

## ASSIGNMENT AND ASSUMPTION AGREEMENT AND AMENDMENT TO THE DEVELOPMENT AGREEMENT

This Assignment and Assumption Agreement (“Agreement”) is entered into as of the 11th day of January, 2013 (the “Effective Date”) between Wasatch County, a political subdivision of the State of Utah (the “County”) and Deer Vista, LLC, a Utah limited liability company (“Deer Vista”). The County and Deer Vista are referred to herein individually as a Party and collectively as the “Parties.”

### RECITALS

A. The County and DCP, LLC (“DCP”) are parties to that certain Deer Canyon Preserve Amended Development Agreement recorded October 7, 2005 as entry number 290119 in Book 793, Pages 271-333 (“Development Agreement”). The Development Agreement pertains to certain real property (the “DCP Property”) located in Wasatch County and more fully described in Exhibit A to the Development Agreement. The Development Agreement contemplates development of a subdivision known as Deer Canyon Preserve (the “Subdivision”) on the DCP Property. Under the Development Agreement, DCP was required to construct certain improvements (“Improvements”) within the Subdivision located on the DCP Property.

B. The property located in the Subdivision is subject to, among other matters: the Development Agreement; Amended and Restated Declaration of Covenants, Conditions and Restrictions for Canyon Trails (formerly known as Deer Canyon Preserve) (the “CC&Rs”) recorded April 20, 2007 as Entry No. 319020 in Book 0938, Pages 211-325 in the records of the Wasatch County Recorder; the plat titled Deer Canyon Preserve Phase 1 (“Phase 1”), recorded February 24, 2005 as Entry No. 280208 in Book 0737, Pages 767-806 in the records of the Wasatch County Recorder; the plat titled Deer Canyon Preserve Phase 2 Subdivision Plat (“Phase 2”), recorded October 7, 2005 as Entry No. 290117 in Book 793, Pages 221-240 in the records of the Wasatch County Recorder; and the plat titled Deer Canyon Preserve Phase 3 Subdivision Plat (“Phase 3”), recorded October 7, 2005 as Entry No. 290118 in Book 793, Pages 241-270 in the records of the Wasatch County Recorder (collectively, the “Plats”).

C. In connection with the Development Agreement, DCP provided to the County the following Subdivision Bonds with DCP as Principal and Insurance Company Of The West (“ICW”) as Surety: Subdivision Bond No. 213 51 34 in the amount of \$2,000,000, dated January 24, 2005 and concerning Deer Canyon Preserve Phase 1; Subdivision Bond No. 217 10 66 in the amount of \$777,448.76, dated October 5, 2005, and concerning Deer Canyon Preserve Phase 2; Subdivision Bond No. 217 10 65 in the amount of \$2,866,565.85, dated October 5, 2005, and concerning Deer Canyon Preserve Phase 3 (each a “Bond” and, collectively, the “Bonds”). Bond No. 217 10 65 was modified by an Amount of Coverage Rider (the “Rider”) dated July 27, 2006, increasing the amount of the Bond to \$3,199,065.85.

D. Although a portion of the Improvements have been constructed, others have not been constructed, and DCP is in default under the terms of the Development Agreement.

E. Deer Vista has a legal interest in certain real property located in Wasatch County (the “Property”) and more fully described in Exhibit A hereto. The Property is a portion of the

DCP Property and includes 84 of the 103 platted lots within the Subdivision and certain common areas located within the Subdivision.

F. The County, acting pursuant to its authority under Utah Code Ann. §§ 17-27-101 et seq., and Utah Code Ann. §§ 17-53-223 & 302(13), as amended, and in furtherance of its land use policies, goals, objectives, ordinances, and regulations, desires to have the Subdivision Improvements constructed on the Property and, in the exercise of its discretion, has elected to approve and enter into this Agreement to obtain performance of the obligations to construct the Improvements contemplated by the Development Agreement.

G. Subject to the terms of this Agreement, Deer Vista is willing to construct the Subdivision Improvements on the Property and, in order to facilitate construction of the Improvements and further development of the Property and the Subdivision, to assume the obligations of the Developer contained in the Development Agreement and to continue development of the Subdivision.

NOW, THEREFORE, in consideration of the Recitals, covenants, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

### **COVENANTS AND AGREEMENTS**

1. **Assumption of Obligations Contained in the Development Agreement.**

Subject to the terms of this Agreement, Deer Vista hereby assumes the obligations of the Developer contained in the Development Agreement that have not already been performed. Deer Vista's assumption of obligations under the Development Agreement does not discharge or satisfy DCP's obligations under the Development Agreement. Instead, Deer Vista's obligations to construct the Improvements are in addition to DCP's obligation to perform under the Development Agreement, which obligation is ongoing for all purposes.

