

HOLBROOK 1
ANNEXATION AGREEMENT

ENT 102206:2008 PG 1 of 8
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
2008 Sep 16 12:10 pm FEE 0.00 BY SW
RECORDED FOR LEHI CITY CORPORATION

THIS AGREEMENT made and entered into this 7th day of September, 2008, by and between **LEHI CITY CORPORATION**, a municipal corporation of the State of Utah and **THE UNDERSIGNED PROPERTY OWNERS**, hereinafter referred to as Owners.

WHEREAS, the Owners desire to annex certain property to the City of Lehi which property is described on Attachment A and incorporated by reference herein; and

WHEREAS, Owners have specifically requested that said property be annexed to the City, and the City Council having considered the matter is willing to annex the said property only upon certain conditions to be met and fulfilled by the Owners, their heirs, executors, assigns and successors in interest.

WHEREAS, it is expressly agreed and understood by and between the parties that but for the said performance by the Owners, the City of Lehi would not, under any circumstance, annex the said property within its corporate boundaries.

WHEREAS, the conditions, performances and obligations of the Owners set forth herein are expressly understood to be independent and in addition to compliance with all of the laws, ordinances, requirements and regulations of the city of Lehi; and

WHEREAS, it is further agreed that this Agreement in no way and under no circumstances infers sketch plan, preliminary plan or final plan approval of any subdivision or development, nor does it assure or represent that the Owners and/or developers have complied with all of the requirements set forth by ordinance and statute as pertains to the proposed improvements of development;

NOW THEREFORE, for and in consideration of the City of Lehi's Agreement to annex said property into the corporate limits of the City of Lehi, the Owners agree to the following:

1. This agreement shall be and is hereby expressly made binding upon all of the heirs, executors, assigns and any and all other successors in interest of the parties hereto.
2. Any improvements stated herein as required to be performed by the Owners prior to annexation shall be and are expressly understood and set forth herein as conditions precedent to annexation; and any

requirement which is to be performed after annexation shall be subject to specific performance by the Owner and/or developer, and shall be considered to be a condition subsequent to the annexation and is a requirement to the continued status of the property as having a right to the services, governmental and utility, of the City of Lehi.

3. It is agreed that the Owners and/or developers shall pay unto the City of Lehi at such times and places as required by the ordinance, rules and regulations existing at the time of this Agreement, or as subsequently changed by ordinance, rules and regulations, such sums as are required by the said ordinances, rules and regulations pertaining to development of subdivisions, connections fees, impact fees, and any and all other such fees as are so made and provided.

4. The Holbrook property will be zoned **Commercial and TH-5**.

5. There will be no water dedication required as a condition of recording the annexation plat for the parcels designated as TH-5. The water right dedication to Lehi City will be deferred until such time as the owners request city water service or development requires city water service. When water right transfers do occur, transfers must comply with Exhibit "B" (attached). Future development will require rezoning of these parcels.

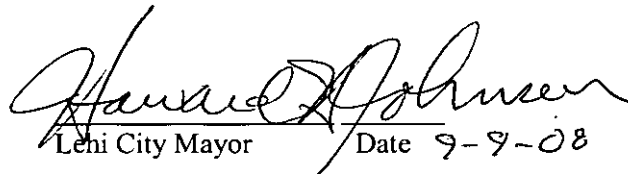
6. Water dedication will be required as a condition of recording the annexation plat for the parcels designated as Commercial. The water dedication requirement has been determined to be 166.46 Lehi Irrigation Company Shares (432.796 acre feet) or an equivalent amount of another water right as determined acceptable by the Lehi City Engineer. (The water right dedication is exclusive of the proposed 2100 North right-of-way and Redwood Road right-of-way as shown on the annexation plat.) Water transfers must comply with Exhibit "B" (attached). The water dedication requirement has been met by the following:

432.796 acre-feet of water provided by Lehi Metropolitan Water District to Lehi City in exchange for 85 Utah Lake Distribution shares provided to Lehi Metropolitan Water District by Holbrook Farms.

