

DEVELOPMENT IMPROVEMENTS AGREEMENT

FOR

"The Preserve- Phase 3"

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ALAN SPRIGGS, SUMMIT CO RECORDER
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REQUEST: SUMMIT COUNTY CLERK

THIS AGREEMENT is made this 25th day of June, 2006, by and between Summit County, a political subdivision of the State of Utah ("the County"), and The Preserve, L.L.C. . a Utah Corporation ("Developer").

RECITALS:

- A. Developer is the owner of certain property situated in the County of Summit, State of Utah, more particularly described in Exhibit A hereto and known as The Preserve- Phase 3 ("Project")
- B. The Developer desires to develop the "Project" according to the recorded Phase 3 plat thereof (the "Plat") showing a proposed subdivision layout for said property.
- C. Developer has further submitted to the County Construction Drawings for Phase 3.
- D. The Summit County Board of County Commissioners has approved the final subdivision plat submitted by the Developer subject to certain requirements and conditions which involve the installation and construction of utilities and the improvements shown on the Construction Drawings.
- E. The Project is part of and bound by the May 21st, 1997 Amended Consent Agreement.

NOW, THEREFORE, in consideration of the premises and the terms and conditions herein stated and for other valuable consideration, the adequacy of which is acknowledged by the parties hereto, it is agreed as follows:

1. Developer's Guarantee and Warranty

Developer hereby guarantees the installation, as hereafter provided and as necessary to serve the Property, and payment therefore, of all private roads and private road improvements, all utility lines, storm drainage improvements, and any other improvements described in the Construction Drawings. Developer hereby warrants all road improvements and utility improvements constructed or installed by Developer against defects in materials and workmanship for a period of two full year's normal operation after acceptance by the County Engineer or the utility companies of such improvements. As stated in Schedule 1, VIII A of the

Consent Agreement, there is no requirement for Developer to bond for on-site improvements. Developer agrees to promptly correct any deficiencies in installation in order to meet the requirements of the plans and specifications applicable to such installation. In the event such installation is not completed according to the specific plans set forth in the Construction Drawings, the County shall have the right to cause such work to be done as is necessary to complete the installation in such manner and Developer shall be liable for the cost of such additional work.

2. Water Lines and Sanitary Sewer Collection Lines

(a) Developer shall provide for the installation of all waterlines for the Property, whether such lines and other improvements are actually on the Property or bordering the property, and such other improvements, thereby creating a complete system, in accordance with the standard specifications of the Mountain Regional Water Special Service District ("Water District").

(b) The installation of said waterlines will be completed before building permits will be issued permitting the construction of houses and related residential structures on individual building lots in the Project. In the alternative, at the election of the Developer, building permits can be issued before the improvements are completed if the Developer obtains a bond in an amount sufficient to insure that the referenced improvements will be completed.

(c) The Developer has agreed to construct and pay for culinary and fire protection waterlines to serve the Property, and to transfer maintenance and ownership of said waterlines and other water improvements to the Water District, after acceptance and approval of said improvements by the Water District. The cost of all said waterlines and water improvements shall be borne and guaranteed by the Developer, pursuant to this Development Improvements Agreement.

3. Electric, Gas, and Telephone Facilities

(a) At the request of the Developer, Utah Power shall engineer and provide for the installation of all electric distribution lines and facilities required for the Property, and Developer shall pay for such work in accordance with the established charges of Utah Power.

(b) At the request of Developer, Questar Gas Company shall engineer and provide for the installation of all required gas lines and facilities required, and Developer shall pay for such work in accordance with the established charges of Questar Gas Company.

(c) At the request of Developer, Qwest Communications shall engineer and provide for the installation of all required telephone lines and facilities and Developer shall pay for such

work in accordance with the established charges of Qwest Communications.

(d) The installation of the referenced electric, gas, and telephone facilities shall be completed before building permits will be issued permitting the construction of houses and related residential structures on individual building lots in the Project. In the alternative, at the election of the Developer, building permits can be issued before the improvements are completed if the Developer obtains a bond in an amount sufficient to insure that the referenced improvements will be completed.

4. Storm Drainage Improvements

(a) The Developer shall install all storm drainage facilities described in the Construction Drawings.

(b) The storm drainage improvements shall be completed before building permits will be issued permitting the construction of houses and related residential structures on individual building lots in the Project. In the alternative, at the election of the Developer, building permits can be issued before the improvements are completed if the Developer obtains a bond in an amount sufficient to insure that the referenced improvements will be completed.

5. Trail Easements

With respect to those public trail easements shown on the Plat which are to be dedicated by Developer to the Snyderville Basin Special Recreation District ("Rec District"), Developer agrees to contribute to the cost of improving such trails in accordance with the agreement between the Rec District and Developer.