2. **Defaults of DCP.**

The Parties acknowledge that DCP is in default under the Development Agreement and Bonds and that DCP's performance is out of compliance with the Development Agreement as follows:

a. Development Agreement Section 6.1(a) **Defaults**: The Parties acknowledge that DCP is in default under the Development Agreement and the Bonds. **Exhibit B** to this Agreement contains a list of incomplete and defective Subdivision Improvements making up DCP's defaults under the Development Agreement and the Bonds. The County agrees that DCP's defaults existing as of the Effective Date of this Agreement will not be imputed to Deer Vista.

b. Development Agreement Section 6.2 (b) **Determination of Non-Compliance**: The Parties acknowledge that DCP's performance is out of compliance with respect to its obligations under the Development Agreement. Except for those items identified in **Exhibit B** to this Agreement, the County acknowledges it is not aware of any other items out of

Compliance with respect to DCP's obligations under the Development Agreement. The County agrees that DCP's non-compliance with the Development Agreement existing as of the Effective Date of this Agreement will not be imputed to Deer Vista.

3. Defaults of DCP Not Imputed to Deer Vista.

The defaults and breaches of DCP under the Development Agreement and the Bonds are not and shall not be imputed to Deer Vista. Instead, all defaults of DCP or the Developer under the Development Agreement and the Bonds existing as of the date of this Agreement are solely the ongoing defaults of DCP, and this Agreement constitutes the County's action, taken in the County's discretion, to mitigate its damages arising out of DCP's defaults and to obtain the performance that the County is entitled to receive from DCP under the Development Agreement and the Bonds.

4. Assignment of County's Claims Against the Bonds and ICW.

In furtherance of the County's desire to have the Improvements constructed, the County hereby assigns to Deer Vista all of the County's claims against the Bonds and ICW that arise out of or are related to the Property, the Bonds, the Subdivision, the Development Agreement, DCP's obligations under the Development Agreement, and DCP's defaults and breaches under the Development Agreement. The County will cooperate reasonably and in good faith with Deer Vista in any action arising out of the enforcement of the Bonds, which Deer Vista will pursue promptly. Funds obtained from ICW through judgment or settlement will be applied to construction of Improvements, reimbursement of costs incurred by Deer Vista constructing Improvements, and the costs of pursuing the Bond claims against ICW.

5. Status and Modification of Obligations Under the Development Agreement.

Deer Vista's obligations assumed in the Development Agreement are hereby modified, amended, and clarified as follows:

a. Development Agreement Section 1.2 Term: The term of the Development Agreement for purposes of the Parties' performance is extended to continue for a period of 25 years from the Effective Date of this Agreement.

b. Development Agreement Section 3.1(b)(4) Affordable Housing: The County acknowledges that the obligations of the Developer with respect to the County Affordable Housing Ordinance are fully satisfied with no further obligations.

c. Development Agreement Section 3.1(b)(5) Special Service District Fees and Charges: The Parties acknowledge that the Development Agreement contemplates the Subdivision will be served by certain special service districts in the County, including Jordanelle Special Service District, Wasatch County Solid Waste Special Service District, and Wasatch County Fire Protection Special Service District (collectively, the "SSDs"), and that the Developer under the Development Agreement is responsible to pay all fees imposed by the SSDs in connection with development of the Subdivision. The County acknowledges that, as of January 27, 2012, all SSD fees, interest, and penalties were paid in full by Deer Vista, including all fees due for the Fire Protection District, Water Rights, Sewer Bonds, Water System Bonds,

and the Ross Creek Bond, and all assessments and obligations of DCP contained in the February 25, 2003 letter agreement between the Jordanelle Special Service District and DCP, attached as Exhibit D to the Development Agreement, have been satisfied through January 27, 2012. Deer Vista acknowledges it is responsible to pay future annual assessments and such future fees as may be assessed against the Property by the SSDs as a result of change to the existing Plats requested by Deer Vista.

d. Development Agreement Section 3.1(b)(13) One Private Road Subject to Vacation by Highway Authority: The Parties agree that the 1,500 feet of Deer Canyon Road extending from the entry of the Subdivision on State Highway 248 and continuing into the Subdivision has not been vacated. The County will consider in good faith any petition by Deer Vista for the County to vacate the roadway referenced in Section 3.1(b)(13) as part of the required public hearing process.

e. Regarding Improvements located in Phase 1 of the Subdivision, Deer Vista agrees to complete those certain incomplete Improvements identified in Exhibit C.1 on or before December 31, 2013. Pursuant to Development Agreement Section 3.1(b)(19), Deer Vista will provide a cash bond, escrow account, letter of credit, or similar security in the amount of \$13,090 (the "Phase 1 Security"), which equals 110% of the estimated cost of completing the Improvements identified in Exhibit C.1. The County shall release the Phase 1 Security upon completion of the Improvements identified in Exhibit C.1.

