

JOINT DEVELOPMENT AGREEMENT

This Joint Development Agreement (“**Agreement**”) is entered this 19 day of December, 2006, between Twin Hollow, LLC, a Utah limited liability company, its successors and assigns (“**Twin Hollow**”), and Mesquite Presidio, LLC, a Utah limited liability company, its successors and assigns (“**Presidio**”), according to the following terms. Twin Hollow and Presidio are each a “**Party**” or, collectively, the “**Parties**”, as the context permits or requires.

RECITALS

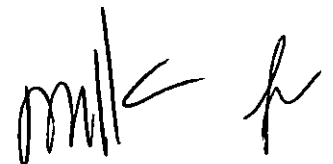
WHEREAS, Twin Hollow is the owner and developer of certain real property situated within the municipal boundaries of Mapleton, Utah depicted on **Exhibit A** to this Agreement (the “**Twin Hollow Property**”) constituting approximately 54 acres that is presently approved for 27 residential lots; and,

WHEREAS, the Twin Hollow Property is contiguous to certain development property to the south owned by Presidio (the “**Presidio Property**”) and depicted on **Exhibit B** to this Agreement; and,

WHEREAS, pursuant to the terms of a certain Memorandum of Understanding dated as of September 11, 2006 (the “**MOU**”), by and between Presidio and Mapleton City, the Twin Hollow Property may be entitled to a density of up to one residential lot per acre (54 residential lots) if it is jointly developed with the Presidio Property, and Twin Hollow desires to avail itself of higher available densities made possible through joint development with the Presidio Property; and,

WHEREAS Twin Hollow and Presidio desire to develop their respective properties jointly to create a common design, branding, and street and pedestrian trail access, presenting their developments as a single development project with common features and appearance; and,

WHEREAS the Parties desire to provide for integration and mutual use of streets and pedestrian trails and other infrastructure and amenities of their respective developments and,



WHEREAS, the Parties desire to enter into this Agreement to set forth their understandings and agreement regarding the joint development of the Twin Hollow Property and the Presidio Property;

NOW THEREFORE, for the mutual benefit of Twin Hollow and Presidio, and for the good and valuable consideration described herein, Twin Hollow and Presidio agree as follows:

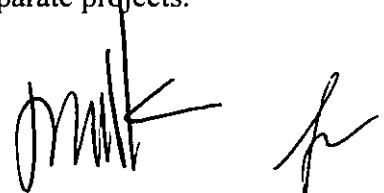
1. **Joint Development.** Pursuant to the specific provisions of this Agreement, Twin Hollow and Presidio shall pursue approval of their developments jointly, seeking, to the extent possible, joint approval of the development of both parcels as if a single, unitary project.

(a) The project on the Presidio Property shall be known and marketed as "Mapleton Village" and Twin Hollow's Property shall be known and marketed as "Twin Hollow at Mapleton Village".

(b) The Parties agree to separately contract with Jack Johnson Company, 1777 Sun Peak Drive, Park City, Utah, and to use Jack Johnson Company as their common engineering and planning consultant, in connection with their respective projects. Each Party will cause Jack Johnson Company to issue separate bills for work on the project of each, for which the Parties will be separately responsible. Each Party shall cause Jack Johnson Company to perform its work in such a way that the Parties' respective projects have the look and feel of a common development as required by the provisions of this Agreement. Each Party will promptly pay fees and expenses under the separate contract between each Party and Jack Johnson Company.

(c) The Parties, in consultation and collaboration with Jack Johnson and one another, will impose on the Twin Hollow Property and the Presidio Property consistent Covenants, Conditions, and Restrictions ("CC&R's"), Road, Street and Trail Standards ("Street Guidelines"), and Architectural, Design and Building Guidelines ("Architectural Guidelines") for their respective projects.

(d) Twin Hollow and Presidio will separately pay for improvements with respect to the projects of each, will proceed with and pay for infrastructure development on their respective properties, and will independently sell lots in their separate projects.



Each Party shall be responsible for timely applying for and procuring all necessary governmental permits, variances, special use licenses and other approvals required for performing and completing their respective projects and shall pay any and all fees associated therewith.

2. **Twin Hollow Property Density.** Presidio will, in conjunction with its application to annex the Presidio Property into Mapleton City, use its best efforts to obtain higher density for the Twin Hollow Property under the MOU.