6. Roads

Developer agrees to construct, at Developer's cost, all private roads and private road improvements, within and adjacent to the Property, in accordance with the plans and specifications of the Construction Drawings. The following listed road improvements shall be completed before building permits will be issued permitting the construction of houses and related residential structures on individual building lots in the Project. In the alternative, at the election of the Developer, building permits can be issued before the improvements are completed if the Developer obtains a bond in an amount sufficient to insure that the referenced improvements will be completed and appropriate Building Department permit requirements have been met. Residential structure building permits will be authorized by the Park City Fire District before issuance.

- (a) Road 1
- (b) Road 2
- (c) Emergency Road

- (d) Upper Tank Road
- (e) Shared Drives 1, 2, 3, 4, 5 and 6

Developer agrees to install any traffic control signs and standard street name signs as required by the County and to re-vegetate all cuts and fills resulting from construction in a manner which will prevent erosion. The construction of such roads shall be subject to inspection and approval by the County Engineer and the cost of such inspection shall be paid by the Developer.

7. Road Cuts

Developer acknowledges that the County has adopted a road cut ordinance, the provisions of which shall apply to the alteration of any road necessitated by the installation of any utilities described in this Agreement.

8. Weed Control

The Developer agrees to comply with Summit County Ordinance 484 relative to control and elimination of all noxious species of plants as identified within the project boundaries. The Developer further agrees to coordinate with the Summit County weed department, prior to commencement of work, relative to inspections and importations of weed free project materials.

9. Traffic Control

During the construction of any utilities or improvements described herein, Developer shall be responsible for controlling and expediting the movement of vehicular and pedestrian traffic through and around all construction sites and activity, per the uniform manual of Uniform Traffic Control Devices.

10. Maintenance and Repair

(a) Developer agrees that it shall repair or pay for any damage to any existing public improvements damaged during the construction of new improvements. The County shall notify Developer within a reasonable time after discovery of any claim hereunder, and Developer shall have a reasonable period of time within which to repair said damage.

(b) At such time as Developer records the Declaration of Covenants, Conditions and Restrictions in the office of the Recorder of Summit County, Utah, and at such time as all improvements are inspected and approved by the County Engineer, the "Project" Owner's Association will be obligated to maintain any private roads within the Property, and the Developer shall be released from the obligation and liability to maintain such private roads or to

be responsible for the cost of such maintenance.

11. Default

If Developer shall default in the performance of Developer's obligation hereunder and shall fail to cure such default within thirty (30) days after receipt of written notice from the County specifying the nature of such default (or if such default cannot be cured within the aforesaid period of time, if the Developer shall fail to promptly commence to cure the same and to thereafter diligently proceed with such cure), then the County shall be entitled to undertake such work as may be necessary and appropriate to cure such default and the County shall be reimbursed for the reasonable costs thereof either by payment of such costs to cure the default within 30 days of delivery of an invoice to Developer or by obtaining funds under the security.

12. Limitation of Liability

No recourse shall be had for any obligation of or default by Developer under this Agreement or for any claim with respect to this Agreement against any partner or joint venturer of Developer or seller of the Property or any other creditor or lender of Developer under any rule of law (including, without limitation, the rule of law that general partners and joint ventures are jointly and severally liable for the indebtedness of a partnership or joint venture, as applicable), contractual provision, statute or constitution or otherwise, it being understood that all such liabilities of the partners or joint ventures of Developer are to be, by the execution of this Agreement by the County, expressly waived and released as a condition of, and in consideration for, the execution and delivery of this Agreement. Nothing contained herein shall constitute a waiver of any obligation of Developer to the County under this Agreement or shall be taken to prevent recourse to or of the enforcement of any rights of the County as against the Developer pursuant to this Development Improvements Agreement.

13. Amendment

This Agreement and the Construction Drawings referred to herein, may only be amended by written instrument signed by the County and the Developer.

14. Binding Effect

This Agreement and the covenants contained herein shall run with the land and shall be binding upon and shall inure to the benefit of the parties hereto and their successors, heirs and assigns of the property owners; provided that, except as provided in Paragraph 10 (b) above, purchasers of residential lots within the Property or any homeowner's association that receives title to any portion of the Property shall not incur any liability hereunder and no person or entity, including any homeowner's association that receives title to any portion of the Property, may claim to be a third party beneficiary of the terms, conditions, or covenants of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed the date and year first written above.

