

ENT 144933;2006 PG 1 of 35
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2006 Oct 31 9:03 am FEE 0.00 BY STL
RECORDED FOR SANTAQUIN CITY CORPORATION

**FIRST AMENDMENT TO
ANNEXATION AND DEVELOPMENT AGREEMENT**

By and Among

SUMMIT RIDGE COMMUNITIES, LLC

SANTAQUIN CITY

KBS FARM HOLDINGS, LLC

Dated: October 25, 2006

**FIRST AMENDMENT TO
ANNEXATION AND DEVELOPMENT AGREEMENT
FOR SUMMIT RIDGE**

(Affects only KBS Farm Holdings, LLC and Summit Ridge Communities, LLC Land)

THIS FIRST AMENDMENT TO ANNEXATION AND DEVELOPMENT AGREEMENT for Summit Ridge (the "Amendment") is entered into as of the ~~September~~ ^{October} 25 day of ~~September~~, 2006 by and among KBS FARM HOLDINGS, LLC, a Nevada limited liability company ("KBS"), SUMMIT RIGDE COMMUNITIES, LLC, a Utah limited liability company ("SRC") and SANTAQUIN CITY, a fifth class city of the State of Utah ("City" or "Santaquin") (together, the "Parties").

RECITALS

A. WHEREAS, the Annexation and Development Agreement for the Summit Ridge Project Area was entered into December 6, 2000 and was recorded in the official records of the Utah County Recorder December 28, 2000 as Entry No. 102458:2000 and the official records of the Juab County Recorder December 28, 2000 as Entry No. 00222421 (the "Development Agreement"); and

B. WHEREAS, KBS and SRC have each acquired title to a portion of the Summit Ridge Project described on Exhibit A attached hereto ("the Land") and whereas SRC will be the developer of all the Land ("Developer"); and

C. WHEREAS, the Parties desire to enter into this Amendment to clarify and modify certain development parameters for the Land as more particularly set forth herein; and

D. WHEREAS, the Parties acknowledge that this Amendment does not modify any provisions of the Development Agreement affecting any part of the Summit Ridge Project Area other than the Land; and

E. WHEREAS, KBS and SRC have agreed to cooperate with the City as reasonably necessary to comply with the terms of the Development Agreement and this Amendment, and each agrees to be bound by the terms of this Amendment, as evidenced by its signature below; and

F. WHEREAS, SRC intends to take all steps necessary to develop the Land according to the Development Agreement; and

G. WHEREAS, this Amendment shall modify the Development Agreement with respect to the Land only as specifically set forth herein, and all provisions of the Development Agreement which are not specifically amended herein shall continue in full force and effect.

H. WHEREAS, the modifications set forth in this Amendment are consistent with the planning objectives and goals of the approved Planned Community Program for the Summit Ridge Project Area approved pursuant to Ordinance No. 5-2-2000.

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 Amendment that is not otherwise defined herein shall have the meaning given in the Development Agreement. Terms defined herein are as follows:

1.1 **“Developer”** means Summit Ridge Communities, LLC, its assigns and successors in interest, whether in whole or in part. Developer shall cause its employees and agents to act in accordance with the terms of the Development Agreement. Unlike the use of the term “Developer” in the Development Agreement, references to Developer herein shall not include Continuing Owners as set forth in the Development Agreement.

1.2 **“Design Guidelines”** means the Design Guidelines presently in place which shall remain in full force and effect except as amended hereunder and until further amended as set forth in Section 3.A.1 below

1.3 **“Owner”** for purposes of this Amendment means KBS FARM HOLDINGS, LLC and SUMMIT RIDGE COMMUNITIES, LLC who together own all of the Land.

1.4 **“Project”** means the improvement and development of the Land pursuant to the Planned Community Program and the Development Agreement, as amended hereby.

SECTION II. SPECIFIC AMENDMENTS

The Development Agreement shall be specifically amended as follows:

2.1 Exhibit B (Summit Ridge Development Plan) shall be deleted in its entirety and replaced with the attached Exhibit B.

2.2 Exhibit D (Master Declaration) shall be deleted in its entirety and replaced with the Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements recorded on (i) December 9, 2005 as Entry No. 142793:2005 in the official records of the Utah County Recorder for subdivisions known as The Vistas plat “A” and Cedar Point plat “A”, and on (ii) September 1, 2006 as Entry No. 115136:2006 in the official records of the Utah County Recorder affecting the remainder of the Land in Utah County and on (iii) September 1, 2006 as Entry No. 00244755 in the official records of the Juab County Recorder affecting the remainder of the Land in Juab County, as such Master Declaration may hereafter be amended.

2.3 The portion of Exhibit E (Design Guidelines) and any and all requirements and obligations of Developer set forth in the Development Agreement with respect to the residential guidelines set forth in Exhibit E are hereby deleted in their entirety and replaced with the a new Section IIIA which shall be added to the Development Agreement as follows:

IIIA. DESIGN GUIDELINES

3A.1 The design guidelines and construction standards applicable to the Project are set forth in the Design Guidelines attached to and recorded with the Master Declarations referenced in Section 2.2 above, as such guidelines may hereafter be amended. Notwithstanding the foregoing, the Design Guidelines approved December 6, 2000 by Santaquin

City and later recorded shall remain in effect with respect to the commercial development upon the Land until further amended. A copy of any proposed amendment shall be delivered to the City at least ten (10) days prior to amendment. If Summit Ridge Communities, LLC desires to amend the Design Guidelines to relax the standards set forth therein, it shall submit the proposed changes to the City for acceptance. If the City does not respond within fifteen (15) days of submission to the City, acceptance shall be deemed to have been given. The Design Guidelines presently in place shall provide the baseline minimum standard for development within the Project Area.

The following four design elements shall be incorporated into all future Design Guidelines, and shall be applicable in addition to the previously recorded design guidelines. These elements are general in nature and may be interpreted with some flexibility in their application to specific planning areas:

(a) Storm Drainage Criteria

1. Minimum of 10 year storm may be handled through sumps and underground infiltration galleries when feasible.
2. Above-ground basin designed for 25 year storm events and to incorporate natural contours as much as possible.
3. Above-ground storm retention/detention basins above ground to account for a maximum of 40% of an individual park area.
4. Storm retention/detention basins to be improved with sod if park is being developed; if park is to be completed in the future, the pond area is to be hydroseeded with native seed.
5. If piped or open channel gravity flow drainage systems are not possible, then alternatives may be considered by the City Development Review Committee.

(b) Coving Standards

1. Home site emphasized over traditional frontage and lot size requirements.
2. Minimum 30' roadway frontage required.
3. Minimum lot frontages within each designated residential zone shall be required but will allow frontages to be measured at variable front setback depths.
4. Maximum width of hard surface area within the front setback shall not exceed 50% of the lot frontage.
5. Curvilinear roads encouraged to enhance terrain and provide traffic calming especially within residential neighborhoods.
6. Flag lots and shared driveways are permitted.

(c) Cul De Sac

1. Maximum cul de sac lengths to be 1000' as measured from adjacent road to beginning of bulb.
2. An intermediate turn-around will be installed mid-length if the cul-de-sac exceeds 750 feet.
3. Openings may be provided at the end of cul-de-sacs to provide a pedestrian connection to open space and paths/walkways.

(d) Slope Areas with Greater than 30% Slope Areas

1. Significant areas containing slopes greater than 30% may be platted in individual building lots but will be excluded from the buildable lot areas.
2. Isolated 30% slope areas may be regraded within the buildable lot areas subject to City review when building permit applications are submitted.
3. Areas deemed unbuildable due to excessive slopes greater than 30% will only allow revegetation and planting of trees with a drip irrigation system. Sod will not be permitted in these areas.
4. Slopes greater than 30% are to remain undisturbed throughout construction. The only exception to this is for City approved trails, roads and site specific grading.
5. Fencing, if allowed on 30% or greater slopes, shall consist of open style, post construction and must blend into the natural vegetation and hillside areas.

3A.2 City Improvements. The City acknowledges that it will be subject to the Design Guidelines as set forth in Section 3.A.1 with respect to any improvements constructed by the City. All improvements constructed on the Land by the City shall comply with all applicable City and State regulations.

3A.3 Enforcement by City. The City may require that the Developer enforce the Design Guidelines and may nothing herein shall prevent the City from enforcing all City standards and regulations within the Summit Ridge Project Area which are applicable within the City generally.

2.4 Exhibit F shall be deleted in its entirety and replaced with the Connector's Agreement attached hereto as Exhibit C and addressed in more detail in Section 2.9 below.

2.5 Section 2.2.2 shall be amended by adding the following new provisions at the end of that Section 2.2.2:

"The permitted residential density for the Land is 2600 residential units. For each lot platted after the first 400 lots and up to the 2000th lot, Developer will pay to the City \$850 at the time the plat for such lot is recorded."

2.6 Section 3.1.5.1 of the Development Agreement shall be amended to correct the reference therein to refer to a Utah Pollutant Discharge Elimination System (**UPDES**) permit, and the reference to MPDES shall be deleted.

2.7 Section 3.2.4 shall be amended by deleting such provision in its entirety and replacing it with the following:

3.2.4 Impact Fee Reimbursements. Developer shall be reimbursed by the City in connection with its collection of impact fees as set forth in this Section 3.2.4.; provided that reimbursements under this Section 3.2.4 together with reimbursements under Section 3.2.2 shall not together exceed the reasonable cost of such improvements. Developer shall provide the City with a request for such impact fee reimbursement, together with itemization of expenditures and supporting paid invoices for the City's review and approval. The City shall pay Developer, or its successor, impact fee reimbursements on a quarterly basis within thirty (30) days of the end

of each quarter. Such payments shall be based on the number of building permits completed in the Land during the preceding quarter.