f. Regarding Improvements located in Phase 2 of the Subdivision, Deer Vista agrees to complete those certain incomplete Improvements identified in Exhibit C.2 on or before December 31, 2014. Pursuant to Development Agreement Section 3.1(b)(19), Deer Vista will provide a cash bond, escrow account, letter of credit, or similar security in the amount of \$9,240 (the "Phase 2 Security"), which equals 110% of the estimated cost of completing the Improvements identified in Exhibit C.2. The County shall release the Phase 2 Security upon completion of the Improvements identified in Exhibit C.2.

g. Regarding Improvements located in Phase 3 of the Subdivision, Deer Vista agrees to complete those certain incomplete Improvements identified in Exhibit C.3.a, Exhibit C.3.b, and Exhibit C.3.c (collectively, Exhibit C.3) within a reasonable period of time after they become commercially practicable, but in no case later than the expiration of the term of this Agreement. The obligation pursuant to Development Agreement Section 3.1(b)(19) to provide security for performance of Deer Vista's obligations assumed herein with respect to Phase 3 of the Subdivision shall be deemed satisfied by Deer Vista granting to the County, and Deer Vista hereby grants to the County, a security interest in the following lots located in Phase 3 of the Subdivision:

With respect to the Improvements identified in Exhibit C.3.a, Lots Nos. 58-62 (5 Lots);

With respect to the Improvements identified in Exhibit C.3.b: Lots Nos. 50-57 (8 Lots); and

With respect to the Improvements identified in Exhibit C.3.c, Lots Nos. 69-89 (21 Lots), 91-94 (4 Lots), and 102 (1 Lot)

(total 39 Lots) (collectively the "Security Property Lots"). The interest of the County in the Security Property Lots granted hereby shall constitute a lien upon the Security Property Lots that may be foreclosed by the County upon default of Deer Vista in completing the Improvements identified in Exhibit C.3.a, Exhibit C.3.b, and Exhibit C.3.c, as the case may be. The County may retain its security interest in the number of Security Property Lots sufficient to secure completion of the Improvements identified in Exhibit C, including the landscape and trail improvements identified in Exhibit C.3.c, all as approved by the County. At such time as the value of the Security Property Lots (valued consistently with the County Assessor's valuation of the Security Property Lots) exceeds the cost to complete any remaining incomplete Improvements identified in Exhibit C, the County shall release its security interest in a sufficient number of Security Property Lots so that the County holds a security interest in the smallest number of Security Property Lots necessary to secure completion. Deer Vista and the County shall cooperate reasonably in selecting the Security Property Lots to be released.

The Parties acknowledge that Phase 3 may be split into three sub-phases by agreement between Deer Vista and the County, in which case the County's security interest in each parcel of the Security Property shall be released upon completion of the Improvements identified in Exhibit C.3 that are located within the same sub-phase of Phase 3 that such parcel of Security Property is located.

Prior to completion of the Improvements identified in Exhibit C.3, Deer Vista may obtain release of the County's security interest in the Security Property Lots by providing a subdivision bond, letter of credit, or substantially similar form of security reasonably acceptable to the County in an amount equal to the value of the Security Property Lots (valued consistently with the County Assessor's valuation of the Security Property Lots) in which the County then holds a security interest. Partial release of such substitute security shall be governed by the foregoing principles applicable to partial release of the Security Property Lots.

In determining whether construction of all or a portion of the Improvements located in Phase 3 of the Subdivision is commercially practicable, consideration shall be given to the availability of funds obtained in pursuit of claims under the Bonds against ICW, whether such funds are received as a result of judgment entered against ICW or settlement reached with ICW.

h. The parties acknowledge that Deer Vista is not required to construct or install, or to cause to be constructed or installed, electrical power, natural gas, telecommunications, or cable television service (collectively, "Small Utilities Service") to the lots contained in the Subdivision, provided, however, that Deer Vista may not sell or otherwise convey any lot to any individual end user buyer or buyers who purchase(s) a lot with the intent to build his, her, or their own private residence until Small Utilities Service is provided to such lot. The foregoing restriction on conveyance of lots will not apply to lots that have Small Utilities Service or that are sold in bulk to a builder or developer or sold to a builder that will not be the user of the residence and who agrees in writing to accept responsibility for obtaining, at its own expense, Small Utilities Service to each lot before it is sold or otherwise conveyed to an end user. The foregoing restriction on alienation of lots contained in the Subdivision shall constitute a covenant running with each lot located in the Subdivision until Small Utilities Service is provided to such lot located in the Subdivision. Installation of Small Utilities Service in Phases 1

and 2 of the Subdivision shall be accomplished with no cuts made into curbs, asphalt, or sidewalks.

