

SUBDIVISION AGREEMENT
AND
COVENANT RUNNING WITH THE LAND
(Heber Gateway Plaza)

THIS AGREEMENT entered into this 10th day of December, 2007, by and between Heber City, hereinafter referred to as "City" and the undersigned as "Developer".

WHEREAS, the petitioner has proposed the Heber Gateway Plaza Subdivision, consisting of 8 Commercial lots;

NOW, THEREFORE, the parties hereby agree as follows:

1. With respect to Exhibit A (the approved final subdivision plat), the developer shall, prior to recordation of that subdivision plat, transfer to the City all required water rights necessary for development, which shall include but not be limited to 2.51 Acre-Feet of diversion water rights.
2. All streets, utilities, and improvements will be constructed to property lines;
3. The Developer will establish a property owner's association for the perpetual operation, maintenance, and replacement of all streets, site storm water system, and private common areas within the development, including covenants and restrictions establishing an architectural theme for the development

The property owners association will also be responsible for maintaining and clearing the drainage channel and Wasatch canal facilities that have been relocated through the project, on an annual basis, or as needed, until such time as improvements are made to lower the flood channel crossing under Highway 40 by the City and County.

4. The final plat will dedicate drainage channel, water, sewer, and irrigation easements to Heber City for access and maintenance of public utilities. Plat will contain language stating that Heber City has the right of access through said easements to maintain and repair said facilities, and that no cuts, fills, changes to topography, structures above or below ground, etc. are allowed in the easements without prior written consent from Heber City. Any obstacles erected within these easements will be removed at the current lot owners expense;
5. Heber City will be responsible for the repair, maintenance,

- and replacement of water, sewer, and secondary irrigation public utilities;
6. All lots are prohibited from establishing private driveways from 1200 South and Highway 40. Private driveways will be established from the future private streets within the development;
 7. Developer will comply with the conditions and standards for changes to the Lower Wasatch canal as approved by the Wasatch Irrigation Company and Heber City and Wasatch County;
 8. Developer will comply with the conditions and standards for changes to the drainage channel between the Lower Wasatch Canal as approved by the Wasatch Irrigation Company and the Flood Channel as approve by Heber City and Wasatch County;
 9. Developer will reimburse Wasatch County, per Heber City's reimbursement agreement, for sidewalk fronting their property along Highway 40, prior to project acceptance;
 10. Developer will provide a copy of their noxious weed control plan approved by the Wasatch County Weed Control Board.
 11. All aforementioned improvements shall consist of frontage improvements of curbs, sidewalks, pavements, inlets, planting of trees and placing of monuments, as required and consistent with Heber City Standards, including but not limited to required subdivision improvement requirements;
 12. Said improvement costs will be paid by the Developer, their assigns, transferees or successors as owners or developers. The Developer shall be obligated to disclose and notify in writing its immediate successors in ownership or developers of the requirements of this Agreement;
 13. Developer shall execute a performance agreement and provide a bond guaranteeing the improvements related to subdivision;
 14. In the event there is a Failure to Perform under this Agreement and it becomes reasonably necessary for any party to employ the services of an attorney in connection therewith (whether such attorney be in-house or outside counsel), either with or without litigation, on appeal or otherwise, the prevailing party to the controversy shall be entitled to it's reasonable attorney's fees incurred by such

party and, in addition, such costs and expenses as are incurred in enforcing this Agreement;

15. This Agreement contains the entire agreement between the parties, and no statement, promise or inducement made by either party hereto, or agent of either party hereto which is not contained in this written Agreement shall be valid or binding; and this Agreement may not be enlarged, modified or altered except in writing approved by the parties.

16. Time is of the essence of this Agreement. In case any party shall fail to perform the obligations on its part at the time fixed for the performance of such obligations by the terms of this Agreement, the other party or parties may pursue any and all remedies available in equity, at law, and/or pursuant to the terms of this Agreement.

17. This Agreement shall be a covenant running with the land, and shall be binding upon the parties and their assigns and successors in interest. This Agreement shall be recorded with the Wasatch County Recorder.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year this agreement was first above written.

DATED this 6th day of December, 2007.