(a) The City shall pay culinary impact fee reimbursements to Developer, or its successors, at a rate of 100% of the culinary water portion of impact fees collected from the Land during the applicable quarter. Such reimbursements shall continue until the Developer has been completely reimbursed for the reasonable applicable culinary water infrastructure costs expended by Developer.

(b) The City shall pay sewer impact fee reimbursements to Developer, or its successors, at a rate of 30% of the sewer portion of impact fees collected from the Land during the applicable quarter. Such reimbursements shall continue until the Developer has been completely reimbursed for the reasonable applicable sewer infrastructure costs expended by Developer.

(c) In the event the City institutes a pressurized irrigation impact fee, the City shall pay an appropriate pressurized irrigation system impact fee reimbursement to Developer, or its successors, at a rate to be mutually determined by the Developer and the City for the applicable pressurized irrigation system portion of impact fees collected from the Land.

2.8 Section 3.2.5 shall be amended by deleting such provision (including the Exhibit F referenced therein) in its entirety and replacing it with the following:

3.2.5 Connector's Agreement. The City agrees to enter into a Connector's Agreement in the form attached hereto as Exhibit C with the owners of all property within the Project Area other than the Land, and with any adjoining property owner prior to issuance of any permit for improvements in any such area. Such agreements shall require the applicant to reimburse Developer for certain expenditures as more fully set forth therein. Any other references to "Reimbursement Agreement" in the Development Agreement shall hereafter refer to the Connector's Agreement.

2.9 Section 4.1.1.4 of the Development Agreement shall be amended by deleting the first sentence thereof in its entirety and adding instead the following sentence:

"Pursuant to the present ordinance, Developer shall obtain and dedicate to the City three acre feet of water for each acre platted by the Developer in the Summit Ridge Project Area. Developer shall receive credit for each acre foot of water previously dedicated, as well as for all funds previously paid to the City for water acquisition, and any credit arising therefrom shall be set off against Developer's future water requirements at the rate of three acre feet of water for each platted acre." Owner or Developer shall obtain water credits, when additional water rights or monies in lieu of water are dedicated to the City, as provided in the Agreement between Summit Ridge Communities, LLC and the City dated March 15, 2006 and which was passed by Resolution 03-02-2006.

2.10 Section 4.3.2.2 shall be deleted in its entirety and replaced with the following:

4.3.2.2 Street Design. The City accepts the street design set forth on Exhibit D attached hereto and as set forth below as the specifications and standards for street design for all arterial and collector streets for the Project (see detailed cross sections and associated average daily trips (ADTs)).

2.11 Section 4.4 of the Development Agreement shall be deleted in its entirety.

2.12 Section 4.5.1.1 of the Development Agreement shall be amended by deleting such provision in its entirety and replacing it with the following:

4.5.1.1 Park Sites and Open Area. Owner shall, at a no cost to the City, quit claim fee title to land areas designated as municipal parks at a rate of 5 acres per thousand residents based on an average density of 3.7 residents per household. (example: assuming 2,600 lots at full build-out – Developer would deed 48.1 acres of park to the City calculated as follows: $2,600 \text{ lots} \times 3.7 \text{ residents / household} = 9,620 \text{ total residents} / 1,000 = 9.62 \times 5 = 48.1 \text{ Acres}$). The donation of park areas based on the above calculation fulfills all park requirements on behalf of the developer. The land to be set aside for park areas shall be dedicated to the City in connection with the recording of the subdivision plat. Developer (or any Owner directly deeding such land to the City) shall be entitled to reimbursement or shall receive impact fee credit pursuant to Sections 3.2.2, 3.2.3 and 3.2.4 of the Development Agreement for any park improvements made thereto excluding land donations. The City acknowledges that under the terms of the Development Agreement, the land being dedicated to the City in the Summit Ridge Project Area by Developer for parks and open spaces satisfies the requirements of the City for open area and green space for the development of the Land.

2.13 Section 4.5.1.2 of the Development Agreement shall be amended by deleting such section in its entirety and replacing it with the following:

4.5.1.2 Payment in Lieu of Golf Course. In lieu of construction of any golf course as part of the Project, Developer hereby agrees to make certain payments to the City and undertake certain obligations as more particularly set forth herein. In addition to such payments and obligations, Developer agrees to pay \$350,000 to the City within thirty (30) days of the finalization of this amendment, and to make a second \$350,000 payment to the City on the date six months following the first payment.

2.14 Section 4.6.1.4 shall be deleted in its entirety and replaced with the following:

4.6.1.4 Public Facility Site. Also in lieu of the construction of any golf course as provided in section 4.5.1.2, Developer shall provide and dedicate to the City, free and clear of liens and encumbrances, by special warranty deed, 35 contiguous acres near the northwest corner of the commercial area to the City for municipal and related commercial and mixed use development subject to the Master Plan and the Design Guidelines, at the City's sole cost and expense. Developer shall, in its sole discretion, identify the acreage to be so dedicated, and shall provide a title policy in the amount of \$35,000 to the City in connection with such dedication, which title policy must be one that is acceptable to the City. Such policy will be acceptable if it does not include any monetary liens or encumbrances (other than real property taxes not yet due and owing) or easements negatively affecting such land. Notwithstanding anything in this Amendment to the contrary, all title exceptions appearing in the Title Commitment dated effective October 5, 2006, Order # 22820-T from Pro Title, other than Schedule B-2 Exceptions 8, 9 and 10, are acceptable and shall not provide any basis for the City's objection to such title policy. Within thirty (30) days of such dedication, Developer and City shall negotiate in good faith a master plan for such acreage ("Master Plan"). In the event that, at the end of the later of (i) ten (10) years from the date that the aforementioned 35 acres of property is dedicated to the City and (ii) eight (8) years from the date the Developer ceases gravel crushing operations on the land, the City has not completed the improvements on approximately 9 acres of said property and commenced development of the balance of such property, City agrees to sell and hereby grants to

Owner an option to purchase said property for the sum of one thousand dollars (\$1,000) per acre, if Owner tenders said amount to the City within ninety (90) days thereof. For purposes of this Amendment, commencement shall be defined as the City having completed 25% of the construction of the municipal building to be constructed on the public facility site and obtained all permits and funds necessary for completion of that improvement. The City hereby authorizes owner to record a Notice of Option in connection with the transfer to the City. The City hereby further agrees that the Developer or any successor with the same manager as SRC, shall be given the right of first offer to work with the City as a joint venture partner in developing such land. If Developer elects not exercise the right of first offer to participate with the City as a joint venture partner, the City may sell a portion of the acreage up to 10 acres within 1 year of beginning the development provided that (1) the transferee's use of the property does not compete with the business and development of the Developer and is a complimentary part of the municipality's master plan for the site and (2) the development of the entire 35 acres including the construction of the municipal facilities occur concurrently unless a phasing plan is reasonably agreed on by City and Developer, and (3) the proceeds of any sale must be used solely for costs to develop the City's public/municipal property and buildings within the 35 acres; provided that following completion of the City's public/municipal property and buildings, the City may use such funds for other City purposes. Developer agrees to release the Notice of Option on the 10 acre parcel at such time as (i) Developer does not exercise the right of first offer, and (ii) the third party purchaser of such land closes on purchase of the land, in which case the Notice of Option shall be released contemporaneously with such closing.

2.15 Section 4.7.1.4 of the Development Agreement shall be deleted in its entirety.

2.16 Section 4.8 shall be deleted in its entirety, and a new Section 4.8. shall be added as follows:

4.8 **Public Trails**

4.8.1 **Developer's Obligations**

4.8.1.1 **Public Trails to be Constructed by Developer.** Also in lieu of the construction of any golf course as provided in section 4.5.1.2, Developer will construct a trail system throughout the Summit Ridge Project Area as the project is developed, not to exceed 7.0 miles in length. The Trails Map attached hereto as Exhibit E sets forth the conceptual plan for the trails to be constructed, but does not establish the precise location of such trails. Those precise locations shall be specified on the subdivision plats approved in connection with the development of subdivisions within the Project. The City acknowledges that Developer shall not be required to construct any such trail in those areas indicated as "Red" on Exhibit E where the cost to construct exceeds the average cost of all such trails in areas shown on the Trails Map and not identified as "Red" (the "Average Cost") by more than 110% unless the City pays the difference between the actual cost of such portion and the Average Cost of such trail in those other areas. The trail system will be constructed with crushed stone or road base, and will be maintained by the City upon completion. The City and the Developer acknowledge that such trail will add up to 6 or 7 acres of land which shall be in addition to the land dedicated pursuant to Section 4.5.1.1. All such trails shall be constructed to the standards reasonably set forth in the City's ordinances and regulations.

4.8.2 City's Obligations

4.8.2.1 **Dedication.** The City shall accept the dedication of all trails constructed by Developer, as long as such trails are constructed to City specifications and standards and are free and clear of liens and encumbrances.

4.8.2.2 **City Services.** Following dedication, the City shall provide repair and maintenance of the trails at a level necessary to maintain them in good condition. The City shall also accept all liability associated with such trails. The Developer acknowledges that the construction and dedication of such trails does not affect any obligation to pay park impact fees.

SECTION III. MISCELLANEOUS

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

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

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

3.4 **Construction.** This Amendment has been reviewed and revised by legal counsel for Developer, Owner and 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 Amendment.

3.5 **Further Assurances, Documents and Acts.** Each Party hereto 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 Amendment and the actions contemplated hereby. All provisions and requirements of this Amendment shall be carried out by each Party as allowed by law.

3.6 **Assignment.** Neither this Amendment nor any of the provisions, terms or conditions hereof can be assigned by the Developer or the Owner to any other party, individual or entity without assigning the rights as well as the obligations under this Amendment and complying with the other provisions herein concerning assignments. The rights of the City under this Amendment shall not be assigned, but the City is authorized to enter into a contract with a third party to perform obligations of the City to operate and maintain any infrastructure improvement so long as such party adequately and reasonably maintains and operates such facility or improvement.