6. Indemnification of County by Deer Vista.

Deer Vista hereby agrees to indemnify and defend the County and hold the County harmless of and from claims brought by ICW or any owner of any parcel of the DCP Property or any interested party brought with respect to: the County's assignment to Deer Vista of the County's claims against ICW and/or the Bonds; Deer Vista's construction of the Improvements under the Development Agreement; or any modification to the requirements contained in the Development Agreement made by this Agreement or further modification of the Development Agreement or the terms or obligations contained in the Development Agreement requested by Deer Vista (the "Indemnified Claims"). The County will cooperate reasonably and in good faith with Deer Vista in Deer Vista's defense against any Indemnified Claim brought by any party.

7. Acknowledgement of Rights.

Subject to the terms of this Agreement and the terms of the Development Agreement, the County hereby recognizes that certain development rights and entitlements are granted to the Property by the Development Agreement. The County hereby ratifies the rights and entitlements created by the Development Agreement, and such rights and entitlements are not hindered but remain in full force and effect.

8. Good Faith.

a. Each Party shall use its best efforts and take and employ all necessary actions in good faith consistent with this Agreement and applicable law to ensure that the rights secured by the other Party through this Agreement can be enjoyed.

b. Under the CC&Rs, Deer Vista, as the owner of greater than 67% of the lots in the Subdivision, may (subject to the provisions of the CC&Rs and the Wasatch County Code) amend the CC&Rs and the Plats applicable to the Subdivision. The Parties acknowledge that representatives of Deer Vista have at various times communicated proposed revisions to certain aspects of the design and layout of the Subdivision and Plats to members of the County planning staff. Those communications are summarized in the correspondence attached as Exhibit D to this Agreement. The County agrees it will consider such proposed revisions in good faith, subject to applicable law. Deer Vista understands and agrees that the applicable Plats may only be amended through applicable County approval procedures.

9. Notice.

Any notice or communication required hereunder between the County and Deer Vista must be in writing, and may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, such notice or communication 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 shall be deemed

to have been given when delivered to the Party to whom it is addressed. Any Party may at any time, by giving ten (10) days written notice to the other Party, designate any other address to which notices or communications shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to the County:

Michael Davis  
Wasatch County Manager  
Wasatch County Administration Building  
25 N. Main Street  
Heber City, UT 84032

With Copies to:

Scott Sweat  
Wasatch County Attorney  
805 West 100 South  
Heber City, UT 84032

and

Doug Smith  
Planning Director  
55 South 500 East  
Heber City, UT 84032

If to Deer Vista:

Charles Freedman  
Manager  
Deer Vista, LLC  
11859 Wilshire Blvd., Suite 600  
Los Angeles, CA 90025

With Copies to:

Daniel E. Barnett  
Parr Brown Gee & Loveless  
185 S. State Street, Suite 800  
Salt Lake City, UT 84111.

10. Severability.

If any term or provision of this Agreement, or the application of any term or provision of this Agreement to a particular situation, is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining terms and provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the Parties.

11. Other Necessary Acts.

Each Party shall execute and deliver to the other such further instruments and documents as may be reasonably necessary to carry out the objectives and intent of this Agreement.

12. Choice of Law.

This Agreement shall be construed and enforced in accordance with the substantive laws of the State of Utah.


13. Counterparts.

This Agreement may be executed in counterparts, each of which shall be considered an original and together which shall be considered a single agreement.



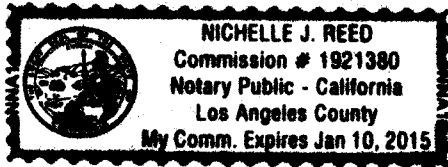
IN WITNESS WHEREOF, this Agreement has been entered into by and between Deer Vista and the County as of the date and year first above written.

DEER VISTA, LLC

  
Paul Jennings, Manager

STATE OF CALIFORNIA )  
  ) SS.  
COUNTY OF Los Angeles )

The foregoing instrument was acknowledged before me this 9<sup>th</sup> day of January, 2013, by Paul Jennings, who executed the foregoing instrument in his capacity as the manager of Deer Vista, LLC, a Utah limited liability company.




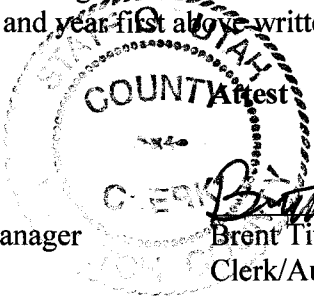
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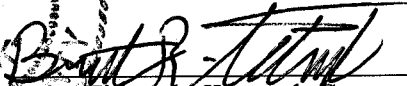
  
Nichelle J. Reed  
Notary Public

IN WITNESS WHEREOF, this Agreement has been entered into by and between Deer Vista and the County as of the date and year first above written.