HEBER CITY:

By: [Signature]
David Phillips, Mayor

ATTEST:

[Signature]
Heber City Recorder

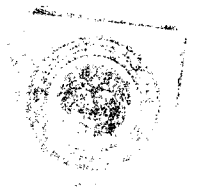
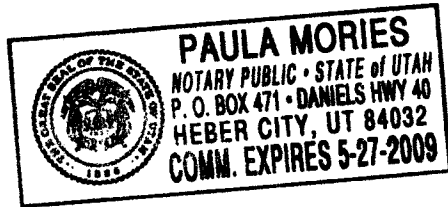
1200 SOUTH DEVELOPMENT, INC:

By: *Fred Grambau*
Fred Grambau, President

STATE OF UTAH)
 : ss.
COUNTY OF WASATCH)

On this 5th day of December, 2007, personally appeared before me the above named Owner, who duly acknowledged to me that he is the owner in fee and executed the same as such.

Paula Mories
NOTARY PUBLIC



HEBER GATEWAY PLAZA

AND THAT THE SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND AS SHOWN ON THIS PLAT.

BOUNDARY DESCRIPTION:

BEGINNING AT A POINT ON THE SOUTHERLY LINE OF 1200 SOUTH STREET, AS PER DEDICATION PLAT RECORDED NOVEMBER 8, 1990 AS ENTRY NO. 219319 IN BOOK 443 ON PAGES 107-116 OF THE OFFICIAL RECORD, SAID POINT BEING SOUTH 80°58'07" EAST ALONG THE SECTION LINE 770.97 FEET AND SOUTH 80°11'24" WEST 20.67 FEET FROM A FOUND WASATCH COUNTY BRASS CAP MONUMENT MARKING THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 4 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE EASTERLY ALONG SAID SOUTHERLY LINE THE FOLLOWING (8) COURSES: (1) NORTH 80°54'05" EAST 376.40 FEET TO A POINT OF CURVATURE, (2) SOUTHEASTERLY ALONG THE ARC OF A 4058.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 01°33'42" A DISTANCE OF 135.14 FEET (CHORD BEARS SOUTH 80°19'04" EAST 135.14 FEET) TO A POINT OF COMPOUND CURVATURE, (3) SOUTHEASTERLY ALONG THE ARC OF 15.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 80°32'04" A DISTANCE OF 23.18 FEET (CHORD BEARS SOUTH 44°15'53" EAST 20.94 FEET), (4) SOUTH 80°00'27" WEST 3.03 FEET, (5) SOUTH 80°50'33" EAST 60.00 FEET TO A POINT ON THE ARC OF A 15.00 FOOT NON-TANGENT RADIUS CURVE TO THE RIGHT (CENTER BEARS SOUTH 80°50'30" EAST), (6) NORTHEASTERLY ALONG THE ARC OF SAID 15.00 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 92°40'37" A DISTANCE OF 24.30 FEET (CHORD BEARS NORTH 46°25'18" EAST 21.73 FEET), (7) SOUTH 87°00'52" EAST 295.07 FEET TO A POINT OF CURVATURE, (8) SOUTHEASTERLY ALONG THE ARC OF A 5042.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 02°07'51" A DISTANCE OF 187.54 FEET (CHORD BEARS SOUTH 80°13'47" EAST 187.50 FEET); THENCE SOUTH 00°10'57" EAST 305.90 FEET; THENCE NORTH 80°55'20" WEST 337.40 FEET; THENCE NORTH 02°46'10" WEST 16.50 FEET; THENCE SOUTH 80°34'00" WEST 757.56 FEET TO A POINT ALONG THE EASTERLY LINE OF STATE HIGHWAY 40; THENCE NORTHWESTERLY ALONG SAID EASTERLY LINE THE FOLLOWING (2) COURSES: (1) NORTH 21°26'10" WEST 26.32 FEET, (2) NORTH 37°54'57" WEST 238.80 FEET; THENCE NORTH 52°44'00" EAST 208.04 FEET; THENCE NORTH 00°11'24" EAST 70.20 FEET TO THE POINT OF BEGINNING.

CONTAINS 465,001 SQ. FT. OR 10.675 ACRES (8 LOTS)