows: [Detailed description of the boundary lines and bearings.]

ACKNOWLEDGMENT
 STATE OF UTAH, COUNTY OF SALT LAKE, DISTRICT OF [Number], I, the undersigned, do hereby acknowledge that the above is a true and correct copy of the original as shown to me by the applicant and that the same is a true and correct copy of the original as shown to me by the applicant.

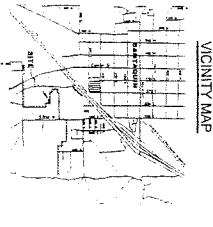
ACCEPTANCE BY LEGISLATIVE BODY
 I, the undersigned, being duly qualified, do hereby certify that the above is a true and correct copy of the original as shown to me by the applicant and that the same is a true and correct copy of the original as shown to me by the applicant.

BOARD OF HEALTH
 I, the undersigned, being duly qualified, do hereby certify that the above is a true and correct copy of the original as shown to me by the applicant and that the same is a true and correct copy of the original as shown to me by the applicant.

PLANNING COMMISSION APPROVAL
 I, the undersigned, being duly qualified, do hereby certify that the above is a true and correct copy of the original as shown to me by the applicant and that the same is a true and correct copy of the original as shown to me by the applicant.

COUNTRYSIDE ESTATES

SUBDIVISION: COUNTRYSIDE ESTATES
 SALT LAKE COUNTY, UTAH
 DISTRICT OF [Number]



VICINITY MAP



SURVEYOR'S CERTIFICATE

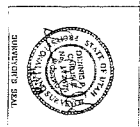
I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE MAP OF THE TRACT OF LAND TO BE SHOWN AS ...

BOUNDARY DESCRIPTION

BEGINNING AT A POINT BEARING NORTH 52° 2' ALONG THE SECTION LINE 600.00 FT AND EAST 518.84 FT TO THE POINT OF BEGINNING; THENCE ALONG THE POLYLINE CORNERS & BOUNDARIES ...

COURSE	DISTANCE	BEARINGS	REMARKS
S 29° 01' E	239.81		SECTION LINE
N 138.43' W	312.6005		SECTION LINE
S 29° 01' E	239.81		SECTION LINE
N 138.43' W	312.6005		SECTION LINE
S 29° 01' E	239.81		SECTION LINE
N 138.43' W	312.6005		SECTION LINE
S 29° 01' E	239.81		SECTION LINE
N 138.43' W	312.6005		SECTION LINE

[Signature]
 PROFESSIONAL LAND SURVEYOR
 REGISTRATION NO. 127872
 DECEMBER 1, 2003



ACCEPTANCE BY LEGISLATIVE BODY

THIS IS TO CERTIFY THAT WE HAVE RECEIVED A PETITION SIGNED BY A MAJORITY OF THE OWNERS OF THE TRACT SHOWN HEREON REQUESTING THAT SAID TRACT BE ANNEXED TO THE CITY OF ...

DATED THIS 19th DAY OF November 2003
[Signatures]
 CITY CLERK
 CITY MANAGER

THIS IS TO CERTIFY THAT THE ...
 ...
 ...

[Signature]
 ATTORNEY

ANNEXATION PLAT

SANTAQUIN 66 ADDITION