WASATCH COUNTY

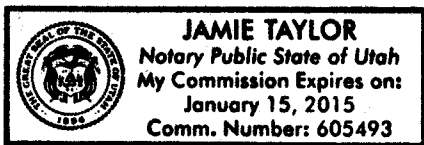
  
Michael Davis, Wasatch County Manager



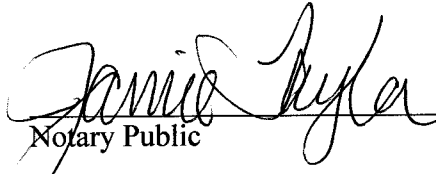
  
Brent Titcomb, Wasatch County  
Clerk/Auditor

STATE OF UTAH )  
  ) SS.  
COUNTY OF WASATCH )

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of January, 2013, by Michael Davis, who executed the foregoing instrument in his capacity as the Wasatch County Manager and by Brent Titcomb, who executed the foregoing instrument in his capacity as the Wasatch County Clerk and Auditor.



[SEAL]

  
Jamie Taylor  
Notary Public

- Exhibit A: Legals Deer Vista Property
- Exhibit B: Defaults of DCP, LLC
- Exhibit C.1: Phase 1 Work and Security Amounts
- Exhibit C.2: Phase 2 Work and Security Amounts
- Exhibit C.3: Phase 3 Work and Security Amounts
- Exhibit D: Communications re Subdivision Amendments

## EXHIBIT A

(Legal Description of the "Property")

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

That certain real property located in Wasatch County, Utah, more particularly described as follows:

Parcel 1 (Fee Simple)

Lots 17, 18, 19 and 21 through 33, inclusive, of Deer Canyon Preserve Subdivision, Phase 2 (the "Phase 2 Lots"), as filed for record on October 7, 2005 as Entry No. 290117 in Book 793 at Page 221, together with an undivided fractional interest as to each such lot, in all common areas and open space as shown on the official plat thereof filed for record on October 7, 2005 as Entry No. 290117 in Book 793 at Pages 211 through 240 in the Wasatch County Recorder's Office.

Together with an undivided fractional interest as to each such lot in the (i) Detention Basin Open Space Parcel and Open Space Parcel, as depicted in Deer Canyon Preserve, Phase 1, according to the official plat thereof recorded February 24, 2005 as Entry No. 280208, in Book 737 at Page 767; (ii) Open Space Parcels A and B, as depicted in Deer Canyon Preserve, Phase 2, according to the official plat thereof recorded October 7, 2005 as Entry No. 290117, in Book 793 at Page 221; (iii) Open Space Parcels C, D, E, G, and Tank Site Parcel F as depicted in Deer Canyon Preserve, Phase 3, according to the official plat thereof recorded October 7, 2005 as Entry No. 290118, in Book 793 at Page 241, Wasatch County Recorder's Office; and (iv) all roadways (the "Phase 2 Roadway"), common areas and open space as shown on the official plat thereof filed for record on October 7, 2005 as Entry No. 290117 in Book 793 at Pages 211 through 240 in the Wasatch County Recorder's Office.

Wasatch County Tax Parcel Numbers: Tax Identification Numbers: ODP-2017-0-006-025; ODP-2018-0-006-025; ODP-2019-0-006-025; ODO-2021-0-006-025 through ODP-2033-0-006-025; ODP-1DTN-0-006-025; ODP-1OPN-0-006-025; ODP-200A-0-006-025; ODP-200B-0-006-025; ODP-300C-0-006-025; ODP-300D-0-006-025; ODP-300E-0-006-025; ODP-300F-0-006-025; ODP-300G-0-006-025.

Parcel 2 (Fee Simple)

Lots 34 through 38, Lot 40 and Lots 42 through 103, inclusive, Deer Canyon Preserve Subdivision, Phase 3 (the "Phase 3 Lots"), as filed for record on October 7, 2005 as Entry No. 290118 in Book 793 at Page 241, together with an undivided fractional interest as to each such lot, in all common areas and open space as shown on the official plat thereof filed for record on October 7, 2005 as Entry No. 290118 in Book 793 at Pages 241 through 270 in the Wasatch County Recorder's Office.