3.7 **Amendment to Run with the Land.** A Memorandum of this Amendment shall be recorded against the Land and shall be deemed to run with the land.

3.8 Governing Law and Dispute Resolution. This Amendment shall be governed by and construed in accordance with the laws of the State of Utah. Any and all disputes arising out of or related to this Amendment 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 each 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 to the dispute. Venue of the mediation shall be the State of Utah. In the event the Parties are unable to agree upon a mediator, the mediator shall be appointed as set forth in Section 5.5.4.1 above. 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. In the event any dispute arising hereunder is not resolved through mediation, the parties to that dispute may pursue any other remedy allowed by law. Any agreement by the Parties to arbitrate shall be governed by Section 5.5.4.2 of the Development Agreement.

3.9 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:

With a copy to:

| | |
|---------------------------|--|
| Susan Farnsworth | Nielsen & Senior |
| Santaquin City Recorder | 53 rd Park Plaza, Suite 400 |
| 45 West 100 South | 5217 South State Street |
| Santaquin, Utah 84655 | Salt Lake City, Utah 84107 |
| Facsimile: (801) 754-3526 | Facsimile: (801) 327-8222 |
| | Attention: Brett B. Rich |

If to Developer to:

With a copy to:

| | |
|-------------------------------|------------------------------------|
| Summit Ridge Communities, LLC | Fabian & Clendenin |
| P.O. Box 130 | 215 South State Street, Suite 1200 |
| Santaquin, Utah | Salt Lake City, Utah 84111 |
| Facsimile: (801) 754-0311 | Facsimile: (801) 532-3370 |
| Attention: Troy Kunz | Attention: Diane H. Banks |

If to Owner to:

With a copy to:

| | |
|---------------------------|------------------------------------|
| KBS Farm Holdings, LLC | Fabian & Clendenin |
| 5673 Cameron | 215 South State Street, Suite 1200 |
| Las Vegas, Nevada 89118 | Salt Lake City, Utah 84111 |
| Facsimile: (702) 798-1120 | Facsimile: (801) 532-3370 |
| Attention: Brian Seager | Attention: Diane H. Banks |

3.10 **No Third Party Beneficiary.** This Amendment is made and entered into for the sole protection and benefit of the Parties and their assigns, subject to the provisions of Section 5.1 of the Development Agreement. No other Party shall have any right of action based upon any provision of this Amendment whether as third party beneficiary or otherwise.

3.11 **Counterparts and Exhibits.** This Amendment may be executed in duplicate counterparts, each of which is deemed to be an original. This Amendment consists of six (6) pages, and an additional four (4) exhibits, which together constitute the entire understanding and agreement of the Parties to this Amendment. The following exhibits are attached to this Amendment and incorporated herein for all purposes:

| | |
|-----------|-------------------------------|
| Exhibit A | Legal description of the Land |
| Exhibit B | Development Plan |
| Exhibit C | Connector's Agreement |
| Exhibit D | Street Design |
| Exhibit E | Trails Map |

3.12 **Duration.** This Amendment shall continue in force and effect until all obligations under the Development Agreement relating to the Land have been satisfied.

3.13 **Acknowledgment.** By their signatures below, SRC and KBS each acknowledge that the property owned by them at the time of execution of this Amendment shall be subject to all of the terms and conditions of this Amendment when this instrument is executed by each of them and the City. SRC further acknowledges that KBS is entering into this Amendment at the request and direction of SRC.

IN WITNESS WHEREOF, this Amendment has been executed by the Developer by duly authorized persons, by the City of Santaquin, acting by and through its City Council and by the Owner by duly authorized persons as of the 25 day of October, 2006.

SANTAQUIN CITY

By: James E. DeKlopper, Jr.
Its Mayor

ATTEST: City Recorder

By: Susan Farnsworth
Susan Farnsworth, City Recorder

APPROVED AS TO FORM:

[Signature]
City Attorney

OWNER:

KBS FARM HOLDINGS, LLC,
a Nevada limited liability company

By: BTS
Brian Seager, Manager

DEVELOPER:

SUMMIT RIDGE COMMUNITIES, LLC,
A Utah limited liability company

By: R. Troy Kunz
R. Troy Kunz, Vice President

EXHIBIT A

Exhibit A

PARCEL "A"

Beginning at the West ¼ Corner of Section 9, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence N0°54'43"W along the Section line 2629.64 feet to the Northwest Corner of Section 9; thence N88°26'59"E along the Section line 2,658.47 feet to the North ¼ Corner of Section 9; thence N89°20'52"E along the Section line 2,692.74 feet to the Northeast Corner of Section 9; thence S1°41'57"E along the Section line 1,311.72 feet to the Northeast Corner of the SE1/4 of the NE1/4 of said Section 9; thence S89°05'26"W along the ¼ Section line 674.55 feet; thence S1°38'14"E along the 1/16th (40 acre) line 1,314.73 feet to the ¼ Section line; thence N88°50'04"E along the ¼ Section line 675.94 feet to the East ¼ Corner of said Section 9; thence S89°29'08"E along the ¼ Section line 821.25 feet to the westerly line of Plat "A", THE VISTAS AT SUMMIT RIDGE Subdivision, thence along said Subdivision the following: S4°26'00"E 215.51 feet; thence along the arc of a 175.00 foot radius curve to the right 115.15 feet through a central angle of 37°42'04" (chord: S14°25'02"W 113.08 feet); thence S50°11'00"W 98.31 feet; thence S77°04'00"W 115.22 feet; thence S47°28'27"W 151.76 feet; thence S14°32'00"W 483.46 feet; thence S4°00'00"W 349.19 feet; thence S15°39'00"W 95.30 feet; thence S43°02'20"W 72.26 feet; thence S36°14'25"E 103.37 feet; thence S23°32'07"E 122.67 feet; thence S13°56'44"E 182.42 feet; thence S0°19'24"E 95.97 feet; thence S69°30'14"W 118.52 feet; thence S51°58'00"W 60.00 feet; thence Southeasterly along the arc of a 430.00 foot radius non-tangent curve to the left (radius bears: N51°58'00"E) 96.98 feet through a central angle of 12°55'18" (chord: S44°29'39"E 96.77 feet); thence S39°56'39"W 87.60 feet; thence S70°43'21"W 116.32 feet; thence S8°00'00"E 221.15 feet to the westerly line of Vista Ridge Drive; thence along said roadway the following 3 (three) courses: Southwesterly along the arc of a 330.00 foot radius non-tangent curve to the left (radius bears: S38°08'50"E) 249.43 feet through a central angle of 43°18'23" (chord: S30°11'59"W 243.53 feet); thence S8°32'47"W 39.91 feet; thence along the arc of a 15.00 foot radius curve to the right 19.29 feet through a central angle of 73°40'14" (chord: S45°22'54"W 17.99 feet) to a point of reverse curvature on the northerly line of Cypress Point Drive; thence Southwesterly along the arc of a 340.00 foot radius curve to the left 253.51 feet through a central angle of 42°43'16" (chord: S60°51'23"W 247.68 feet); thence S50°30'15"E 80.00 feet; thence Northeasterly along the arc of a 260.00 foot radius non-tangent curve to the right (radius bears: S50°30'15"E) 287.22 feet through a central angle of 63°17'40" (chord: N71°08'35"E 272.84 feet); thence S71°03'09"E 74.59 feet; thence S77°12'35"E 91.06 feet; thence along the arc of a 15.00 foot radius curve to the right 22.58 feet through a central angle of 86°14'55" (chord: S34°05'07"E 20.51 feet) to a point of reverse curvature on the westerly line of Summit Ridge Parkway; thence along said roadway the following 2 (two) courses: Southeasterly along the arc of a 948.00 foot radius curve to the left 1,615.23 feet through a central angle of 97°37'20" (chord: S39°46'20"E 1,426.82 feet); thence S88°35'00"E 552.00 feet to the westerly right-of-way line of the Union Pacific Railroad; thence S1°26'00"W along said right-of-way 2,681.29 feet; thence N62°24'35"W 179.92 feet; thence N67°55'10"W 285.97 feet; thence N76°39'17"W 140.80 feet; thence S87°08'15"W 80.10 feet; thence N68°32'14"W

113.09 feet; thence N67°00'36"W 48.34 feet; thence N62°08'32"W 94.16 feet; thence N61°34'44"W 48.32 feet; thence N41°02'50"W 90.99 feet; thence N45°34'02"W 89.28 feet; thence N33°28'51"W 82.55 feet; thence N33°17'14"W 117.98 feet; thence N35°51'49"W 155.33 feet; thence N31°19'11"W 201.03 feet; thence N36°31'35"W 396.51 feet; thence N31°23'47"W 67.52 feet; thence N89°42'18"W along the Section line 62.48 feet to the East ¼ Corner of Section 16; thence S89°14'48"W along the ¼ Section line 1,315.10 feet to the Southeast Corner of the SW1/4 of the NE1/4 of Section 16; thence N0°49'29"W along the 1/16th (40 acre) line 2,646.18 feet; thence S89°05'31"W 1,352.37 feet to the North ¼ Corner of said Section 16; thence N1°27'13"W along the ¼ Section line 2,642.17 feet to the Center of Section 9; thence S88°50'04"W along the ¼ Section line 2,683.37 feet to the point of beginning.

