

[Highlands]

RESERVATION AGREEMENT

THIS AGREEMENT IS NOT BINDING, IN ANY WAY, ON EITHER PARTY. YOU ARE NOT ESTABLISHING A LEGAL RIGHT OR CLAIM TO ANY LOT WITHIN THE PROJECT OR PURCHASE PRICE BY SIGNING THIS RESERVATION.

RECEIPT OF DEPOSIT

The undersigned, _____ (“Prospective Purchaser”) hereby delivers to Charles Zuercher and Dallin Quinn, as agents for Highlands Development LLC, a Utah limited liability company (“Developer”), the developer of the Highlands, a deposit in the amount of five thousand dollars (\$5,000.00) (the “Deposit”), in the form of a check or wire made payable to First American Title, a Utah corporation (the “Escrow Agent”), together with an original of this Reservation Agreement (“Reservation”) fully signed by Prospective Purchaser. Upon acceptance of this Reservation by Developer, as evidenced by Developer’s signing of this Reservation, the Deposit shall be deposited into a non-interest bearing trust account of the Escrow Agent.

RESERVATION

1. ***The Project.*** Developer is in the process of developing a residential project to be known as Highlands located in Wasatch County, Utah (the “Project”). The Project is currently planned to include up to three hundred forty-eight (348) lots, of which sixty-two (62) are planned to be townhomes, with the remaining lots planned as single-family homes (each of such townhome and single-family home lots, a “Lot”), together with certain common areas.
2. ***Reservation Request.*** Prospective Purchaser hereby acknowledges Developer is not formally offering for sale any Lots within the Project until the final subdivision plats for the Project are recorded. However, the Developer is allowing potentially interested purchasers to express their interest to purchase a Lot in the Project by becoming a Prospective Purchaser by way of paying the Deposit to Escrow Agent and on the terms set forth in this Reservation. The Developer and Prospective Purchaser acknowledge and agree that the primary purpose of this Reservation is to place the Prospective Purchaser’s name(s) on a reservation list to secure the right to purchase a Lot in the Project subject to the terms and conditions set forth herein and in the REPC and that this Reservation is not a binding option or purchase agreement of any kind.
3. ***Real Estate Purchase Contract.*** Developer is engaged in the planning and development of the Project and intends to enter into a binding real estate purchase and sale agreement (“REPC”) to sell a Lot to Prospective Purchaser upon recordation of the final subdivision plat for the Project (“Plat”). After the Plat is recorded Prospective Purchaser will, for a limited time as further described below, have the opportunity to enter into a REPC to purchase a Lot on the terms and conditions set forth in the REPC. Within a reasonable time after recordation of the Plat, Developer will provide Prospective Purchaser with (a) a notice of Plat recordation (the “Notice of Plat Recordation”) and (b) the REPC. Among other things, the REPC will require that a policy of title insurance for the Lot to be purchased be issued to Prospective Purchaser at the time of closing.
4. ***Contract Deadline.*** After Developer’s delivery of the Notice of Plat Recordation and REPC, Prospective Purchaser shall thereafter have seven (7) calendar days (the “Contract Deadline”) to execute and return the REPC to Developer at the address for Developer below. In the event Prospective Purchaser

executes and returns the REPC to Developer by the Contract Deadline and Developer signs the REPC, all in a form acceptable to Developer, the Escrow Agent is authorized and directed to release the entirety of the Deposit to Developer to be applied to the earnest money deposit required under the REPC. IF AFTER RECEIVING NOTICE OF PLAT RECORDATION, PROSPECTIVE PURCHASER DOES NOT SIGN AND RETURN THE DEVELOPER APPROVED REPC BY THE CONTRACT DEADLINE, PROSPECTIVE PURCHASER SHALL BE DEEMED TO HAVE ELECTED NOT TO PURCHASE A LOT AND THIS RESERVATION SHALL AUTOMATICALLY TERMINATE, whereupon Escrow Agent is authorized and directed to return the entirety of the Deposit to Prospective Purchaser, and Prospective Purchaser and Developer shall have no further rights or obligations under this Reservation or otherwise, relating to any Lot. Prospective Purchaser is encouraged to use the time from the date hereof and to the recordation of the Plat to arrange any necessary financing for the purchase of a Lot, as there will be no financing contingency in the REPC.

5. **Project Documentation.** The ownership of a Lot will be subject to the Utah Community Association Act, as well as the project documents for the Lot and the Project. Membership in the Project's owners' association will be mandatory and annual or other assessments will apply.

6. **Developer's Rights to Make Changes.** Prospective Purchaser understands that the drawings, brochures and other materials that have been provided to Prospective Purchaser regarding the Lots and the Project are preliminary. Developer reserves that right in its sole discretion to change various aspects of the Lots, including without limitation, the specific location, design and layout of the Lots, any common areas and facilities, and any other aspect of the Lots or the Project. Prospective Purchaser shall not rely on any representations relating to the Project or the Lots other than those which may in the future be contained in the REPC or the governing documents for the Project and the Lots.