Together with an undivided fractional interest as to each such lot in the (i) Detention Basin Open Space Parcel and Open Space Parcel, as depicted in Deer Canyon Preserve, Phase 1, according to the official plat thereof recorded February 24, 2005 as Entry No. 280208, in Book 737 at Page 767; (ii) Open Space Parcels A and B, as depicted in Deer Canyon Preserve, Phase 2, according

to the official plat thereof recorded October 7, 2005 as Entry No. 290117, in Book 793 at Page 221; (iii) Open Space Parcels C, D, E, G, and Tank Site Parcel F, as depicted in Deer Canyon Preserve, Phase 3, according to the official plat thereof recorded October 7, 2005 as Entry No. 290118, in Book 793 at Page 241, Wasatch County Recorder's Office; and (iv) all roadways (the "Phase 3 Roadway"), common areas and open space as shown on the official plat thereof filed for record on October 7, 2005 as Entry No. 290118 in Book 793 at Pages 241 through 270 in the Wasatch County Recorder's Office.

Wasatch County Tax Parcel Numbers: ODP-3034-0-006-025 through ODP-3038-0-006-025; ODP-3040-0-006-025; ODP-3042-0-006-025 through ODP-3103-0-006-025; ODP-1DTN-0-006-025; ODP-1OPN-0-006-025; ODP-200A-0-006-025; ODP-200B-0-006-025; ODP-300C-0-006-025; ODP-300D-0-006-025; ODP-300E-0-006-025; ODP-300F-0-006-025; ODP-300G-0-006-025.

Parcel 3 (Easement):

As to each of the Phase 2 and Phase 3 Lots an undivided fractional interest in and to certain non-exclusive easements as provided for in (i) that certain Easement Agreement dated as of April 3, 2003, filed for record on February 24, 2005 as Entry No. 280210 in Book 0738 at Pages 0004 through 0008 in the Wasatch County Recorder's Office, including across the roadways described therein (the "Easement Roadway"); (ii) the official plat filed for record on February 24, 2005 as Entry No. 280208, in Book 737 at Pages 767 through 806 in the Wasatch County Recorder's Office, including across the roadways shown thereon (the "Phase 1 Roadway"); and (iii) that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions for Canyon Trails filed for record on October 7, 2005 as Entry No. 312574 in Book 0917 at Pages 0542 through 0608 in the Wasatch County Recorder's Office, including the rights of use of the Phase 1 Roadway, the Phase 2 Roadway, the Phase 3 Roadway, and the Easement Roadway.

**EXHIBIT B**

(DCP, LLC's Defaults under the Development Agreement)

## Phase I DEFAULTS

Description	Quantity	Units
4'wide sidewalk	975	LF
C350 Erosion Mat	3,500	SY
C125 Erosion Mat	1,200	SY
Buy Topsoil Offsite	800	CY
Respread Topsoil	800	CY
Survey Monuments	44	EA
Street lights	7	EA
Street Signs	7	EA
Survey	1	LS
Misc Trails w/ Gravel	1	LS
Landscape	1	LS
Reseed/Revegetation	2	AC
Clean up Landscape Mat in various locations	1	LS
Inspection	1	LS
Erosion Control	1	LS
Sweep & Clean up Streets	1	LS
Clean-up Piles of Dirt & Junk	1	LS
Sewer/Water Testing & Disinfect	1	LS
Clean Storm drain W/Flush Truck	1	LS
Asphalt Repair	1	LS
Epoxy Repair Curb & Gutter	1	LS
Replace Sidewalk Segments Lots 3-4, 14-15	1	LS
Weed Control	1	LS
Slurry Seal	1	LS
Fix Existing Street Lights	7	EA
Rubberized Crack Fill	1	LS
Clean-up R/W & Slopes	1	LS
As-Built Drawings	1	LS
Water Tank- Disinfect/Finish		
Grading/Seal Cracks/Mechanical		
Telemetry	1	LS
Booster Pump Station-Pumps/ Mechanical/Electrical/Generator/ Building/Phase III Power & Telemetry	1	LS

## Phase II DEFAULTS

Description	Quantity	Units
4" Wide Sidewalk	2,297	LF
Pond Grading	1	LS
C350 Erosion Mat	11,586	SY
C125 Erosion Mat	8,689	SY
Buy Topsoil Offsite	3,380	CY
Respread Topsoil	3,380	CY
Survey Monuments	9	EA
Street Lights	3	EA
Street Signs	2	EA
Survey	1	LS
Misc Trails w/Gravel	1	LS
Landscape	1	LS
Reseed/Revegetation	2	AC
Inspection	1	LS
Erosion Control	1	LS
Sweep And Clean Up Street	1	LS
Clean-up Piles of Dirt & Junk	1	LS
Sewer/Water Testing & Disinfect	1	LS
Clean Storm drain w/Flush Truck	1	LS
Asphalt Repair	1	LS
Epoxy Repair Curb & Gutter	1	LS
Weed Control	1	LS
Rubberized Crack Fill	1	LS
Clean-up R/W	1	LS
As Built Drawings	1	LS