7. The extension of all city utility lines and services will be the responsibility of the Developer.

8. At the time of development Developer will be responsible for contacting Rocky Mountain Power and paying the cost of the relocation, removal or purchase of any existing Rocky Mountain Power lines and/or facilities affected by the development.

IN WITNESS WHEREOF, the said parties to this agreement have hereunto signed their names and day and year as written.


Lehi City Mayor Date 9-9-08

Attest:


Lehi City Recorder



Property Owner Date

Property Owner Date

Property Owner Date

Property Owner Date

Property Owner Date

Property Owner Date

Holbrook Farms LC
Property Owner Date
Stephen Holbrook
9-9-08

Property Owner Date

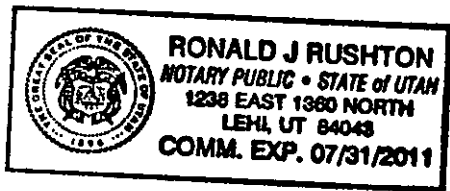
ACKNOWLEDGMENT

STATE OF UTAH
 S.S.
COUNTY OF UTAH

ON THE 9th DAY OF September A.D. 2008 PERSONALLY APPEARED BEFORE ME
Stephen Holbrook of Holbrook Farms LC, THE SIGNERS OF THE FOREGOING
DOCUMENT WHO DULY ACKNOWLEDGED TO ME THAT THEY DID EXECUTE THE SAME.

MY COMMISSION EXPIRES: 7/31/2011

Ronald J. Rushton
NOTARY PUBLIC (SEE SEAL)

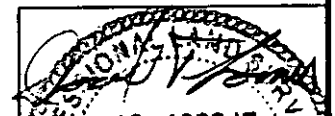


Beginning at the Northwest Corner of Section 2, Township 5 South, Range 1 West, Salt Lake Base and Meridian;