LESS AND EXCEPTING THEREFROM the following described parcel around an existing water tank:

A portion of the SE¼ of Section 9, Township 10 South, Range 1 East, Salt Lake Base & Meridian, more particularly described as follows:

Beginning at a point located N89°05'31"E along the Section line 818.88 feet and North 494.65 feet from the South ¼ Corner of Section 9, T10S, R1E, S.L.B. & M.; thence North 358.99 feet; thence East 242.68 feet; thence Southwesterly along the arc of an 830.00 foot radius non-tangent curve (radius bears: S75°18'12"E) 212.90 feet through a central angle of 14°41'48" (chord: S7°20'54"W 212.32 feet); thence South 78.22 feet; thence along the arc of a 15.00 foot radius curve to the right 22.16 feet through a central angle of 84°37'31" (chord: S42°18'45"W 20.20 feet) to a point of reverse curvature; thence along the arc of a 530.00 foot radius curve to the left 135.59 feet through a central angle of 14°39'31" (chord: S77°17'45"W 135.22 feet); thence S69°58'00"W 74.52 feet to the point of beginning.

PARCEL "B"

Beginning at the Southwest Corner of Section 3, T10S, R1E, S.L.B. & M.; thence N0°40'50"W along the Section line 1319.24 feet; thence N89°49'45"E 1,316.48 feet; thence S0°35'46"E 441.35 feet; thence N89°42'00"E along a fenceline 600.00 feet; thence N89°43'00"E along a fenceline 866.00 feet; thence S89°39'00"E 119.27 feet to the westerly right-of-way line of the Union Pacific Railroad; thence along said railroad the following 3 (three) courses: Southwesterly along the arc of a 1965.00 foot radius non-tangent curve to the left (radius bears: S57°42'49"E) 499.98 feet through a central angle of 14°34'42" (chord: S24°59'50"W 498.63 feet); thence S89°03'00"W 52.70 feet; thence Southwesterly along the arc of a 2,015.00 foot radius non-tangent curve left (radius bears: S72°46'17"E) 197.73 feet through a central angle of 5°37'20" (chord: S14°25'03"W 197.65 feet); thence N78°15'32"W 81.61 feet; thence S9°31'25"W 100.36 feet; thence

S78°56'36"E 80.41 feet to said railroad right-of-way; thence Southwesterly along the arc of a 2,015.00 foot radius non-tangent curve to the left (radius bears: S81°13'09"E) 150.60 feet through a central angle of 4°16'56" (chord: S6°38'23"W 150.57 feet); thence S89°55'46"E along the Section line 50.15 feet to a point located N89°55'46"W 36.08 feet from the North ¼ Corner of Section 10; thence Southwesterly along the arc of a 1965.00 foot radius non-tangent curve to the left (radius bears: S85°23'19"E) 107.28 feet through a central angle of 3°07'41" (chord: S3°02'51"W 107.27 feet); thence S1°29'00"W 377.70 feet; thence along the arc of a 2855.00 foot radius curve to the right 322.59 feet through a central angle of 6°28'26" (chord: S4°43'13"W 322.42 feet); thence N86°30'00"W 30.09 feet; thence Southwesterly along the arc of a 2825.00 foot radius non-tangent curve to the right (radius bears: N81°59'43"W) 495.91 feet through a central angle of 10°03'28" (chord: S13°02'01"W 495.27 feet); thence S18°03'45"W 50.37 feet, the previous 10 (ten) courses along said right-of-way; thence N87°02'00"W along an existing fence line 1,058.09 feet to the east line of the NW1/4 of the NW1/4 of Section 10; thence N1°00'24"W along the 1/16th (40 acre) line 463.88 feet to the easterly right-of-way line of Summit Ridge Parkway; thence along said roadway the following 2 (two) courses: Northeasterly along the arc of an 810.00 foot radius non-tangent curve to the right (radius bears: S69°02'16"E) 86.69 feet through a central angle of 6°07'56" (chord: N24°01'42"E 86.65 feet); thence N27°05'40"E 27.08 feet; thence Southeasterly along the arc of a 15.00 foot radius non-tangent curve to the left (radius bears: S62°54'20"E) 23.90 feet through a central angle of 91°17'32" (chord: S18°33'06"E 21.45 feet); thence S64°11'52"E 325.29 feet; thence along the arc of a 15.00 foot radius curve to the left 23.37 feet through a central angle of 89°15'14" (chord: N71°10'31"E 21.08 feet); thence N26°32'54"E 415.23 feet; thence N64°11'52"W 351.34 feet; thence S27°05'40"W 200.07 feet to the north end of Summit Ridge Parkway; thence along said roadway the following 5 (five) courses: N62°54'20"W 80.00 feet; thence Southwesterly along the arc of a 15.00 foot radius non-tangent curve to the right (radius bears: N62°54'20"W) 23.56 feet through a central angle of 90°00'00" (chord: S72°05'40"W 21.21 feet); thence S27°05'40"W 60.00 feet; thence Southeasterly along the arc of a 15.00 foot radius non-tangent curve to the right (radius bears: S27°05'40"W) 23.56 feet through a central angle of 90°00'00" (chord: S17°54'20"E 21.21 feet); thence S27°05'40"W 79.80 feet to the east line of the NW1/4 of the NW1/4 of Section 10; thence N1°00'24"W along the 1/16th (40 acre) line 638.02 feet to the north line of Section 10; thence N89°55'46"W along the Section line 1,314.64 feet to the point of beginning.

PARCEL "C"

Beginning at a point located N0°13'03"W along the ¼ Section line 1,320.42 feet from the South ¼ Corner of Section 4, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence S88°55'23"W along the 1/16 (40 acre) Section line 622.45 feet; thence Northeasterly along the arc of a 100.00 foot radius non-tangent curve to the right (radius bears: S53°26'05"E) 70.57 feet through a central angle of 40°26'05" (chord: N56°46'57"E 69.12 feet); thence N77°00'00"E 450.00 feet; thence along the arc of a 175.00 foot radius curve to the right 129.92 feet through a central angle of 42°32'14" (chord: S81°43'53"E 126.96 feet); thence S0°13'03"E along the ¼ Section line 109.14 feet to the point of beginning.

PARCEL "D"

Beginning at a point located N0°13'03"W along the ¼ Section line 1,320.42 feet and S88°55'23"W along the 1/16th (40 acre) Section line 1,223.65 feet from the South ¼ Corner of Section 4, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence S88°55'23"W along the 1/16 (40 acre) Section line 263.99 feet; thence Northeasterly along the arc of a 113.00 foot radius non-tangent curve to the right (radius bears: S61°51'25"E) 163.18 feet through a central angle of 82°44'25" (chord: N69°30'48"E 149.37 feet); thence S69°07'00"E 132.74 feet to the point of beginning.

PARCEL "E"

A portion of Sections 9 & 10, Township 10 South, Range 1 East, Salt Lake Base & Meridian, located in Santaquin, Utah, more particularly described as follows:

Beginning at the Northwest Corner of Section 10, T10S, R1E, S.L.B.& M.; thence S89°55'46"E along the Section line 1,314.64 feet to the Northeast Corner of the NW1/4 of the NW1/4 of Section 10; thence S1°00'24"E along the 1/16th Section (40 acre) line 638.02 feet to the westerly right-of-way line of Summit Ridge Parkway; thence along said roadway the following 3 (three) courses: S27°05'40"W 71.97 feet; thence along the arc of an 890.00 foot radius curve to the left 430.25 feet through a central angle of 27°41'55" (chord: S13°14'42"W 426.08 feet); thence S0°36'15"E 1,046.73 feet; thence along Plats "D" and "A" of THE VISTAS AT SUMMIT RIDGE Subdivision, the following 3 (three) courses: S64°56'09"W 167.14 feet; thence S43°13'30"W 251.71 feet; thence S4°26'00"E 211.04 feet to the ¼ Section line; thence N89°29'08"W along the ¼ Section line 821.25 feet to the West ¼ Corner of Section 10; thence S88°50'04"W along the ¼ Section line 675.94 feet to the Southwest Corner of the SE1/4 of the SE1/4 of the NE1/4 of Section 9; thence N1°38'14"W along the 1/16th Section (40 acre) line 1,314.73 feet to the Northwest Corner of the NE1/4 of the SE1/4 of the NE1/4 of said Section 9; thence N89°05'26"E along the 1/16th Section (40 acre) line 674.55 feet to the Section line; thence N1°41'57"W along the Section line 1,311.72 feet to the point of beginning.

ALSO, a portion of the NW1/4 of Section 10, Township 10 South, Range 1 East, Salt Lake Base & Meridian, located in Santaquin, Utah, more particularly described as follows:

Beginning at a point on the easterly right-of-way line of Summit Ridge Parkway located S89°55'46"E along the Section line 1,314.64 feet and S1°00'24"E along the 1/16th Section (40 acre) line 817.70 feet from the Northwest Corner of Section 10, T10S, R1E, S.L.B.& M.; thence S1°00'24"E along said 40 acre line 463.88 feet to an existing fence

line; thence along said fence line the following 7 (seven) courses: N87°02'00"W 51.46 feet; thence S0°01'00"W 410.00 feet; thence S1°04'00"E 93.90 feet; thence S1°54'00"E 180.77 feet; thence S0°34'00"W 103.00 feet; thence S1°08'30"E 201.00 feet; thence S0°19'30"E 364.40 feet to the ¼ Section line; thence N89°29'08"W along the ¼ Section line 7.02 feet to the easterly right-of-way line of Summit Ridge Parkway; thence along said roadway the following 2 (two) courses: N0°36'15"W 1,515.76 feet; thence along the arc of an 810.00 foot radius curve to the right 304.89 feet through a central angle of 21°33'59" (chord: N10°10'44"E 303.09 feet) to the point of beginning.

PARCEL "F"

The South ½ of the SW1/4 of Section 4, Township 10 South, Range 1 East, Salt Lake Base & Meridian, located in Santaquin, Utah, more particularly described by survey as follows:

Beginning at the Southwest Corner of Section 4, T10S, R1E, S.L.B.& M.; thence N0°11'38"W along the Section line 1,342.40 feet; thence N88°55'23"E along the 1/16th Section (40 acre) line 2,657.50 feet; thence S0°13'03"E along the ¼ Section line 1,320.42 feet to the South ¼ Corner of said Section 4; thence S88°26'59"W along the Section line 2,658.47 feet to the point of beginning.