## Phase III DEFAULTS

Description	Quantity	Units
Fine Grade Existing Gravel	55,000	SF
10" Road Base	93,000	SF
4" Asphalt	133,000	SF
Curb & Gutter	5,800	LF
4' Wide Sidewalk w/Gravel	10,300	LF
Handicap Ramps	12	EA
Adjust CB/Combo/Clean-out	10	EA
C350 Erosion Mat	17,674	SY
C125 Erosion Mat	13,359	SY
Topsoil All Boulevards and Slopes	1	LS
Topsoil Miscellaneous Areas	1	LS
Buy Topsoil Offsite	5,400	CY
Respread Topsoil	5,400	CY
Adjust MH's	12	EA
Adjust GV's	15	EA
Adjust Fire Hydrants	10	EA
PRV's Clean out/adjust/set Mech	1	LS
Survey Monuments	40	EA
Street Lights	25	EA
Street Signs	10	EA
Survey	1	LS
Misc Trails w/Gravel	1	LS
Inspection	1	LS
Erosion Control	1	LS
Sweep & Clean-up Streets	1	LS
Clean-up Piles of Dirt & Junk	1	LS
Sewer/Water Testing & Disinfect	1	LS
Clean-up R/W & Slopes	1	LS
Clean-up Storm drain w/Flush Truck	1	LS
Asphalt Patching	1	LS
Curb & Gutter Replacement	1	LS
Epoxy Repair Curb & Gutter	1	LS
Weed Control	1	LS
Rubberized Crack Fill	1	LS
Sub-grade Prep Upper Road +/- .5'	1	LS
Temp Pump & Generator Rain for Rent	1	LS
Adjust Manholes's in Existing Asphalt	2	EA
Reseed/Revegetation	18	AC
Survey Staking For Curb & Gutter	1	LS
As-built Drawings	1	LS
Landscaping	[1]	1 LS

[1] In accordance with Amount of Coverage Rider dated July 27, 2006 regarding landscaping, rock walls, etc.

**EXHIBIT C.1**

**(Phase 1 Subdivision Improvements)**

**Exhibit C.1****Phase 1 Improvements**

<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Cost</b>
Street Signs	5	ea	\$ 400.00	\$ 2,000.00
Back Country Trails	2,500	lf	\$ 3.00	\$ 7,500.00
Existing Sidewalk Repair	60	lf	\$ 20.00	\$ 1,200.00
Curb & Gutter Repair	40	lf	\$ 20.00	\$ 800.00
Asphalt Patching	50	sf	\$ 8.00	\$ 400.00

**Total Cost Phase 1****\$ 11,900.00****Security Amount****\$ 13,090.00**

## EXHIBIT C.2

(Phase 2 Subdivision Improvements)

**Exhibit C.2****Phase 2 Improvements**

<b>Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Cost</b>
Street Signs	5	ea	\$ 400.00	\$ 2,000.00
Back Country Trail	2,500	lf	\$ 3.00	\$ 7,500.00
Curb & Gutter Repair	40	lf	\$ 20.00	\$ 800.00
Asphalt Patching	50	sf	\$ 8.00	\$ 400.00
<b>Total Cost Phase II</b>				<b><u>\$ 10,700.00</u></b>
<b>Security Amount</b>				<b><u><u>\$ 11,770.00</u></u></b>

**EXHIBIT C.3.a**

(Phase 3a Subdivision Improvements)

## Exhibit C.3.a

## Phase 3a Improvements

Description	Quantity	Unit	Unit Cost	Cost
Excelsior Erosion Mat	8,837	SY	\$ 3	\$ 22,093
Excelsior Erosion Mat	6,680	SY	\$ 2	\$ 12,358
Buy Topsoil Offsite	2,300	CY	\$ 10	\$ 23,000
Respread Topsoil	2,300	CY	\$ 4	\$ 9,200
Street Lights	8	EA	\$ 4,500	\$ 36,000
Street Signs	6	EA	\$ 400	\$ 2,400
Revegetation	8	AC	\$ 1,500	\$ 12,000
<b>Total Phase 3a</b>				<b>\$ 117,051</b>
<b>Security Amount</b>				<b>\$ 128,756</b>

**EXHIBIT C.3.b**

(Phase 3b Subdivision Improvements)