3. **Density Fee.** Twin Hollow agrees to pay to Presidio the sum of \$50,000 multiplied by each and every approved residential lot in the Twin Hollow Property in excess of 27 lots (the “**Density Fee**”). The Density Fee shall be paid, as follows:

(a) At the closing of Twin Hollow’s sale of each lot subdivided from the Twin Hollow Property (a “**Lot**”), whether sold singly or in bulk, Twin Hollow will pay Presidio from the closing proceeds a sum equal to the product of the total Density Fee divided by the number of Lots.

(i) *For example only:* If the Twin Hollow Property is approved and platted with 57 lots, Twin Hollow will pay to Presidio the sum of \$26,315.79 at the closing of each Lot ($57 - 27 = 30$; $30 \times \$50,000 = \$1,500,000$; $\$1,500,000 \div 57 = \$26,315.79$). If the Twin Hollow Property is approved and platted with 49 lots, Twin Hollow will pay to Presidio the sum of \$19,298.25 at the closing of each Lot ($49 - 27 = 22$; $22 \times \$50,000 = \$1,100,000$; $\$1,100,000 \div 57 = \$19,298.25$).

4. **Security for Density Fee Obligation.** Twin Hollow’s obligation to pay the Density Fee to Presidio shall be secured by a deed of trust in form substantially identical to **Exhibit C** to this Agreement (the “**Trust Deed**”), which shall be recorded in the records of the Utah County Recorder. Twin Hollow shall execute and deliver the Trust Deed to Presidio within three (3) business days of Mapleton City’s final approval of increased density for the Twin Hollow Property.

5. **No Creation of Estate or Ownership.** Notwithstanding any other provision of this Agreement, nothing in this Agreement shall create or vest any estate or ownership in one

Party in or to the project of the other. The Parties further agree that nothing in this Agreement is intended to grant any rights to a Party in the water rights and/or diversion facilities, which will be addressed in separate agreement(s).

6. **Alternative Annexation.** Twin Hollow acknowledges that the MOU specifies circumstances under which Presidio may withdraw its annexation petition and elect to annex the Presidio Property into Spanish Fork City, and Twin Hollow hereby consents to such action by Presidio. Nothing herein shall be construed to impede Presidio from electing to withdraw its petition to annex the Presidio Property into Mapleton City and, in that event and except where otherwise expressly provided, this Agreement shall terminate and the Parties shall be released from any obligation, one to the other.

7. **No Partnership.** This Agreement shall be construed to create a partnership between the Parties. Neither Party shall purport to bind the other to any agreement or undertaking except with the prior written consent of the other Party, and each Party agrees to indemnify and hold the other Party harmless from any claims of third-parties arising from the acts or omissions of the indemnifying Party.

8. **Exhibits and Recitals.** Each exhibit attached to and referred to in this Agreement is hereby incorporated by reference as though set forth in full where referred to herein. The recitals are incorporated herein by reference as matters of contract and not mere recital.

9. **Counterparts.** This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

10. **Prior Agreements Superseded.** This Agreement supersedes and cancels all prior negotiations between the Parties, and any changes, amendments, and/or modifications hereto must be in writing signed by the Party against whom enforcement is sought.

11. **Construction.** Since the Parties hereto have participated in extensive negotiations in the drafting of the terms and provisions of this Agreement, the Parties agree that this Agreement shall be construed without regard to the identity of the Party who drafted the

Handwritten signatures of two individuals, one in black ink and one in blue ink, located in the bottom right corner of the page.

various provisions and any rule of construction that document is to be construed against the drafting Party shall not be applicable.

12. **Choice of Law and Jurisdiction.** This Agreement will be enforced and interpreted under to the laws of Utah. The parties agree that the courts in the state of Utah have exclusive jurisdiction over any claim arising out of this Agreement or the Parties' dealings with each other.

13. **Attorneys' Fees.** In the event that a dispute arises between the Parties, the prevailing Party in such dispute shall be entitled to an award of its attorney's fees and costs.

14. **Entire Agreement.** This Agreement, along with the Maple Mountain Water Tank, LLC Operating Agreement, together constitute the entire agreement between the Parties and supersedes any previous contracts, understandings, or agreements of the parties, whether verbal or written.

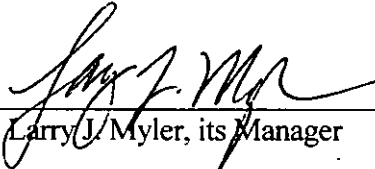
15. **Non-Waiver.** The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach of the same or other provision hereof.


16. **No Third-Party Beneficiaries.** Nothing in this Agreement shall be construed to benefit any third-parties beyond the successors and assigns of the Parties.

