

TRI-PARTY AGREEMENT

This TRI-PARTY AGREEMENT (this "Agreement"), dated to be effective as of Oct. 5, 2021 (the "Effective Date"), is entered into by and between the CITY OF HIGHLAND, a Utah municipal corporation (the "Highland"), the CITY OF LEHI, a Utah municipal corporation ("Lehi"), and D.R. HORTON, INC., a Delaware corporation ("Horton"). Highland, Lehi, and Horton are referred to herein individually as a "Party" and together as the "Parties."

RECITALS

A. Horton owns some parcels of land located in unincorporated Utah County, as depicted on the map attached as Exhibit A (the "Horton Property"), which Horton intends to develop as part of a larger master planned residential community with certain other property of Horton's located within the City of Lehi

B. Highland Boulevard is a public street owned and/or maintained by Highland located adjacent to the Horton Property (the "Highland Boulevard Section"), as generally shown on conceptual site plan attached as Exhibit B (the "Concept Plan").

C. In connection with the development of the Horton Property, Horton intends to file a petition to annex the Horton Property to Lehi (the "Annexation Petition").

D. The Parties desire to set forth certain agreements and obligations concerning the Annexation and the ongoing maintenance and other obligations relating to the Highland Boulevard Section following approval of the Annexation Petition, subject to the terms and conditions set forth below.

NOW, THEREFORE, to these ends and in consideration of the mutual covenants and the agreements set forth below, as well as the mutual benefits to be derived from this Agreement, the Parties agree as follows:

AGREEMENT

1. Consent to Annexation. Highland hereby consents to the filing of the Annexation Petition and Lehi's approval of the proposed annexation to Lehi (the "Annexation"), and agrees to reasonably cooperate with Horton and Lehi, at no out-of-pocket cost to Highland, to effectuate the Annexation as contemplated by this Agreement. Highland acknowledges and agrees that Lehi and Horton may provide an executed copy of this Agreement to Utah County to demonstrate evidence of Highland's consent to the Annexation.

2. Maintenance Obligations. Highland shall continue to own and maintain the Highland Boulevard Section, and Lehi shall be responsible for fifty percent (50%) of the cost (the "Lehi Maintenance Contribution") incurred by Highland to maintain and repair the Highland Boulevard Section in accordance with Highland's roadway standards and requirements (as the same may be modified from time to time) and Highland's bidding and contracting procedures. Highland staff shall coordinate with Lehi staff as part of any planned maintenance, improvement,

repair, or other construction project involving the Highland Boulevard Section, and Highland and Lehi may as part of such coordination agree on bidding processes, construction timing and procedures, payment schedules, and other terms regarding work on the Highland Boulevard Section and payment of the Lehi Maintenance Contribution. Highland and Lehi will agree to an estimated cost based on construction submittals from both cities, if necessary. Once Highland has completed all required work according to Highland standards and procedures, it shall submit an invoice to Lehi for the Lehi Maintenance Contribution within 60 days of completion of the maintenance or repair work on the Highland Boulevard Section. Lehi shall pay such invoice within 30 days after receipt of the invoice.

3. Public Services. The parties acknowledge that from and after final approval of the Annexation Petition, Lehi shall be solely responsible for the provision of all public services, including, without limitation, police and fire protection services, for the area incorporated pursuant to the Annexation.

4. Highland Boulevard Section Improvements/Annexation.

a. As part of the development of the Horton Property following final approval of the Annexation Petition, Horton shall install an additional traffic light or other traffic control measure along the Highland Boulevard Section at the intersection 11800 North (the "*Additional Traffic Control*"). The total cost for the Additional Traffic Control shall be shared by the Parties as follows: (a) Lehi and Highland shall each be responsible for thirty-three percent (33%) of such costs; and (b) Horton shall be responsible for thirty-four percent (34%) of such costs. The Parties shall coordinate and agree in writing on the type, timing, costs, and other details of the Additional Traffic Control at such time as Horton begins to develop the Horton Property adjacent to the Highland Boulevard Section.

b. As part of the development of the Horton Property following final approval of the Annexation Petition, Horton shall be responsible for 50% of the costs associated with the installation of medians within the Highland Boulevard Section, if Highland requests the installation of medians. Highland shall make the request as part of the Parties' coordination of the Additional Traffic Control, and Highland may not request Horton contribute to the cost of medians after the Parties have agreed on the details of the Additional Traffic Control.

c. Within 45 days of the execution of this Agreement, Highland City will file a petition to annex those portions of Highland Boulevard that are owned by Highland City but are currently unincorporated.