PARCEL "I"

A portion of Sections 10,11,14,&15, Township 10 South, Range 1 East, Salt Lake Base & Meridian, more particularly described as follows:

Beginning at a point located N0°05'18"W along the Section line 662.03 feet from the Southeast Corner of Section 10, T10S, R1E, S.L.B.& M.; thence N89°23'55"E 1,322.56 feet; thence S0°22'12"E 164.02 feet to the northerly right-of-way line of South Ridge Farms Road; thence along said roadway the following 4 (four) courses: Southwesterly along the arc of a 760.00 foot radius non-tangent curve to the right (radius bears: N55°25'59"W) 699.48 feet through a central angle of 52°43'59" (chord: S60°56'01"W 675.05 feet); thence S87°18'00"W 779.00 feet; thence along the arc of a 640.00 foot radius curve to the left 811.53 feet through a central angle of 72°39'06" (chord: S50°58'27"W 758.24 feet) to a point of reverse curvature; thence along the arc of a 25.00 foot radius curve to the right 34.70 feet through a central angle of 79°32'16" (chord: S54°25'02"W 31.99 feet) to a point of reverse curvature on the northerly right-of-way line of Summit Ridge Parkway; thence along said roadway the following 4 (four) courses: thence along the arc of a 2,060.00 foot radius curve to the left 1,455.33 feet through a central angle of 40°28'40" (chord: S73°56'50"W 1,425.25 feet); thence S53°42'30"W 212.37 feet; thence along the arc of a 1,440.00 foot radius curve to the right 947.71 feet through a central angle of 37°42'30" (chord: S72°33'45"W 930.70

feet); thence N88°35'00"W 132.68 feet to the easterly right-of-way line of the Union Pacific Railroad; thence N1°26'00"E along said right-of-way 2,482.34 feet; thence S89°07'43"E 492.94 feet; thence S0°19'10"E 352.32 feet; thence N89°43'53"E 2,663.69 feet; thence S0°05'18"E 327.97 feet to the point of beginning.

PARCEL "J"

A portion of Sections 10,11,14,&15, Township 10 South, Range 1 East, Salt Lake Base & Meridian, more particularly described as follows:

Beginning at a point on the southerly right-of-way line of South Ridge Farms Road located N0°05'18"W along the Section line 69.30 feet from the Southeast Corner of Section 10, T10S, R1E, S.L.B.& M.; thence along said roadway the following 2 (two) courses: N87°18'00"E 737.19 feet; thence along the arc of an 840.00 foot radius curve to the left 347.83 feet through a central angle of 23°43'30" (chord: N75°26'15"E 345.35 feet) to the westerly right-of-way line of Interstate 15; thence along said right-of-way the following 4 (four) courses: Southwesterly along the arc of an 1,800.00 foot radius curve to the right (radius bears: N45°12'35"W) 174.57 feet through a central angle of 5°33'24" (chord: S47°34'07"W 174.50 feet); thence S61°59'00"W 337.00 feet; thence S71°41'52"W 286.24 feet; thence Southwesterly along the arc of an 897.72 foot radius non-tangent curve to the left (radius bears: S22°17'42"E) 521.45 feet through a central angle of 33°16'50" (chord: S51°03'53"W 514.15 feet) to the northerly right-of-way line of Summit Ridge Parkway; thence Northwesterly along the arc of a 2,060.00 foot radius non-tangent curve to the left (radius bears: S22°21'28"W) 15.12 feet through a central angle of 0°25'14" (chord: N67°51'09"W 15.12 feet); thence N19°16'56"W 551.28 feet to the southerly right-of-way line of South Ridge Farms Road; thence along said roadway: Northeasterly along the arc of a 560.00 foot radius non-tangent curve to the right (radius bears: S21°48'26"E) 186.75 feet through a central angle of 19°06'26" (chord: N77°44'47"E 185.89 feet); thence N87°18'00"E 41.81 feet to the point of beginning.

PARCEL "K"

A portion of the NE1/4 of Section 15, Township 10 South, Range 1 East, Salt Lake Base & Meridian, more particularly described as follows:

Beginning at a point on the southerly right-of-way line of Summit Ridge Parkway and the westerly right-of-way line of Interstate 15, located S1°04'18"E along the Section line 602.76 feet and West 100.41 feet from the Northeast Corner of Section 15, T10S, R1E,

S.L.B.& M.; thence along said I-15 right-of-way the following 4 (four) courses: Southwesterly along the arc of an 897.72 foot radius non-tangent curve to the left (radius bears: S63°19'27"E) 453.92 feet through a central angle of 28°58'15" (chord: S12°11'26"W 449.10 feet); thence S2°17'42"E 234.82 feet; thence along the arc of an 874.16 foot radius curve to the right 503.48 feet through a central angle of 33°00'00" (chord: S14°12'18"W 496.55 feet); thence S30°42'18"W 535.25 feet to the easterly right-of-way line of South Ridge Farms Road; thence along said roadway the following 5 (five) courses: Northwesterly along the arc of an 840.00 foot radius non-tangent curve to the left (radius bears: S89°42'09"W) 209.93 feet through a central angle of 14°19'09" (chord: N7°27'26"W 209.38 feet); thence N14°37'00"W 373.78 feet; thence along the arc of a 1,160.00 foot radius curve to the right 513.57 feet through a central angle of 25°22'00" (chord: N1°56'00"W 509.38 feet); thence N10°45'00"E 651.01 feet; thence along the arc of a 25.00 foot radius curve to the right 37.84 feet through a central angle of 86°42'38" (chord: N54°06'19"E 34.33 feet) to a point of compound curvature at the southerly right-of-way line of Summit Ridge Parkway; thence along the arc of a 1,940.00 foot radius curve to the right 487.12 feet through a central angle of 14°23'11" (chord: S75°20'46"E 485.84 feet) to the point of beginning.

PARCEL "L"

A portion of Section 15, Township 10 South, Range 1 East, Salt Lake Base & Meridian, more particularly described as follows:

Beginning at a point on the westerly right-of-way line of a frontage road incident to Interstate 15, located N89°42'18"W along the 1/4 Section line 912.41 feet and South 81.33 feet from the East 1/4 Corner of Section 15, T10S, R1E, S.L.B.& M.; thence West 1,731.23 feet; thence S0°06'20"E 526.23 feet; thence N89°06'00"W 680.97 feet to the easterly right-of-way line of the Union Pacific Railroad; thence N1°26'00"E along said right-of-way 1,963.79 feet to the southerly right-of-way line of Summit Ridge Parkway; thence along said roadway the following 5 (five) courses: S88°35'00"E 132.72 feet; thence along the arc of a 1,560.00 foot radius curve to the left 1,026.69 feet through a central angle of 37°42'30" (chord: N72°33'45"E 1,008.26 feet); thence N53°42'30"E 212.37 feet; thence along the arc of a 1,940.00 foot radius curve to the right 1,349.15 feet through a central angle of 39°50'45" (chord: N73°37'52"E 1,322.13 feet) to a point of compound curvature; thence along the arc of a 25.00 foot radius curve to the right 42.41 feet through a central angle of 97°11'45" (chord: S37°50'53"E 37.50 feet) to a point of reverse curvature on the westerly right-of-way line of South Ridge Farms Road; thence along said roadway the following 4 (four) courses: S10°45'00"W 639.08 feet; thence along the arc of a 1,240.00 foot radius curve to the left 548.99 feet through a central angle of 25°22'00" (chord: S1°56'00"E 544.52 feet); thence S14°37'00"E 373.78 feet; thence along the arc of a 760.00 foot radius curve to the right 353.50 feet through a central angle of 26°39'00" (chord: S1°17'30"E 350.32 feet) to said I-15 frontage road; thence S30°42'18"W along said roadway 385.20 feet to the point of beginning.

PARCEL "M"
COMMERCIAL SITE

Beginning at a point located N0°05'18"W along the section line 27.88 feet and West 223.48 feet from the Southeast Corner of Section 10, Township 10 South, Range 1 East, Salt Lake Base and Meridian; thence S19°16'56"E 551.28 feet; thence along the arc of a 2,060.00 foot radius non-tangent curve to the left (radius bears: S21°56'14"W 507.91) feet through a central angle of 14°07'36" (chord: N75°07'34"W 506.62 feet); thence along the arc of a 25.00 foot radius curve to the right 43.18 feet through a central angle of 98°57'45" (chord: N32°42'30"W 38.01 feet); thence along the arc of a 560.00 foot radius curve to the right 502.57 feet through a central angle of 51°25'12" (chord: N42°28'58"E 485.88 feet) to the point of beginning.

PARCEL "N"
LDS CHURCH SITE

Beginning at a point located N89°55'46"E along the section line 1,565.53 feet and South 344.77 from the Northwest Corner of Section 10, Township 10 South, Range 1 East, Salt Lake Base and Meridian; thence S64°11'52"E 351.34 feet; thence S26°32'54"W 415.23 feet; thence along the arc of a 15.00 foot radius curve to the right 23.37 feet (chord: S71°10'31"W 21.08 feet); thence N64°11'52"W 325.29 feet; thence along the arc of a 15.00 foot radius curve to the right 23.90 feet (chord: N18°33'06"W 21.45 feet); thence N27°05'40"E 414.78 feet to the point of beginning.