17. **Severance.** In the event that any provision of this Agreement is held unenforceable for any reason, the remaining provisions of this Agreement shall remain in full force and effect.

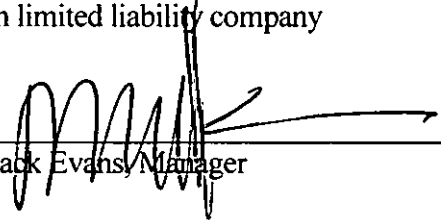
Dated this 19 day of December, 2006.

TWIN HOLLOW, LLC
a Utah limited liability company

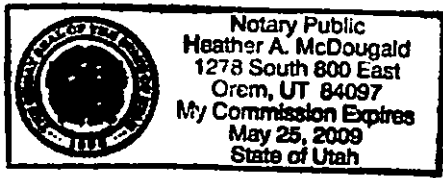

By: Larry J. Myler, its Manager



PRESIDIO CAPITAL, LLC
a Utah limited liability company



By: Jack Evans, Manager





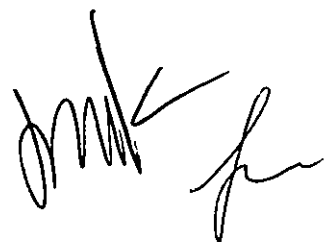


EXHIBIT A

Depiction of Twin Hollows Property

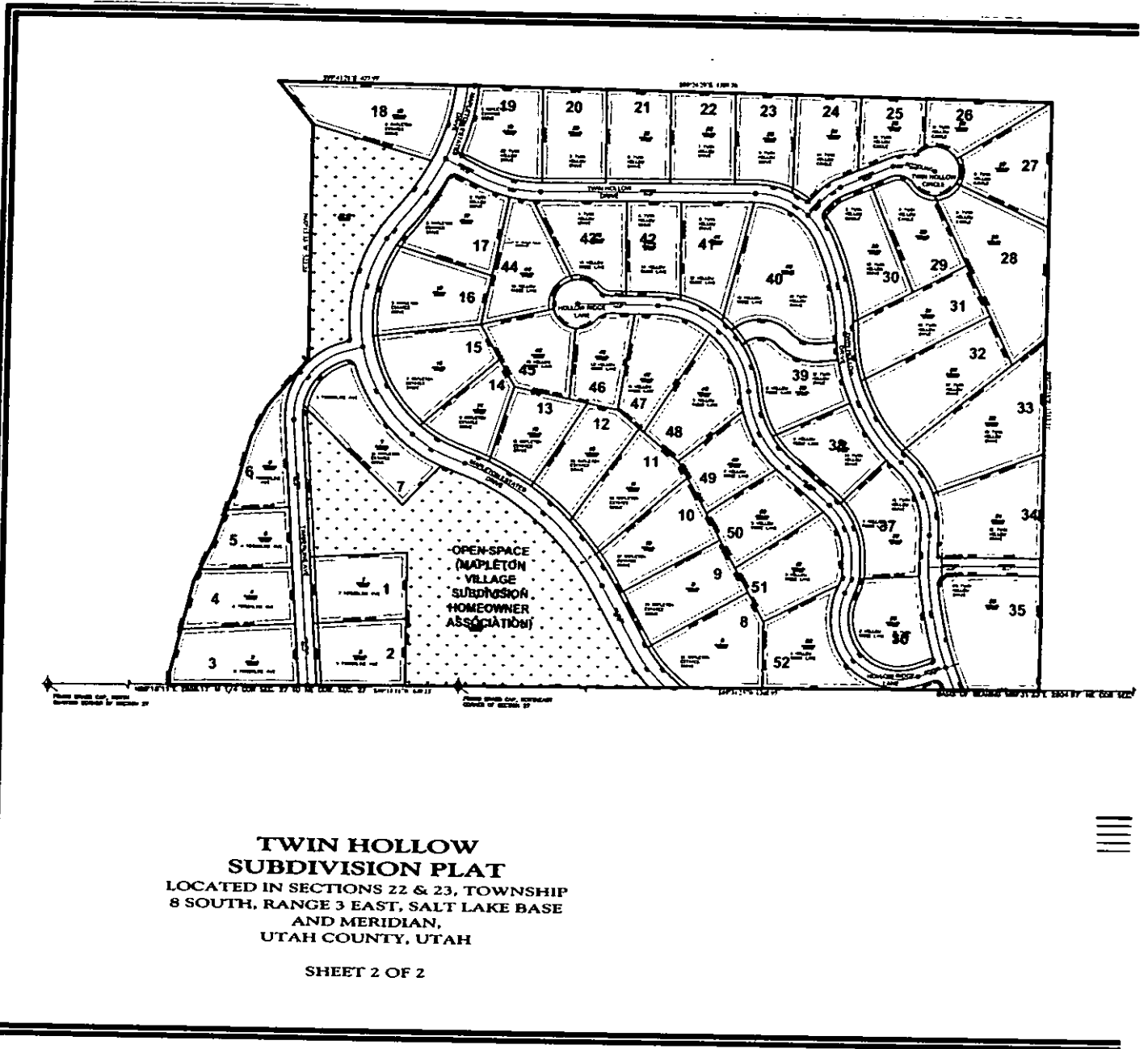


EXHIBIT B

Depiction of Presidio Property

Parcel 1:

Southwest Quarter of the Southwest Quarter of Section 23, Township 8 South, Range 3 East, Salt Lake Base and Meridian.

Parcel 2:

Commencing at the Southeast corner of Section 22, Township 8 South, Range 3 East, Salt Lake Base and Meridian; thence North along Section line 1320 feet, more or less, to the North line of the Southeast Quarter of the Southeast Quarter of said Section 22; thence West 429.50 feet to canal; thence along canal South 33°50'00" East 210.50 feet, more or less; thence South 20°29'00" East 189 feet, more or less; thence South 22°25'00" West 217 feet; thence South 36°22'00" West 186 feet; thence South 10°33'00" West 149.50 feet; thence South 22°30'00" West 542.02 feet; thence East 674 feet to beginning. Less any portion of which may be part of the Right-of-Way of U.S. Reclamation Canal.

EXHIBIT C

Form of Trust Deed

DO NOT DESTROY THIS NOTE: When paid, this note, with Deed of Trust securing same, must be surrendered to Trustee for cancellation before reconveyance will be made.

NOTE SECURED BY DEED OF TRUST
(STRAIGHT NOTE)

\$ _____

Mapleton, Utah,

_____, 20 _____

FOR VALUE RECEIVED, the undersigned jointly and severally, promise to pay to the order of MESQUITE PRESIDIO, LLC, a Utah limited liability company, at its office in _____, Utah, _____ DOLLARS (\$ _____), payable as follows:.