5. Development of the Horton Property. As part of the development of the Horton Property following final approval of the Annexation Petition, Horton agrees to do each of the following:

a. Develop the Horton Property substantially in accordance with the Concept Plan, subject to the following density limitations for each pod of development shown on the Concept Plan (each, a "*Pod*"): (which Horton may increase by no more than ten percent (10%) depending on the final location and layout of proposed open spaces and roads):

i. No more than seventy-seven (77) single family lots located the forty-five (45)-acre Pod designated on the Concept Plan as "Estate";

ii. No more than ninety-five (95) single family lots located on the thirty-six (36)-acre Pod designated on the Concept Plan as "Emerald";

iii. No more than one hundred seventy-four (174) single family lots located on the forty (40)-acre Pod designated on the Concept Plan as "Horton Plus";

iv. No more than two hundred forty-nine (249) units located on the thirty-nine (39)-acre Pod designated on the Concept Plan as "Active Adult"; and

v. No more than two (2) total clubhouses (one for the single-family residences and one for the active adult units).

Notwithstanding the foregoing, Horton may increase the total number of lots or units permitted in any Pod by up to ten percent (10%) so long as the total density of the Horton Property as a whole does not exceed five hundred ninety-seven (597) units.

b. Incorporate Highland's standard Parkway Detail along the west side of the Highland Boulevard Section, provided that Horton shall be permitted to use xeriscape or other waterwise landscaping in accordance with Highland's standards.

c. Address stormwater runoff generated by the development of the Horton Property in accordance with applicable law.

d. Incorporate the recommendations set forth in that certain Traffic Study, dated Aug 18, 2021, prepared by Horrocks Engineers, with respect to Highland Boulevard.

e. Set the minimum lot size of any subdivision of the Horton Property directly adjacent to the boundary with Highland shown on the Concept Plan to be no less than one-half (1/2) an acre.

f. Include a trail connection to the Dry Creek area of Highland as part of the development of the Horton Property so long as the intervening landowner(s) have granted an easement to Highland for trail purposes prior to the date on which Horton obtains Area Plan Approval from the Lehi City Council for the Horton Property.

g. Install monument signage on the northeast and southeast corners of the Horton Property that includes both the name of the proposed Horton subdivision and jurisdiction.

6. No Requirement to Develop. Nothing in this Agreement shall require the continued efforts of Horton to process the Annexation Petition and/or develop the Horton Property. Horton may, at any time and for any reason, elect to abandon such efforts, in which event Horton may elect to terminate this Agreement upon providing written notice to Lehi and Highland.

7. Further Assurances. Each Party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements,

certificates, instruments and documents, as any other Party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the Annexation Petition.

8. Notices. All notices, requests, demands, and other communications required under this Agreement, except for normal, daily business communications, shall be in writing. Such written communication shall be effective upon personal delivery to any party or upon being sent by overnight mail service, by electronic email (with confirmation of receipt), or by certified mail, return receipt requested, postage prepaid, and addressed to the respective parties as follows:

If to the Developer: D.R. Horton, Inc.
 Attn: Boyd Martin & Rob Hartshorn
 12351 South Gateway Park Place
 Suite D-100
 Draper, UT 84020
 email: RBHartshorn@drhorton.com

With a copy to: D. R. Horton, Inc., West Region
 1081 Whitney Ranch Drive, Suite 141
 Henderson, NV 89014
 Attn: David Jennings, Region Counsel
 E-mail: DSJennings@drhorton.com

If to the Highland: City of Highland
5400 Civic Ctr. Dr. Ste 1
Highland UT 84003
Attn: City Recorder

If to Lehi: City of Lehi
153 North 100 East
Lehi Utah 84043
Attn: City Recorder

9. No Partnership or Joint Venture; Nonliability of Individuals. Nothing contained in this Agreement shall be construed to make, or is intended to create, any partnership or joint venture between Horton, Lehi, or Highland. In no event shall any shareholder, officer, director, member, partner, affiliate, agent or employee of Horton or any of Horton's affiliates be or be held liable or responsible in any way for the obligations or liabilities of Horton under this Agreement.

10. Severance; Survival; Further Assurance. This Agreement contains the entire agreement between the Parties relating to the subject matter hereof, and neither Party shall be bound by any verbal statement or agreement made heretofore. This Agreement cannot be modified or amended except by written agreement executed by the Parties. If any term in this Agreement or part hereof is ever held invalid or unenforceable by any court or is otherwise not in compliance with any law, such term, or part shall be deemed severed and the remainder of this Agreement and applications thereof shall not be affected thereby. This Agreement shall be binding upon the Parties, their successors and assigns.

11. Attorneys' Fees. If this Agreement or any provision hereof is enforced by an attorney retained by a Party hereto, whether by suit or otherwise, the reasonable fees and costs of the attorney for the prevailing Party shall be paid by the losing Party, including fees and costs incurred upon appeal.

12. Construction. This Agreement shall be governed and interpreted under the laws of the State of Utah. Failure of any Party to insist in any one or more instances upon the performance of any of the covenants, agreements, and/or conditions of this Agreement, or to exercise any right or privilege herein conferred shall not be construed as a waiver of any such covenant or condition. The agreements contained herein shall not be construed in favor of or against either Party, but shall be construed as if all Parties prepared this Agreement. If any items, terms, or provisions contained in this instrument are in conflict with any applicable federal, state, or local laws, this Agreement shall be affected only as to its application to such items, terms, or provisions, and shall in all other respects remain in full force and effect.