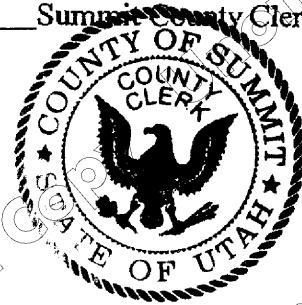
APPROVED;

ATTEST:

COUNTY OF SUMMIT, UTAH

Robert Ad
Chairman, Board of Summit County Commissioners

By: Susan Fellet Summit County Clerk



APPROVED AS TO FORM:

Dave Thomas
Dave Thomas, Deputy County Attorney

ACCEPTED:

The Preserve, LLC

Kirkpatrick MacDonald

By: Kirkpatrick MacDonald
Its: Managing Member

EXHIBIT A
Preserve Phase 3 Legal Description

Located in Section 31 and the Southwest Quarter of Section 32, Township 1 North, Range 4 East and Section 6, Township 1 South, Range 4 East, Salt Lake Base and Meridian, and more particularly described as follows:

Beginning at the Northeast Corner of Section 6, Township 1 South, Range 4 East, Salt Lake Base and Meridian; thence S 00°14'00" W 2072.69 feet along the easterly line of said Section 6; thence departing said easterly line S 80°38'35" W 869.01 feet; thence S 55°04'01" E 1045.43 feet to the easterly line of said Section 6; thence S 00°00'44" W 384.29 feet continuing along the easterly line of said Section 6 to a point on a 100.00-foot radius curve to the right (radius point bears N 14°16'51" W); thence 51.67 feet along the arc of said curve through a central angle of 29°36'15" (chord bears N 89°28'44" W 51.10 feet) to a point of reverse curvature with a 75.00-foot radius curve; thence 95.58 feet along the arc of said curve through a central angle of 73°01'04" (chord bears S 68°48'52" W 89.24 feet) to a point of reverse curvature with a 100.00-foot radius curve; thence 64.02 feet along the arc of said curve through a central angle of 36°40'51" (chord bears S 50°38'46" W 62.93 feet) to a point of tangency; thence S 68°59'11" W 506.39 feet to the boundary of the subdivision know as, "The Ridge at Red Hawk" as Recorded in the Summit County Recorders Office as Entry No. 479638; thence along the easterly and northerly boundary line of said Ridge at Red Hawk subdivision for the following seven (7) courses: 1) N 10°48'07" W 143.13 feet (N 10°47'20" W by record); 2) N 29°08'52" W 256.14 feet (N 29°08'06" W by record); 3) N 17°23'47" E 98.00 feet (N 17°24'33" E by record); 4) S 89°59'14" W 698.75 feet (East by record) to a point on 585.00-foot radius curve to the right (radius point bears S 82°44'35" W); 5) thence 114.95 feet along the arc of said curve through a central angle of 11°15'30" (chord bears S 01°37'40" E 114.76 feet) to a point of non-tangency; 6) N 71°15'46" W 1667.24 feet (N 71°15'00" W by record); 7) S 89°00'35" W 2372.15 feet (S 89°01'21" W 2372.14 feet by record) to the westerly line of said Section 6; thence N 00°59'25" W 455.26 feet to the West Quarter Corner of said Section 6; thence continuing along said westerly line N 01°00'50" W 2163.63 feet to the Northwest Corner of said Section 6; thence N 01°04'45" W 40.84 feet to the Northeast Corner of Section 1, Township 1 South, Range 3 East, Salt Lake Base and Meridian and the southerly line of Section 31, Township 1 North, Range 4 East, Salt Lake Base and Meridian; thence N 89°51'32" W 745.36 feet along the southerly line of said Section 31 to the Southwest Corner of said Section 31; thence Northerly 5275.09 feet, more or less along the westerly line of said Section 31 to the Northwest Corner of said Section 31; thence Easterly 3744.57 feet, more or less along the northerly line of said Section 31 to the North Quarter Corner of said Section 31; thence continuing Easterly 1240.58 feet along said northerly line to the easterly boundary of the subdivision known as "Stagecoach Estates Plat D" as Recorded in the Summit County Recorders Office as Entry No. 287463; thence along the easterly boundary line of said Stagecoach Estates Plat D for the following thirteen (13) courses: 1) S 33°36'30" W 118.29 feet; 2) S 55°39'00" W 171.11 feet; 3) S 76°18'00" W 100.86 feet; 4) S 77°42'42" W 1149.05 feet; 5) S 01°30'00" W 1580.00 feet; 6) S 81°00'00" E 1000.00 feet; 7) N 11°00'00" E 200.00 feet; 8) N 84°30'00" E 700.00 feet; 9) S 01°30'00" E 1077.11 feet; 10) S 20°30'00" E 688.25 feet; 11) S 33°30'00" E 1105.88 feet; 12) S 40°30'00" E 453.37 feet; 13) N 45°00'00" E 5.66 feet, more or less to the intersection with the easterly line of said Section 31; thence Southerly 178.48 feet along the easterly line of said Section 31; thence departing said easterly line S 89°56'51" E 200.21 feet; thence S 00°03'09" W 225.00 feet, more or less to the southerly line Section 32, Township 1 North, Range 4 East; thence N 89°56'51" W 200.00 feet to the Southeast corner of said Section 31; thence along the southerly line of said Section 31, N 89°56'33" W 191.69 feet, more or less to the point of beginning.

Containing 41,338,202 square feet, or 948.995 acres, more or less.