7. **Non-Binding Reservation.** NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS RESERVATION MAY BE TERMINATED AT ANY TIME, AND FOR ANY REASON OR NO REASON, BY PROSPECTIVE PURCHASER BY DELIVERING WRITTEN NOTIFICATION TO DEVELOPER. IN ADDITION, DEVELOPER MAY TERMINATE THIS RESERVATION AT ANY TIME, AND FOR ANY REASON OR NO REASON, BY DELIVERING WRITTEN NOTIFICATION TO THE PROSPECTIVE PURCHASER. THIS RESERVATION DOES NOT CREATE ANY LEGALLY BINDING OBLIGATIONS ON PROSPECTIVE PURCHASER TO PURCHASE A LOT OR ON DEVELOPER TO SELL A LOT TO PROSPECTIVE PURCHASER.

8. **Guaranteed Return of Deposit.** The entire Deposit, without interest, will be returned to Prospective Purchaser within seven (7) calendar days after the occurrence of any of the following: (a) this Reservation is not accepted by Developer; (b) Prospective Purchaser elects to terminate this Reservation; (c) Developer elects to terminate this Reservation; or (d) Prospective Purchaser does not enter into a REPC on or before the Contract Deadline after receiving Notice of Plat Recordation.

9. **Application of Deposit Under Terms of a Purchase Contract.** In the event Prospective Purchaser and Developer enter into a REPC with regard to a Lot within the Project, then the Deposit will be disbursed in accordance with the terms and conditions of the REPC (for example, applied to the first deposit required under the REPC).

10. **Reservation Not Assignable.** Prospective Purchaser may not assign this Reservation to any other person or entity without Developer's consent, and any attempt to do so shall be of no legal force or effect.

11. **Disclosure of Agency and Procuring Clause.** Developer is represented by Charles Zuercher and Dallin Quinn of Berkshire Hathaway Utah Properties, a licensed Utah real estate agent or broker. Unless Prospective Purchaser is represented by some other real estate agent licensed by the Utah Division of Real Estate at the time of execution of this Reservation or the REPC, then the agent identified above shall be deemed to be the sole procuring cause of the Prospective Purchaser's purchase of a Lot, if such a purchase occurs. If Prospective Purchaser is separately represented by another Utah real estate agent at this time, Prospective Purchaser identifies that agent as _____ (Name of Utah

Agent) who is affiliated with _____
(Brokerage).

(Name of Utah Real Estate

12. **Development Contingencies.** Prospective Purchaser understands that there are numerous contingencies associated with the development of the Project including, by way of example, the need for Developer to secure all necessary approvals from governmental bodies having jurisdiction over the Project, the ability of Developer to arrange financing for the construction of the Project and the ability of Developer to negotiate construction and other development-related contracts that are satisfactory to Developer in its sole discretion. There can be no assurance that Developer will be able to satisfy these contingencies.

13. **Notices.** All notices to be delivered hereunder shall be sent by U.S. Mail Certified, Return Receipt Requested, electronic mail or delivered in person. Notices shall be sent to the addresses listed with each party's signature below, or to such other addresses as may be designated by the parties in writing. Developer's authorized agent or broker may send notices at the direction of and in place of Developer. Each such notice sent by mail shall be deemed delivered on the first business day following its receipt, refusal or attempted delivery, as appropriate, at the address of the party to be noticed. Each notice sent by electronic mail shall be deemed delivered on the day it is received, if received on or before 5:00 p.m. recipient's local time, or, if later, on the first business day after its receipt. In order to be effective, any notice sent by electronic mail shall be followed by a copy of such notice sent by facsimile transmission or overnight courier to the recipient party within three (3) business days following the email transmission. Each notice delivered in person shall be deemed delivered on the date that it is actually delivered to the address of the recipient.

14. **Acknowledgements.**

(a) *Reservation Not an Offer or Contract for Sale.* Prospective Purchaser understands that this Reservation is not a contract for sale or transfer of a Lot, or an offer to sell or transfer, or negotiation to sell or transfer a Lot.

(b) *Acceptance of Reservation.* Developer's receipt of this Reservation does not in and of itself constitute Developer's acceptance of this Reservation. Only a mutually signed and communicated Reservation by both parties constitutes an accepted Reservation. Only a REPC signed by Prospective Purchaser and Developer shall constitute a binding contract for the purchase and sale of a Lot.

(c) *Notices.* Prospective Purchaser completely understands that any and all referenced notices may be hand delivered or emailed to any agent representing the Prospective Purchaser, and thereby considered delivered to Prospective Purchaser if received by such agent.

15. **Counterparts and Facsimiles.** This Reservation may be signed in counterparts, which, when taken together shall constitute one complete document. Electronic transmission of this signed document, and any retransmission of any signed electronic transmission, shall be the same as delivery of an original.

[Signature page(s) follow]

IN WITNESS WHEREOF, the parties hereto have executed this Reservation as of the dates set forth below.

PROSPECTIVE PURCHASER:

Date: _____, 20__

Address:

Phone: _____

Email: _____

Facsimile: _____

DEVELOPER:

Highlands Development LLC
a Utah limited liability company

By: _____
Name: Terry Diehl
Its: Manager

Date: _____, 20__

Address:

Phone: _____

Email: _____

Facsimile: _____

ACKNOWLEDGE OF DEPOSIT RECEIPT

Receipt of the Deposit is hereby acknowledged by Escrow Agent on _____, 20__.

By: Natalie Henning
Its: Officer

First American Title
150 North Main Street #103A
Heber City, UT 84032

nhenning@firstam.com

Phone: (435) 654-1414