PARCEL "O"
REMAINDER PARCEL
BETWEEN TANNER PROPERTY
AND SUMMIT RIDGE PARKWAY

A portion of the SW1/4 of Section 10, T10S, R1E, S.L.B.& M., more particularly described as follows:

Beginning at a point on the easterly right-of-way line of Summit Ridge Parkway located S89°29'08"E along the ¼ Section line 1,213.69 feet from the West ¼ Corner of Section 10, T10S, R1E, S.L.B.& M.; thence S89°29'08"E along the ¼ Section line 7.02 feet to a fence line; thence along said fence the following 4 (four) courses: S0°19'30"E 169.20 feet; thence S2°37'00"E 91.00 feet; thence S0°38'00"E 1,020.00 feet; thence S1°26'00"E 90.31 feet to the north line of Cedar Point at Summit Ridge Plat "B", according to the Official Plat thereof on file in the Office of the Utah County Recorder; thence S89°50'00"W along said Plat 105.70 feet to the easterly right-of-way line of Summit Ridge Parkway; thence along said roadway the following 2 (two) courses: Northeasterly along the arc of a 2,790.00 foot radius non-tangent curve to the left (radius bears: N75°39'04"W) 728.14 feet through a central angle of 14°57'11" (chord: N6°52'21"E 726.08 feet); thence N0°36'15"W 649.87 feet to the point of beginning,

PARCEL "P"

Beginning at a point located N1°27'13"W along the ¼ Section line 2489.75 feet from the South ¼ Corner of Section 9, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence N59°43'00"W 256.57 feet; thence along the arc of a 200.00 foot radius curve to the right 31.62 feet through a central angle of 9°03'32" (chord: N55°11'14"W 31.59 feet); thence N88°50'04"E along the ¼ Section line 243.67 feet to the Center ¼ Corner of Section 9; thence S1°27'13"E along the ¼ Section line 152.42 feet to the point of beginning.

PARCEL "Q"
CEDAR POINT AT SUMMIT RIDGE PLATS "B" & "C"

Beginning at a point located North 1° 28' 24" West along the Section line 1,272.28 feet and East 1,098.08 feet from the Southwest Corner of Section 10, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence North 89° 50' 00" East 290.64 feet; thence North 89° 41' 00" East 456.00 feet; thence South 1° 26' 00" West 2,319.08 feet; thence West 196.94 feet; thence North 0° 04' 23" East 20.44 feet; thence Northeasterly along the arc of a 50.00 foot radius non-tangent curve to the left (radius bears: North 11° 35' 39" West) 94.12 feet through a central angle of 107° 51' 19" (chord: North 24° 28' 41" East 80.83 feet) to a point of reverse curvature; thence along the arc of a 15.00 foot radius curve to the right 9.92 feet through a central angle of 37° 54' 21" (chord: North 10° 28' 48" West 9.74 feet) to a point of reverse curvature; thence along the arc of a 160.00 foot radius curve to the left 121.95 feet through a central angle of 43° 40' 18" (chord: North 13° 22' 46" West 119.02 feet) to a point of reverse curvature; thence along the arc of a 15.00 foot radius curve to the right 19.09 feet through a central angle of 72° 54' 00" (chord: North 1° 14' 05"E 17.82 feet); thence North 52° 18' 55" West 60.00 feet; thence Southwesterly along the arc of a 250.00 foot radius non-tangent curve to the right (radius bears: North 52° 18' 55" West) 50.97 feet through a central angle of 11° 40' 49" (chord: South 43° 31' 30" West 50.88 feet); thence North 57° 27' 39" West 171.23 feet; thence North 29° 51' 06" East 135.44 feet; thence North 67° 13' 17" West 141.16 feet; thence Northeasterly along the arc of a 560.00 foot radius non-tangent curve to the left (radius bears: North 62° 21' 29" West) 181.97 feet through a central angle of 18° 37' 05" (chord: North 18° 19' 58" East 181.17 feet); thence South 87° 32' 54" East 125.61 feet; thence North 2° 27' 06" East 540.00 feet; thence North 87° 32' 54" West 122.10 feet; thence North 2° 25' 54" East 50.14 feet; thence along the arc of a 600.00 foot radius curve to the left 137.13 feet through a central angle of 13° 05' 41" (chord: North 4° 06' 56" West 136.83 feet); thence North 81° 07' 17" East 126.18 feet; thence North 14° 09' 12" West 95.00 feet; thence South 75° 50' 45" West 126.36 feet; thence Northwesterly along the arc of a 600.00 foot radius non-tangent curve to the left (radius bears: South 71°

21° 59" West) 429.47 feet through a central angle of 41° 00' 41" (chord: North 39° 08' 22" West 420.36 feet); thence North 59° 38' 42" West 151.86 feet; thence along the arc of a 15.00 foot radius curve to the right 21.72 feet through a central angle of 82° 58' 34" (chord: North 18° 09' 25" West 19.87 feet) to a point of reverse curvature; thence along the arc of a 2,790.00 foot radius curve to the left 437.38 feet through a central angle of 8° 58' 56" (chord: North 18° 50' 24" East 436.93 feet) to the point of beginning. (Also being known as proposed Cedar Point at Summit Ridge Plat "B")

ALSO Beginning at a point located South 88° 45' 52" East along the Section line 654.10 feet and South 290.25 feet from the Northwest Corner of Section 15, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence South 39° 43' 26" East 23.41 feet; thence South 50° 16' 34" West 90.00 feet; thence South 39° 43' 26" East 115.62 feet; thence South 30° 15' 42" East 60.83 feet; thence South 39° 43' 26" East 384.87 feet; thence South 30° 57' 28" East 61.95 feet; thence South 45° 22' 36" East 120.00 feet; thence South 2° 25' 37" West 209.72 feet; thence Northwesterly along the arc of an 852.00 foot radius non-tangent curve to the right (radius bears: North 10° 52' 58" East) 1,304.65 feet through a central angle of 87° 44' 08" (chord: North 35° 14' 58" West 1,180.87 feet) to a point of compound curvature; thence along the arc of a 15.00 foot radius curve to the right 25.96 feet through a central angle of 99° 08' 54" (chord: North 58° 11' 33" East 22.84 feet); thence South 72° 14' 00" East 39.17 feet; thence along the arc of a 200.00 foot radius curve to the left 41.33 feet through a central angle of 11° 50' 25" (chord: South 78° 09' 12" East 41.26 feet) to a point of reverse curvature; thence along the arc of a 270.00 foot radius curve to the right 208.99 feet through a central angle of 44° 20' 59" (chord: South 61° 53' 55" East 203.82 feet) to the point of beginning. (Also being known as Cedar Point at Summit Ridge Plat "C")

LESS AND EXCEPTING THEREFROM that portion of the above described lands that lies within the bounds of CEDAR POINT AT SUMMIT RIDGE SUBDIVISION, Plat "A".

PARCEL "R"
THE VISTAS AT SUMMIT RIDGE PLATS "B" AND "C"

Beginning at the Northwest Corner of Lot 121, Plat "A", THE VISTAS AT SUMMIT RIDGE Subdivision, according to the Official Plat thereof on file in the Office of the Utah County Recorder, said point being located North 1° 28' 24" West along the Section line 973.95 feet and East 356.26 feet from the Southwest Corner of Section 10, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence North 23° 32' 07" West 122.67 feet; thence North 36° 14' 25" West 103.37 feet; thence North 43° 02' 20" East 72.26 feet; thence North 15° 39' 00" East 95.30 feet; thence North 4° 00' 00" East 349.19 feet; thence North 14° 32' 00" East 483.46 feet; thence North 47° 28' 27" East 151.76 feet; thence North 77° 04' 00" East 115.22 feet; thence North 50° 11' 00" East 98.31 feet; thence East 44.03 feet; thence South 2° 01' 50" West 160.87 feet; thence South 22° 26' 38" West 64.96 feet; thence South 10° 17' 09" West 446.00 feet; thence South 80° 06' 20" East 140.03 feet; thence Southwesterly along the arc of a 3,030.00 foot radius

non-tangent curve to the left (radius bears: South 73° 34' 25" East) 188.67 feet through a central angle of 3° 34' 04" (chord: South 14° 38' 33" West 188.64 feet); thence North 80° 06' 20" West 125.70 feet; thence South 10° 17' 09" West 356.00 feet; thence South 80° 06' 20" East 107.82 feet; thence Southwesterly along the arc of a 222.00 foot radius non-tangent curve to the right (radius bears: North 56° 39' 09" West) 166.14 feet through a central angle of 43° 16' 09" (chord: South 54° 58' 56" West 162.22 feet); thence South 76° 37' 00" West 100.96 feet; thence South 81° 32' 17" West 123.50 feet to the point of beginning. (Also being known as The Vistas at Summit Ridge Plat "B")