TWIN HOLLOW, LLC AGREES TO PAY TO PRESIDIO THE SUM OF \$50,000.00 MULTIPLIED BY EACH AND EVERY APPROVED RESIDENTIAL LOT IN THE TWIN HOLLOW PROPERTY IN EXCESS OF 27 LOTS (THE "DENSITY FEE").

TWIN HOLLOW WAS APPROVED AND ENTITLED FOR 52 LOTS, PROVIDING AN EXCESS OF 25 LOTS. THEREFORE, THE SUM TWIN HOLLOW, LLC AGREES TO PAY IS \$1,250,000.00 AS FOLLOWS:

AT THE CLOSING OF TWIN HOLLOW'S SALE OF EACH LOT SUBDIVIDED FROM THE TWIN HOLLOW PROPERTY, WHETHER SOLD SINGLY OR IN BULK, TWIN HOLLOW, LLC WILL PAY MESQUITE PRESIDIO, LLC FROM THE CLOSING PROCEEDS \$24,038.46.

MESQUITE PRESIDIO, LLC AGREES TO SUBORDINATE IT'S TRUST DEED TO A CONSTRUCTION LOAN FOR TWIN HOLLOW, LLC UPON REQUEST.

Any installment of interest or principal not paid when due shall bear interest thereafter at the rate of _____ per cent (_____ %) per annum until paid.

If default occurs in the payment of said installments of principal and interest or any part thereof, the holder hereof, at its option and without notice or demand, may declare the entire principal balance and accrued interest due and payable.

If this note is collected by an attorney after default in the payment of principal or interest, either with or without suit, the undersigned, jointly and severally, agree to pay all costs and expenses of collection including a reasonable attorney's fee.

The makers, sureties, guarantors and endorsers hereof severally waive presentment for payment, demand and notice of dishonor and nonpayment of this note, and consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the holder hereof with respect to the payment or other provisions of this note, and to the release of any security, or any part thereof, with or without substitution.

This note is secured by a Deed of Trust of even date herewith.

TWIN HOLLOW, LLC

BY: LARRY J. MYLER, Manager