thence North 89°59'56" East, a distance of 488.68 feet; thence South 89°59'59" East, a distance of 2,162.47 feet; thence North 00°10'35" East, a distance of 1,340.31 feet; thence continue northerly along said line, a distance of 1,327.33 feet; thence South 89°48'57" West, a distance of 1,209.89 feet; thence continue westerly along said line, a distance of 109.00 feet; thence North 00°12'45" East, a distance of 1,328.21 feet; thence North 89°25'24" East, a distance of 1,258.28 feet; thence North 89°27'33" East, a distance of 56.09 feet; thence South 89°54'16" East, a distance of 936.34 feet; thence North 57°36'31" East, a distance of 267.79 feet; thence South 32°23'29" East, a distance of 218.39 feet; thence South 24°13'40" East, a distance of 109.66 feet; thence South 31°78'15" East, a distance of 86.61 feet; thence South 40°57'02" East, a distance of 480.62 feet; thence South 34°07'17" East, a distance of 221.05 feet; thence South 43°20'11" East, a distance of 170.48 feet; thence South 41°47'16" East, a distance of 277.62 feet; thence South 32°59'38" East, a distance of 159.77 feet; thence South 25°56'32" East, a distance of 123.44 feet; thence South 31°14'12" East, a distance of 323.96 feet; thence South 35°31'13" East, a distance of 382.11 feet; thence North 87°58'47" East, a distance of 567.35 feet; thence South 16°18'10" East, a distance of 484.48 feet; thence South 30°54'00" East, a distance of 153.83 feet; thence South 01°45'12" East, a distance of 196.09 feet; thence South 13°32'46" East, a distance of 397.05 feet; thence South 45°41'40" East, a distance of 466.72 feet; thence South 88°35'29" East, a distance of 122.04 feet; thence South 01°00'18" West, a distance of 114.02 feet; thence South 45°58'46" East, a distance of 165.49 feet; thence South, a distance of 329.00 feet; thence East, a distance of 53.00 feet; thence South 00°07'31" East, a distance of 457.00 feet; thence South 59°34'27" East, a distance of 219.18 feet; thence South 50°27'41" East, a distance of 274.90 feet; thence South 89°30'25" East, a distance of 581.02 feet; thence South 35°16'03" East, a distance of 715.28 feet; thence South 16°21'04" East, a distance of 252.20 feet; thence North 67°23'15" East, a distance of 590.38 feet; thence North 61°38'55" East, a distance of 229.53 feet; thence North 63°26'06" East, a distance of 2.24 feet; thence South, a distance of 1.00 feet; thence South 18°26'06" East, a distance of 9.49 feet; thence South 42°56'10" East, a distance of 157.08 feet; thence South 40°48'08" East, a distance of 154.56 feet; thence South 33°38'25" East, a distance of 319.51 feet; thence South 50°11'40" East, a distance of 140.58 feet; thence South 28°11'52" East, a distance of 188.35 feet; thence South 01°30'43" West, a distance of 341.12 feet; thence South 16°53'24" West, a distance of 316.66 feet; thence South 11°32'48" West, a distance of 189.84 feet; thence South 02°24'30" East, a distance of 214.19 feet; thence South 13°04'32" West, a distance of 159.13 feet; thence South 22°27'25" West, a distance of 243.46 feet; thence North, a distance of 3.00 feet; thence South 51°17'16" West, a distance of 342.18 feet; thence South 55°23'09" West, a distance of 223.57 feet; thence South 67°33'26" West, a distance of 199.08 feet; thence South 16°04'25" West, a distance of 61.40 feet; thence South 51°12'12" East, a distance of 65.44 feet; thence South 20°25'02" West, a distance of 338.25 feet; thence South 17°10'19" West, a distance of 243.87 feet; thence South 48°58'09" West, a distance of 173.66 feet; thence South 51°18'31" West, a distance of 283.14 feet; thence South 36°43'27" West, a distance of 314.40 feet; thence West, a distance of 22.00 feet; thence South 28°13'25" West, a distance of 200.88 feet; thence South 01°48'31" West, a distance of 95.05 feet; thence South 87°58'09" East, a distance of 141.09 feet; thence South 83°12'40" East, a distance of 42.30 feet; thence North 57°43'28" East, a distance of 22.47 feet; thence South 89°37'49" East, a distance of 155.00 feet; thence East, a distance of 24.00 feet; thence South 00°53'13" East, a distance of 323.04 feet; thence South 88°38'46" East, a distance of 677.19 feet; thence North 00°09'31" West, a distance of 361.00 feet; thence East, a distance of 495.00 feet; thence South, a distance of 4.00 feet; thence East, a distance of 338.00 feet; thence South 00°30'33" East, a distance of 675.03 feet; thence North 89°33'33" East, a distance of 130.00 feet; thence South 00°31'15" East, a distance of 660.03 feet; thence North 89°28'16" East, a distance of 325.01 feet; thence South, a distance of 23.00 feet; thence South 88°49'22" East, a distance of 292.06 feet; thence South 88°40'04" East, a distance of 86.02 feet; thence East, a distance of 1.00 feet; thence South 00°46'33" East, a distance of 517.05 feet; thence South 88°50'20" East, a distance of 296.06 feet; thence East, a distance of 8.00 feet; thence South 00°24'33" East, a distance of 140.00 feet; thence West, a distance of 11.00 feet; thence North 88°18'19" West, a distance of 338.15 feet; thence South, a distance of 251.00 feet; thence East, a distance of 211.00 feet; thence South, a distance of 29.00 feet; thence East, a distance of 130.00 feet; thence continue easterly along said line, a distance of 11.00 feet; thence South 00°25'17" East, a distance of 272.01 feet; thence West, a distance of 350.00 feet; thence South 00°53'43" East, a distance of 128.02 feet; thence South 75°57'50" West, a distance of 4.12 feet; thence West, a distance of 16.00 feet; thence North 89°38'39" West, a distance of 322.01 feet; thence North 00°40'12" West, a distance of 171.01 feet; thence North 89°23'26" West, a distance of 658.04 feet; thence South 00°35'15" West, a distance of 195.01 feet; thence North 89°16'23" West, a distance of 394.03 feet; thence North 89°42'26" West, a distance of 783.01 feet; thence North 48°42'17" West, a distance of 98.49 feet; thence West, a distance of 4,407.00 feet; thence South 00°12'47" West, a distance of 538.00 feet; thence North 68°18'15" West, a distance of 705.38 feet; thence North 39°10'02" East, a distance of 214.87 feet; thence North 62°13'59" West, a distance of 432.66 feet; thence North 56°15'34" East, a distance of 974.64 feet; thence North 00°13'15" West, a distance of 1,944.69 feet; thence South 89°54'47" West, a distance of 1,190.29 feet; thence South 89°55'02" West, a distance of 200.62 feet; thence North 00°00'02" East, a distance of 664.11 feet; thence East, a distance of 200.50 feet; thence North 00°00'34" West, a distance of 664.40 feet; thence South 89°52'04" West, a distance of 600.87 feet; thence continue westerly along said line, a distance of 1,032.98 feet; thence South 11°53'43" East, a distance of 2.49 feet; thence West, a distance of 440.54 feet; thence South 34°07'53" West, a distance of 0.27 feet; thence West, a distance of 578.88 feet; thence North 00°04'50" West, a distance of 1,324.90 feet; thence North 89°49'08" East, a distance of 728.10 feet; thence North 12°01'12" West, a distance of 593.88 feet; thence South 77°58'46" West, a distance of 10.00 feet; thence South 12°01'10" East, a distance of 499.86 feet; thence South 89°49'08" West, a distance of 699.53 feet; thence South 89°54'33" West, a distance of 199.11 feet; thence North 00°04'03" East, a distance of 871.03 feet; thence North 22°23'35" West, a distance of 404.24 feet; thence South 89°53'09" West, a distance of 3,982.28 feet; thence North, a distance of 21.77 feet; thence West, a distance of 943.55 feet; thence North, a distance of 1,319.62 feet; thence East, a distance of 5,278.36 feet to the POINT OF BEGINNING.