13. Incorporation; Counterparts. The recitals set forth above and exhibits attached hereto are incorporated herein by this reference. This Agreement may be executed in counterparts and transmitted electronically, each of which shall be deemed to be an original, but such counterparts when taken together shall constitute one Agreement.

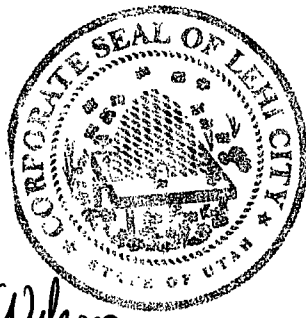
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by and through their respective duly authorized representatives to be effective as of the Effective Date.

CITY OF HIGHLAND, a Utah municipal corporation

By: [Signature]
Name: Redney W Mann
Its: Mayer

ATTEST:

[Signature]
City Recorder



ATTEST:

[Signature]
City Recorder

CITY OF LEHI, a Utah municipal corporation

By: [Signature]
Name: MARK JOHNSON
Title: MAYOR

D.R. HORTON, INC., a Delaware corporation

By: [Signature]
Name: Adam B. Loser
Title: Vice President

EXHIBIT A

Depiction of the Horton Property

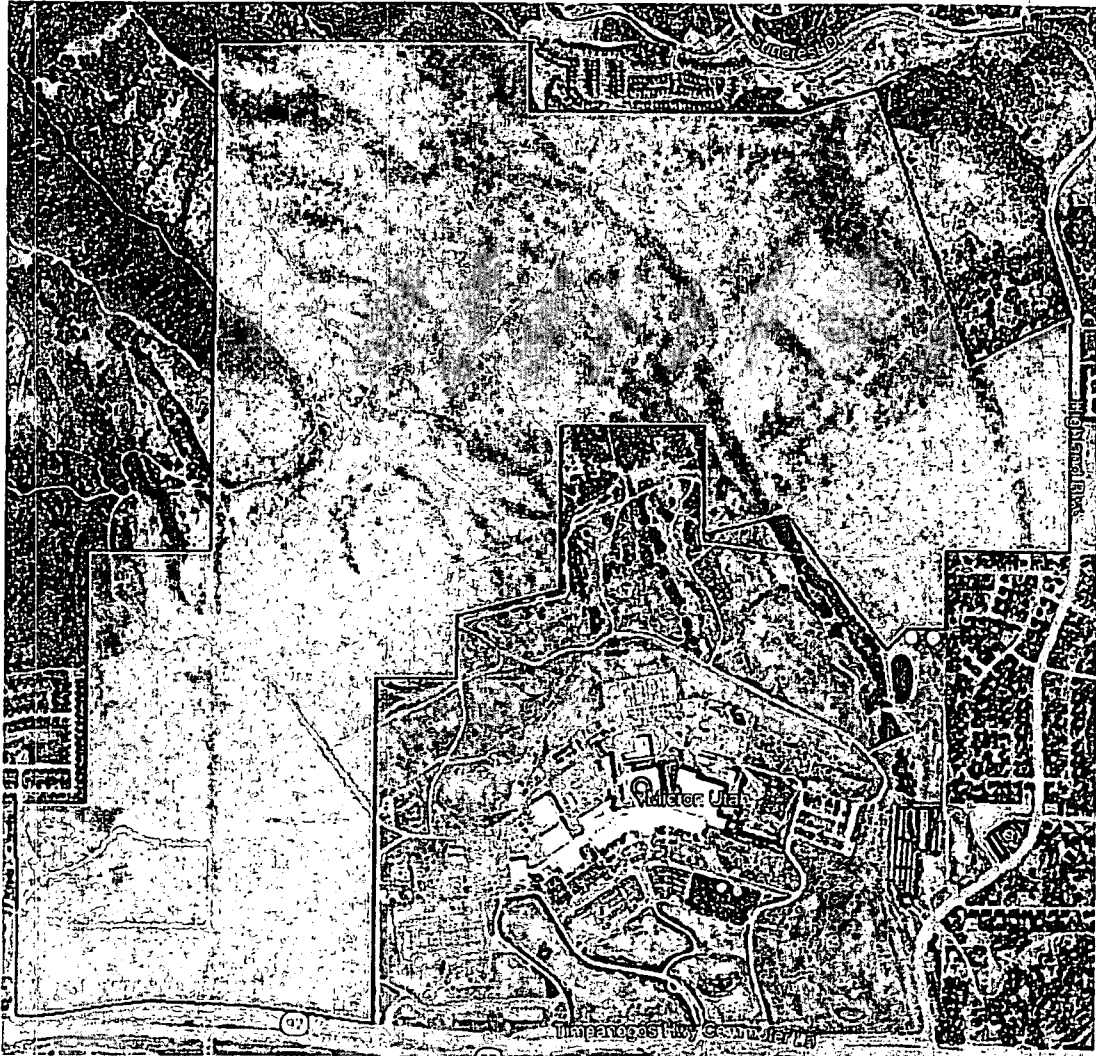


EXHIBIT B

Concept Plan