## Exhibit C.3.b

## Phase 3b Improvements

Description	Quantity	Unit	Unit Cost	Cost
Fine Grade Existing Gravel	55000	SF	\$ 0	\$ 7,700
4" Asphalt	58,000	SF	\$ 2	\$ 116,000
Excelsior Erosion Mat	-	SY	\$ 3	\$ -
Excelsior Erosion Mat	-	SY	\$ 2	\$ -
Buy Topsoil Offsite	800	CY	\$ 10	\$ 8,000
Respread Topsoil	800	CY	\$ 4	\$ 3,200
Adjust MH's	6	EA	\$ 500	\$ 3,000
Adjust GV's	9	EA	\$ 300	\$ 2,700
Street Lights	7	EA	\$ 4,500	\$ 31,500
Street Signs	2	EA	\$ 400	\$ 800
Revegetation	2	AC	\$ 1,500	\$ 3,000
<b>Total Phase 3b</b>				<b>\$ 175,900</b>
<b>Security Amount</b>				<b>\$ 193,490</b>

**EXHIBIT C.3.c**

(Phase 3c Subdivision and Landscape Improvements)

## Exhibit C.3.c

## Phase 3c Improvements

Description	Quantity	Unit	Unit Cost	Cost
10" Road Base	93,000	SF	\$ 1	\$ 106,950
4" Asphalt	75,000	SF	\$ 2	\$ 150,000
Curb & Gutter	5,800	LF	\$ 19	\$ 110,200
Adjust CB/Combo/Clean-out	10	EA	\$ 500	\$ 5,000
Excelsior Erosion Mat	8,837	SY	\$ 3	\$ 22,093
Excelsior Erosion Mat	6,680	SY	\$ 2	\$ 12,358
Buy Topsoil Offsite	2,300	CY	\$ 10	\$ 23,000
Respread Topsoil	2,300	CY	\$ 4	\$ 9,200
Adjust MH's	6	EA	\$ 500	\$ 3,000
Adjust GV's	6	EA	\$ 300	\$ 1,800
Street Lights	6	EA	\$ 4,500	\$ 27,000
Street Signs	2	EA	\$ 400	\$ 800
Survey	1	LS	\$ 12,000	\$ 12,000
Misc Trails with out gravel	6,600	LF	\$ 3	\$ 19,800
Erosion Control	1	LS	\$ 5,000	\$ 5,000
Revegetation	8	AC	\$ 1,500	\$ 12,000

**Total Phase 3c** **\$ 520,201**

**Security Amount** **\$ 572,221**

## Phase 3 Landscape Improvements

Description	Quantity	Unit	Unit Cost	Cost
Boulder Rock Walls from on site	12,000	SF	\$ 8	\$ 96,000
Blue Spruce Evergreens 8'-10'-12'-14'-16'	250	EA	\$ 350	\$ 87,500
Quaking Aspen 2"-3" Singles & Clumps	150	EA	\$ 310	\$ 46,500
Mountain Maple 6'-8'	50	EA	\$ 402	\$ 20,100
Gambell Oak 2" - 3"	50	EA	\$ 450	\$ 22,500
Drip System Emitters	1,500	EA	\$ 18	\$ 27,000
Controllers	4	EA	\$ 2,000	\$ 8,000
Wood Bark	300	CY	\$ 45	\$ 13,500

**Total Phase 3 Landscape** **\$ 321,100**

**Security Amount** **\$ 353,210**

## EXHIBIT D

(Summary of Communications re Subdivision Amendments)

1. Section 3.1(b) (9) Irrigable Acreage – We propose the Development Agreement be amended to acknowledge that the necessary report has been provided and is acceptable.
2. Section 3.1(b) (3) Payment of Impact Fees – We would like to understand whether these impact fees affect us as the new developer and, if so, how?
3. Section 3.1(b) (8) Phasing – We will be proposing a new phasing scheme.
4. Section 3.1(b) (10) Building Envelope and Accessibility - We will be proposing new building envelopes that require review.
5. Section 3.1(b) (14) Maintenance of Open Space and Trails and Detention Basin - We will be proposing an alternative Trail Plan for Exhibit F.
6. Section 3.1(b) (15) Off-site trails – We propose this section be deleted.
7. Section 3.1(b) (16) Architectural Renderings and Landscape Plan - We are not requesting a change to the language in this section. However, we will be reviewing Exhibits G and H, and may propose modifications to those documents.
8. Section 3.2(c) Acceptance of Project Improvement – We propose amending the Development Agreement to include an Exhibit reflecting a punch list which, once completed to the County's satisfaction, will trigger automatic acceptance of existing improvements.
9. We propose adding a Section 3.2(d) in which the County acknowledges and approves the following previously discussed and verbally accepted items: modifications to lot lines; elimination of sidewalk along both sides of roadway; new landscape matting material; elimination of road base on trails; waiver of inspection fees; elimination of survey monuments.
10. Exhibit A Legal Description of Property – We propose amending to include the legal descriptions for phases II and III.
11. Exhibit F Trail Plan – We propose removing the memorandum to Al Mickelson dated August 10, 2005 as there will be no off site trails.