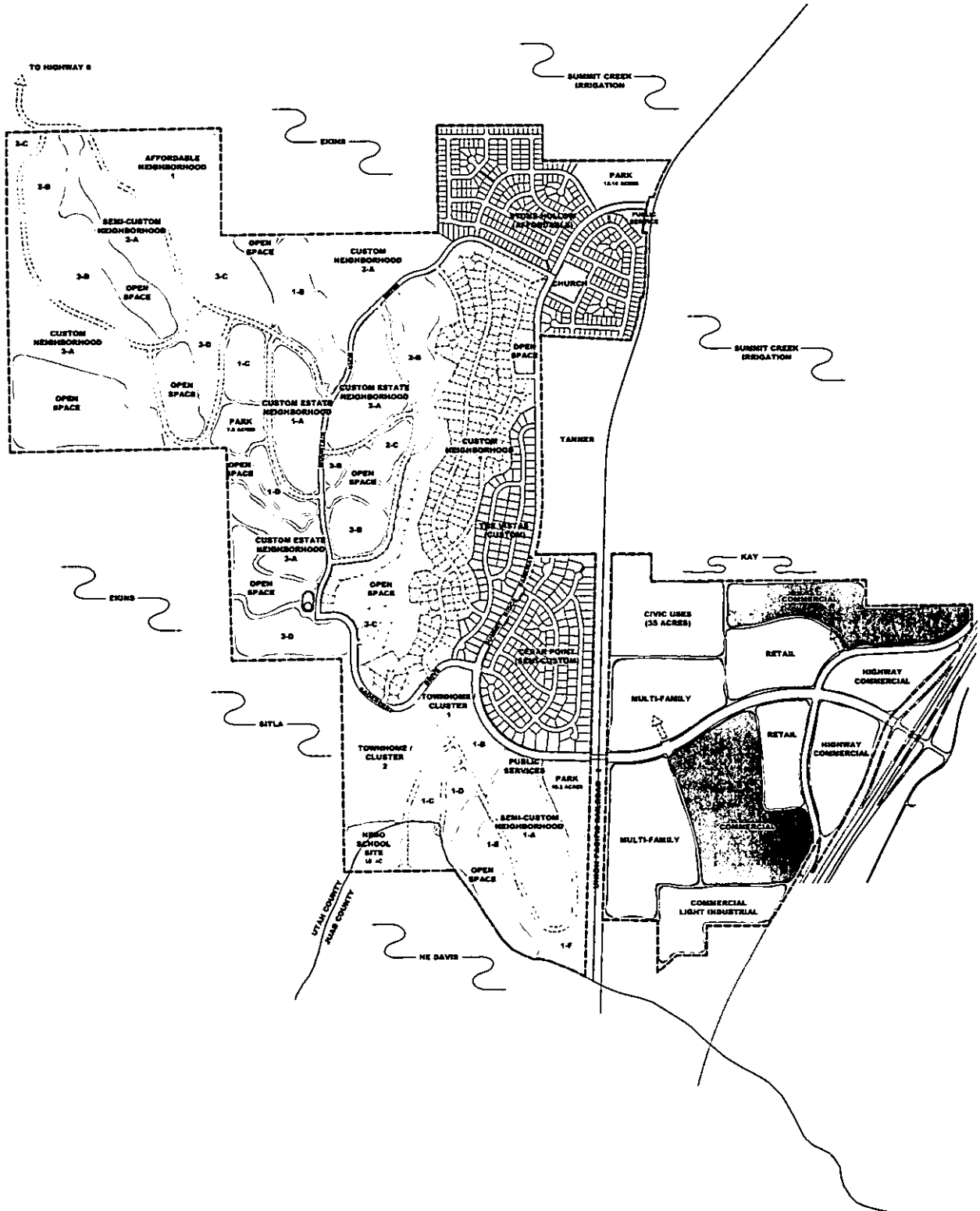
ALSO Beginning at a point located North 1° 28' 24" West along the Section line 228.64 feet and East 155.89 feet from the Southwest Corner of Section 10, Township 10 South, Range 1 East, Salt Lake Base & Meridian; thence North 8° 00' 00" West 221.15 feet; thence North 70° 43' 21" East 116.32 feet; thence North 39° 56' 39" East 87.60 feet; thence Northwesterly along the arc of a 430.00 foot radius non-tangent curve to the right (radius bears: North 39° 02' 42" East) 96.98 feet through a central angle of 12° 55' 18" (chord: North 44° 29' 39" West 96.77 feet); thence North 51° 58' 00" East 60.00 feet; thence North 69° 30' 14" East 118.52 feet; thence North 0° 19' 24" West 95.97 feet; thence North 81° 32' 17" East 105.12 feet; thence North 62° 48' 00" East 66.54 feet; thence South 66° 36' 35" East 262.89 feet; thence Southwesterly along the arc of a 2,710.00 foot radius non-tangent curve to the right (radius bears: North 63° 07' 17" West) 339.78 feet through a central angle of 7° 11' 02" (chord: South 30° 28' 14" West 339.56 feet); thence South 34° 03' 45" West 297.65 feet; thence along the arc of a 940.00 foot radius curve to the left 286.94 feet through a central angle of 17° 29' 24" (chord: South 25° 19' 03" West 285.83 feet) to a point of reverse curvature; thence along the arc of a 15.00 foot radius curve to the right 22.57 feet through a central angle of 86° 13' 04" (chord: South 59° 40' 53" West 20.50 feet); thence North 77° 12' 35" West 99.08 feet; thence North 83° 22' 01" West 74.59 feet; thence Northwesterly along the arc of a 340.00 foot radius non-tangent curve to the left (radius bears: South 12° 47' 25" West) 122.08 feet through a central angle of 20° 34' 24" (chord: North 87° 29' 47" West 121.43 feet); thence Northeasterly along the arc of a 15.00 foot radius non-tangent curve to the left (radius bears: North 7° 46' 59" West) 19.29 feet through a central angle of 73° 40' 14" (chord: North 45° 22' 54" East 17.99 feet); thence North 8° 32' 47" East 39.91 feet; thence along the arc of a 330.00 foot radius curve to the right 249.43 feet through a central angle of 43° 18' 23" (chord: North 30° 11' 59" East 243.53 feet) to the point of beginning. (Also being known as The Vistas at Summit Ridge Plat "C")

LESS AND EXCEPTING THEREFROM that portion of the above described lands that lies within the bounds of THE VISTAS AT SUMMIT RIDGE SUBDIVISION, Plat "A".

EXHIBIT B

SUMMIT RIDGE COMMUNITIES CONCEPTUAL PLAN JUNE 2006

ENT 144933:2006 Pg 26 of 35



| | | |
|------------------------------|------------------|------------------|
| SHEET 1 | DESIGNER: GDM | PROJECT: SR-000 |
| | DATE: 06/13/2006 | SCALE: 1" = 800' |
| | DRAWN BY: RYS | CHECKED BY: GDM |

SUMMIT RIDGE COMMUNITIES CONCEPT PLANNING

LEI
 Consulting Engineers
 and Surveyors, Inc.
 3302 No. Main St.
 Spanish Fork, UT 84660
 801-798-0555
 Fax 801-798-0393

| REVISION | DATE | BY |
|----------|------|----|
| | | |
| | | |
| | | |
| | | |

EXHIBIT C

CONNECTION AGREEMENT

This CONNECTION AGREEMENT (“Agreement”) is made and entered into by and between Santaquin City, a fifth class city of the State of Utah (“City”) and SRC Development, LLC, a Utah limited liability company, (“SRC”), effective as of the date set forth below.

RECITALS:

WHEREAS, SRC is developing the Summit Ridge Project Area in the City (“Project”) pursuant to a certain Annexation and Development Agreement dated December 6, 2000, as it may hereafter be amended; and

WHEREAS, SRC has or is in the process of constructing bridges and arterial roadways and collector roads within the Project (“Reimbursable Improvements”), and has or shall dedicate these to the City upon completion by SRC and acceptance by the City; and

WHEREAS, the property adjoining and/or in reasonable proximity to the Project may benefit from the installation of the Reimbursable Improvements; and

WHEREAS, property owners not participating in the Project may directly benefit from SRC’s installation of the Reimbursable Improvements; and

WHEREAS, the City has determined that it is just and proper that if any landowner connects to any of the said improvements constructed and installed by SRC Development within twenty years from the effective date of this Agreement, that the connecting party should pay for their proportionate share of the said improvements; and

WHEREAS, the City is willing to cooperate with SRC’s recouping of a portion of the costs of the Reimbursable Improvements, but does not wish to assume any liability with respect to such cooperative efforts,

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, promises, and conditions contained herein, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed as follows:

1. Any future development that connects to or utilizes any of the Reimbursable Improvements or relies on the railroad bridge for primary or secondary access will reimburse SRC a proportionate dollar amount per acre per Exhibit A prior to (i) recording a final plat, or (ii) issuance of a building permit.
2. The City shall not record any final plat or approve building permit for projects which connect or use any Reimbursable Improvements until the applicant for such approval (an “Owner”) has demonstrated that it has either paid SRC the appropriate reimbursement fees or has obtained written waiver of said fees from SRC.
3. This Agreement shall apply to applications filed for final plat or building permit approvals for projects which connect or use any Reimbursable Improvements within the twenty year period immediately after the effective date of this Agreement or from the date of acceptance of the applicable improvements whichever is later.

4. This Agreement does not alter SRC's obligations concerning payment of the City's standard connection and other fees in any way.

5. SRC agrees to comply with all City ordinances, policies, and rules, and with the terms of each line extension agreement it executes with the City, regardless of the status of this Agreement.

6. If any part of this Agreement is found, deemed, or rendered invalid or unenforceable by a court of competent jurisdiction or by the Legislature of the State of Utah, the parties shall be relieved of any and all obligations under such invalid or unenforceable provisions of this Agreement.

7. a. SRC shall indemnify and hold harmless the City, and all of its officers, agents, employees, and representatives, from any and all claims, damages, or liabilities of any nature related to this Agreement including, but not limited to, damages arising from claims that the requirement of payment of reimbursement fees to SRC is illegal, unconstitutional, or excessive.

b. SRC shall reimburse the City for administrative time, expenses, reasonable attorneys' fees and costs associated with, or arising out of, this Agreement or the City's efforts to implement its terms, so long as SRC is given prior written notice and an opportunity to defend such action.

c. Should the City be prohibited from enforcing this Agreement on SRC's behalf, by state statute or regulation, court order, or executive decree, the City shall have no further obligations to SRC under this Agreement.

8. This Agreement shall be governed by the laws of the State of Utah and shall inure to the benefit of, and bind the successors and assigns of the respective parties.

9. Waiver of any particular duty or condition under this Agreement shall not constitute a waiver for any other duty or condition, regardless of whether it is a like, related, or subsequent duty or condition.

10. This Agreement is the entire agreement between the parties and it may only be changed, modified, or amended by written agreement of each of the parties and does not create a joint venture or agency relationship between the parties.

