

THIRD AMENDED DEVELOPMENT AGREEMENT

Between

Midway City

And

Watts Dutch Fields L.L.C.

Ent 307659 Bk 890 Pg 792-796
Date: 15-SEP-2006 11:46AM
Fee: None Filed By: NC
ELIZABETH PALMIER, Recorder
WASATCH COUNTY CORPORATION
City: MIDWAY CITY

Effective Date – July 18, 2006

PREFACE

The following amended agreement (“Third Amended Agreement”) is made to amend a development agreement effective July 22nd, 2002 (executed July 29th, 2002), and recorded October 4, 2002 as Entry Number 249388 in Book 580, Pages 657-696, Wasatch County Records (hereinafter referred to as the “Original Agreement”), as amended by an Amended Agreement effective September 10, 2004, recorded September 15, 2004 as Entry No. 275224 in Book 713, pages 28-34, Wasatch County Records (hereinafter referred to as the “First Amended Agreement”), as amended by a Second Amended Agreement (hereinafter referred to as the “Second Amended Agreement”) effective July 27, 2005, recorded August 2, 2006 as Entry No. 305483 in Book 878, pages 597-599, Wasatch County Records. This Third Amended agreement covers real property described as:

All of the real property and lots included within all phases of Dutch Fields P.U.D., a planned unit development located in Midway City, Wasatch County, Utah

THIRD AMENDED AGREEMENT

This amended agreement is entered into this *18th day of July, 2006*, by and between Watts Dutch Fields L.L.C. of Salt Lake City, Utah, its successors or assigns, (hereinafter called “Developer”) and the City of Midway, a political subdivision of the State of Utah (hereinafter called “City”), covering changes to the water supply and phasing provisions of the original agreement.

RECITALS

On May 24, 2006, the Midway City Council granted final approval to Phase VII of the Project, subject to certain conditions and provisions set forth in this Third Amended Agreement. Phase VII is the final phase of the Project and brings the total number of units in the Project to 167.

Amendments

1. Section 3.1(b)(3)e added by the Second Amended Agreement is deleted in its entirety and replaced with the following section 3.1(b)(3)(e):

3.1(b)(3)e. Notwithstanding anything to the contrary contained in this Agreement, Developer shall be allowed to begin building and selling lots and/or structures in Phases VI and VII while Developer and the City drill and construct the well referenced in section 3.1(b)(3)(d) of the original Agreement. Nevertheless, buildings permits will not be issued for more than 116 units prior to the well being completed, operational and approved for culinary use. Accordingly, Developer agrees to notify the City when application is made for the 100th building permit, and, at that time or sooner, negotiate and execute a final agreement with the City governing provision of water to the entire 167 units in the Project. Furthermore, Developer agrees to deposit into an escrow account within 60 days of the recording of Plat VII the estimated amount of funds anticipated to be needed to construct Developer's estimated share or portion of the well (less funds spent to date), with the deposit amount to be set by agreement of the City Engineer and Developer's Engineer. Developer agrees, however, that the amount deposited will not be the final determination of Developer's total share of the costs of the well, but that the final cost to Developer will be determined by the method negotiated and agreed to by Developer and the City, irrespective of the amount deposited in escrow. The City shall have the authority to refuse to issue building permits beyond the 116th permit until the well agreement is in place between the City and Developer. Developer also agrees that any interest on the escrow account funds may be used by the City toward the City's share of the cost of the well.

2. Section 3.1(b)(8)g added by the Second Amended Agreement is deleted in its entirety and replaced with the following section 3.1(b)(8)(g):

3.1(b)(8)g. Notwithstanding anything to the contrary contained elsewhere in this Agreement, Developer shall construct a roundabout at the intersection of River Road and Burgi Lane using plans and methods approved by the City. Developer and the City shall each bear half of the costs of the roundabout. The City's portion of the costs will be repaid to Developer in installments through transportation impact fees collected from the Project within 30 days of the City's collection of each such fee. Developer also agrees, for itself and its assigns and associated entities, that funds previously paid to the City for improvements on Burgi Lane by the neighboring Valais Project may be used by the City to satisfy a portion of the City's share of the costs of the roundabout. Developer agrees to deposit its

share of costs for the roundabout, less amounts spent to date, in an escrow account with the City. Once such deposit is made, building permits for Phase VII may be applied for and issued to Developer. Developer agrees to complete its obligation of building the roundabout by November 1, 2006.

Other than amendments outlined herein, all provisions of the Original Agreement and First Amended Agreement and Second Amended Agreement shall remain in full force and effect.

This agreement shall take effect on the **18th day of July 2006**, for the period and term outlined in Section 1.2 of the Original Agreement, except where modified herein and shall continue in full force and effect unless terminated under the provisions of Section 7 or further amended as outlined in Section 5 of the original agreement.

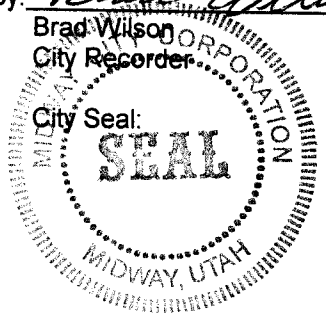
IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written:

ATTEST:

CITY OF MIDWAY
an Utah municipal corporation

By: *Brad Wilson*
Brad Wilson
City Recorder

By: *Connie Tatton*
Connie Tatton
Mayor



APPROVED AS TO FORM:

By: *Kraig J. Powell*
Craig J. Powell
City Attorney

By: *Russ Watts*
Russ Watts

Title: *MAN. WATTS ENTERPRISES, U.C.*
A person authorized by Watts Enterprises, to bind the company

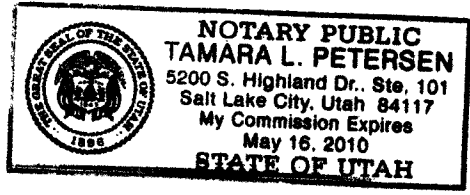
STATE OF UTAH)

County of ~~Wasatch~~ Salt Lake, ss

The foregoing instrument was acknowledged before me this 21 day of August 2006 by Russell C. Watts, on behalf of Watts Dutchfields

Notary Public Tamara L Petersen

My Commission Expires: 5/16/2010



Boundary Description
for
Dutch Fields P.U.D.

BEGINNING at the North Quarter Corner of Section 26, Township 3 South, Range 4 East of the Salt Lake Base and Meridian:

Thence	N 89°41'16" E	2662.32 feet;
Thence	S 27°58'31" E	883.60 feet;
Thence	S 26°59'58" W	295.54 feet;
Thence	S 41°34'03" W	725.22 feet;
Thence	S 39°40'34" W	854.48 feet;
Thence along the arc of a 1075.93 foot radius curve to the left 939.01 feet (curve has a central angle of 39°59'43" and a chord bearing S 64°40'43" W, 909.50 feet);		
Thence	S 89°40'51" W	544.45 feet;
Thence	S 88°12'03" W	548.82 feet;
Thence	N 00°05'24" W	2634.62 feet to the point of beginning.

Containing 150.61 acres.

Basis of Bearing is N 89°41'16" E between the Wasatch County Surveyor's monument for the North Quarter Corner of Section 26, Township 3 South, Range 4 East, Salt Lake Base and Meridian and the Wasatch County Surveyor's monument for the Northeast Corner of said section.