

FIRST AMENDMENT TO ANNEXATION AGREEMENT

This agreement is made and entered into on the day and year indicated below adding Tracts 4 and 5, described on the attached annexation plat, to the Annexation Agreement made by and between Cedar Ridge, L.L.C., now known as Cedar Ridge of Bloomington, L.L.C. and recorded as Document number 2007-00000720, which Tract 4 and 5 are contiguous to Tracts 1 and 2 of said original Annexation Agreement. Tracts 4 and 5 are referred to in the original Annexation Agreement in paragraph 11 as the Philby property. Tracts 4 and 5 have not been previously annexed. The configuration of the Philby property and its access was created at the time Interstate 74 was built. The Philby property had a long winding access easement through the proposed Cedar Ridge Subdivision which was inconsistent with sound single-family development and urban planning.

Wherefore, it is in the best interest of the City of Bloomington and Cedar Ridge of Bloomington, L.L.C to provide for the annexation and use of Tract 4 and 5 described above.

It is therefor agreed as follows:

1. All the terms and conditions of the original Annexation Agreement recorded as Document number 2007-00000720 shall also apply with full force and effect to Tracts 4 and 5 as depicted on the annexation plat, a true and correct copy which is attached hereto and made a part hereof; provided however, paragraph 16 of the original Annexation Agreement shall be amended to increase the maximum waiver of the described fees in the same proportion that Tracts 4 and 5 increase the number of lots contained in Tracts 1 and 2. The new maximum sum of fees for the 369 residential lots shown on the amended preliminary plan shall be \$910,323.00.
2. As consideration therefor Cedar Ridge of Bloomington, L.L.C has acquired fee simple title to the Philby property and the access easement to the Philby property thus eliminating any potential for the City to exercise any power of eminent domain as it pertains to the Philby property.
3. All of the Cedar Ridge Subdivision shall be developed as depicted on the Amended Preliminary Plan filed simultaneously herewith. This agreement is made when

commercial surety bond from an insurance company acceptable to the CITY. SUNRISE shall have the option to fulfill all of the subdivision bonding requirements for public improvements by posting a \$50,000.00 revolving letter of credit from a financial institution acceptable to CITY.

16. For the R1-C lots included in the Exhibit A premises, the CITY agrees to waive annexation fees, subdivision plan review and inspection fees, construction permit fees (including building permit fees, HVAC permit fees, plumbing permit fees, electrical permit fees, excavation/utility permit fees, driveway/curb cut permit fees, or erosion permit fees) and water meter purchase costs. The CITY shall waive the aforementioned fees until a maximum sum of \$868,384.00 is reached, at which time the collection of fees for the remaining R1-C lots in the Exhibit A premises (if any) shall resume. These fees are being waived in order to support the development of *Affordable Housing* to a minimum level of 30% of residentially developed lots. CEDAR RIDGE shall have the obligation of providing to the CITY documentation acceptable to the CITY identifying those lots deemed affordable by the NCHAMP Mortgage Program. The Exhibit B premises shall pay all of the above fees mentioned in this section.

17. SUNRISE and CEDAR RIDGE are each permitted to install temporary marketing type signage that exceed current CITY sign code size limitations to introduce the new subdivisions and commercial center. Temporary signs will be installed at or near entrances to phases of development, outside of the right-of-way. The sign message board will not exceed 10 feet high by 16 feet wide, not including any mounting structure. Temporary signs shall be removed after a maximum of 3 years.

18. City shall permit one high-rise interstate visible off-premises advertising sign on Outlot 371 provided SUNRISE complies with all zoning and sign regulations pertaining to such installations.

19. Cedar Ridge and Sunrise may encroach into City road right-of-way for proper