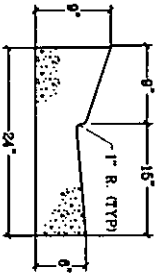
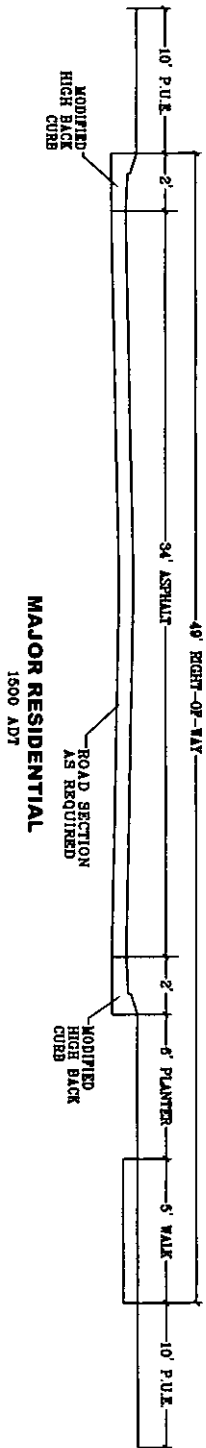
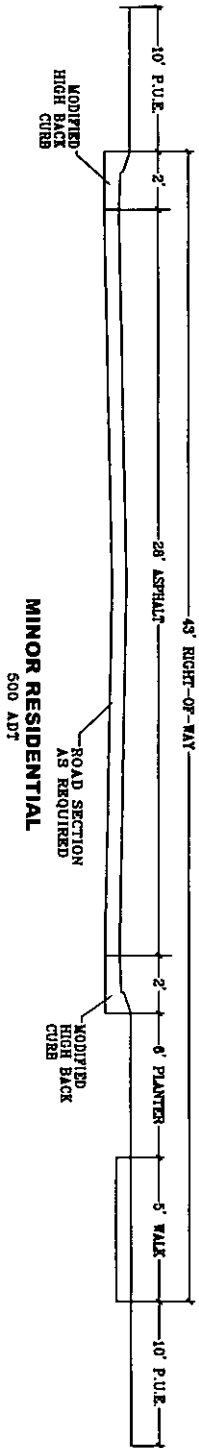
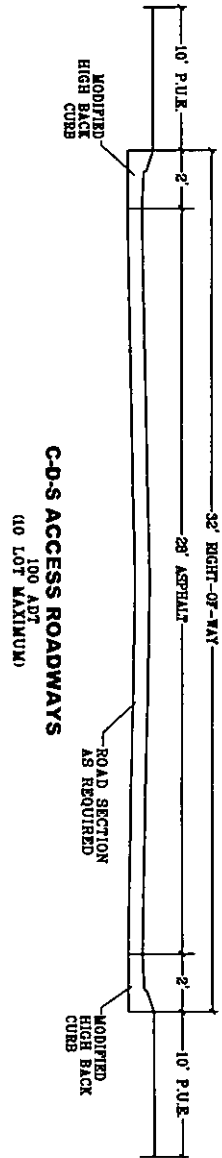
11. In the event that this Agreement must be enforced by legal action or the meaning of this Agreement becomes subject to a declaratory judgment, the prevailing party shall be entitled to all costs and expenses of such legal action including but not limited to attorneys' fees.

12. This Agreement shall become effective as of the date upon which all parties have duly executed this Agreement, and shall expire, becoming null and void, twenty years after the effective date.

EXHIBIT D

SUMMIT RIDGE COMMUNITIES

PROPOSED ROAD SECTIONS



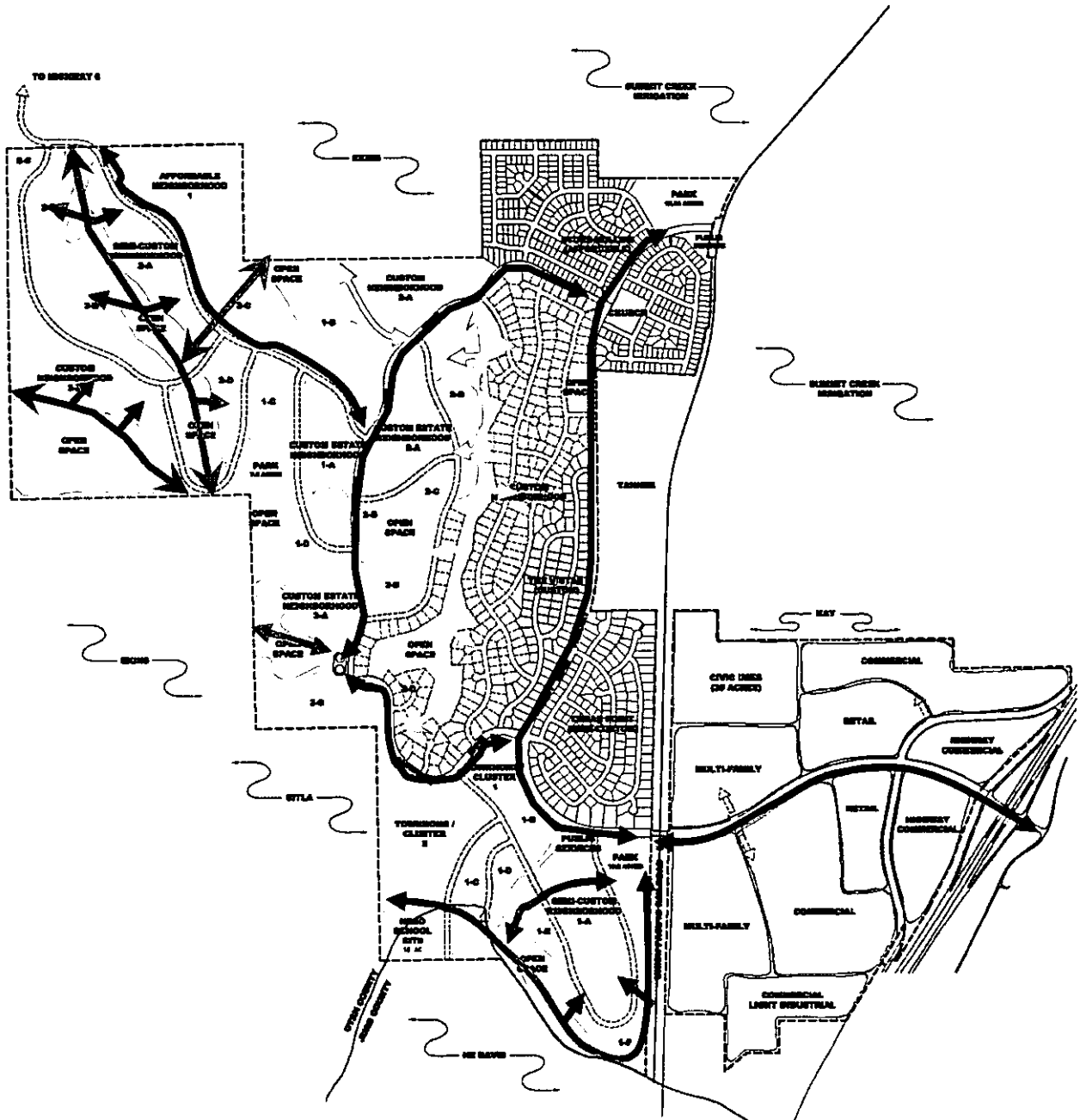
MODIFIED HIGH BACK CURB

COLLECTOR & ARTERIAL ROADS
AS PER OVERALL INFRASTRUCTURE DRAWINGS

EXHIBIT E

SUMMIT RIDGE COMMUNITIES CONCEPTUAL PLAN JUNE 2006

ENT 144933:2006 PD 34 of 35



Trails Legend

- 8 foot non-motorized, asphalt
- 4 foot non-motorized, natural surface
- 5 foot equestrian, natural surface

October 22, 2006

ENT 144933:2006 PG 35 of 35

City of Santaquin
45 West 100 South
Santaquin, Utah 84655

Re: Gravel Removal

To Whom It May Concern:

This letter agreement supplements the First Amendment to Annexation and Development Agreement for Summit Ridge dated October 22, 2006 (the "Amendment") by and among KBS Farm Holdings, LLC, Summit Ridge Communities, LLC and Santaquin City. Pursuant to the Amendment, the Developer has agreed to dedicate a public facility site to the City pursuant to the amended Section 4.6.1.4 (the "Public Facility Site").

The City acknowledges that the Developer presently crushes and removes gravel on the land which may be included in the Public Facility Site (the "Crushing Operation") and that Developer will continue the Crushing Operation on that property both prior to the dedication and following dedication until the later of (i) the initiation of construction of the public facility by the City and (ii) December 31, 2009. Developer acknowledges and represents that the conduct of the Crushing Operation on the Public Facility Site will conform to the grading plan approved by the City.

In connection with the Crushing Operation, the City acknowledges (i) that it is not and will not be entitled to any proceeds from such activities other than sales tax from the gravel operation, which taxes shall continue after dedication of the Public Facility Site to the extent of continuing Crushing Operations, and (ii) that the deed conveying the site to the City may contain a reservation of the Developer's right to continue with the Crushing Operation until December 31, 2009. The City also agrees that Developer will be permitted to stockpile gravel on the site until such time as the City gives ninety (90) days written notice to Developer that the stockpile will interfere with construction, at which time such stockpile shall be removed from the Public Facility Site.

By its signature below, the City acknowledges its agreement with the foregoing.

Very truly yours,

SUMMIT RIDGE COMMUNITIES, LLC

By R. Troy Kunz
R. Troy Kunz, Vice President

SANTAQUIN CITY

By: James Ed Shaffner
Its Mayor

ATTEST: City Recorder

By: Susan Farnsworth 10/25/06
Susan Farnsworth, City Recorder

APPROVED AS TO FORM:

[Signature]
City Attorney
ND: 4847-9235-2513, Ver 1