Containing 79,740,063 square feet or 1,830.58 acres, more or less.

[Handwritten Signature]



1800

35'

41.12'

BOUNDARY

66'

EXHIBIT "B"

LEHI CITY WATER RIGHTS TRANSFER PROCEDURES

The procedures in this exhibit pertain to all transfers of water rights to Lehi City such as transfers related to annexation, zone changes, etc.

1. General Requirements. The amount of the City's water rights dedication requirement is based on the zoning designation assigned at the time of annexation and as reflected in the Project Plan for each Master Developer's portion of the Property. Should the zone be changed subsequent to annexation, an adjustment will be made in order to conform to the water dedication schedule for the new zone. Acre-feet will be rounded up to the next whole number if the sum total in acre-feet of the dedicated shares of stock in the irrigation company and any water rights ("Stock/Water Rights") do not exactly match the required amount. Lehi Irrigation Company shares shall be used as the standard in determining the number of shares of water stock or number of acre-feet of water rights to be dedicated. Owner shall provide good and marketable title to the Stock/Water Rights so that such Stock/Water Rights will be transferred free and clear of all liens, encumbrances and security interests other than those normally associated with water rights and water shares of the type of such Stock/Water Rights. Owner shall pay all liens, encumbrances, debts, taxes, charges and assessments against said Stock/Water Rights existing as of the date that the Owner transfers Stock/Water Rights to Lehi City.

2. Fee In Lieu of Future Assessments. Shares of stock in mutual irrigation companies are subject to payment of an annual fee to cover assessments levied by the irrigation company board of directors pursuant to Utah Code Annotated § 16-4-4, et seq. In consideration for the City's additional obligation created herein for all future assessments levied by the irrigation company, and in consideration that the City may incur additional pumping costs to facilitate use of the water in the City's secondary system, Owner agrees to make a one time payment to Lehi City equal to the most recent annual assessments levied against the shares being transferred to the City multiplied by 15.

3. Irrigation Company Shares Directly Usable by City Without an Approved Change Application. If the shares of stock in an irrigation company can be used directly in the Lehi City water systems without an approved change application as reasonably determined by the Lehi City Engineer, the shares shall be transferred into the name of Lehi City through the applicable irrigation company and the certificates delivered to Lehi City. If the shares require pumping and an assessment, the fee in lieu described in Item #2 above shall be paid at the time the certificates are transferred to and accepted by the City.

4. Water Rights and Irrigation Company Shares Which Require Change Application Approval for Use in the City System. The Owner must prepare, submit, pay appropriate fees and receive final approval from the State Engineer's Office for a joint application with Lehi City to change the point of diversion and nature of use for said water rights to allow (1) municipal use

(2) diversion of the water rights from a source approved by the Lehi City Engineer, and (3) use within the municipal boundaries of Lehi City. The City shall cooperate in good faith in supporting any such application that is required and shall not unreasonably withhold its signature and approval for any such application. The decision on the change application shall be considered final when the time for filing a request for reconsideration with the Utah State Engineer's office (20 days after issuance of the Utah State Engineer's decision) and the time for filing a judicial review action in the district court (30 days after the later of the issuance of the Utah State Engineer's decision or a denial of a request for reconsideration) has run and no judicial review action has been filed. If the number of acre-feet required for the Water Dedication is not approved by the State Engineer, the Owner shall convey additional water rights in conformance with these procedures to make up the difference. When the change application is final Owner shall comply with Sections 4.1.1 or 4.1.2 as applicable:

4.1.1 Water Rights.

- a. Prepare a special warranty deed to transfer good and marketable title to Lehi City substantially in the form attached as Exhibit C.
- b. Present the deed, along with a preliminary water rights title report when required, for review and approval by Lehi City of the deed content and of compliance with the general requirements of Section 1 above. For water rights equal to or greater than 20 acre-feet, a preliminary title report shall be required from and paid by the Owner and submitted to Lehi City. For water rights less than 20 acre-feet, a preliminary title report may be required from and paid by the Owner as determined by Lehi City.
- c. Execute and record the approved deed at the Utah County Recorder's Office.
- d. Prepare all Reports of Conveyance necessary to update title to the Water Rights with the State Engineer's Office, and submit them to Lehi City for signing.
- e. File signed Reports of Conveyance with the State Engineer's Office and have ownership records transferred to the name of Lehi City.
- f. Deliver recorded deed to Lehi City.

4.1.2 Irrigation Company Shares. If the change application is based on shares of stock in an irrigation or other water company, Owner shall pay all outstanding items outlined in Section 1 above, transfer the shares into the name of Lehi City through the irrigation company, deliver the stock certificates to Lehi City and pay the in lieu fee if required under Section 2 above.

EXHIBIT C

WATER RIGHTS SPECIAL WARRANTY DEED

After recording return to:

**WATER RIGHTS
SPECIAL WARRANTY DEED**

_____ of _____, Utah,
("Grantor") hereby grants and conveys and warrants against all who claim by, through, or under
Grantor, to LEHI CITY, a municipal corporation of the State of Utah, ("Grantee") for the sum of
TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION the following
described water rights:

This conveyance is subject to the following matters:

[Insert the specific liens, encumbrances, security interests and other matters which are associated
with the water rights to be conveyed by the deed. As per the annexation agreement Exhibit E, the
Lehi City Engineer will then have the opportunity to review the content of the deed and may find
any of the inserted matters not acceptable.]

WITNESS the hand of said Grantor this _____ day of _____, 200__.

STATE OF UTAH)
 : ss.
COUNTY OF _____)

On _____, 200__, personally appeared before me, _____,
the signer of the foregoing instrument, who being by me duly sworn, acknowledged to me that
he/she executed the same.

NOTARY PUBLIC

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| |