

WHEN RECORDED, MAIL TO:

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SUMMIT COUNTY RECORDER

EM. 1800

DECLARATION OF
PROTECTIVE COVENANTS

THIS DECLARATION is made this 28th day of December, 1987, by DEER VALLEY RESORT COMPANY, a Utah limited partnership, (hereinafter designated "Declarant").

I. PURPOSE OF COVENANTS

1.1 It is the intention of Declarant, expressed by its execution of this instrument, that the property in Park City, Summit County, Utah, situated within the boundaries described in Section 2.2 hereto (hereinafter designated the "Property") be developed and maintained as a highly desirable residential area. It is the purpose of these covenants that the present natural beauty shall always be protected insofar as is possible in connection with the uses and structures permitted by this instrument. Declarant hereby declares that the Property and every part thereof is held and shall be held, conveyed, devised, leased, rented, encumbered, used, occupied and improved and otherwise affected subject to the provisions of this Declaration, each and all of which provisions are hereby declared to be in furtherance of the general plan and share of ownership referred to herein and are further declared to be for the benefit of the Property and every part thereof and for the benefit of each owner thereof. All provisions hereof shall be deemed to run with the land as covenants running with the land or as equitable servitudes as the case may be, and shall constitute benefits and burdens to the Declarant, its successors and assigns, and to all parties hereafter owning any interest in the Property.

II. DEFINITIONS

2.1 Declarant: "Declarant" means Deer Valley Resort Company.

2.2 Property: "Property" means that certain real property located in Summit County, Utah, described as follows:

Beginning at a point which is North 2664.15 feet and West 350.68 feet from the Southwest corner of

Section 22, Township 2 South, Range 4 East, Salt Lake Base and Meridian, and North 85°04'14" West 383.10 feet from the East quarter corner of Section 21, Township 2 South, Range 4 East, Salt Lake Base and Meridian, said point also being the Southeast corner of the Port Arthur Mining Claim No. 5762; and running thence North 19°11'00" East along the East line of said Mining Claim 1476.10 feet to the Northeast corner thereof, said point also being on the Southerly line of the Singiser Mining Claim No. 5763; thence South 74°53'46" East along the Southerly line of said claim 433.58 feet to a point of intersection with a line extended from the Northeasterly corner of the Trump Mining Claim No. 265 and the Southwest corner of the Fraction Mining Claim No. 5763; thence North 7°22'00" East 326.22 feet to the said Southwest corner of the Fraction Mining Claim No. 5763; thence North 10°28'40" East along the Westerly line of said Fraction Mining Claim 164.81 feet to the Southeasterly corner of the Switzerland Mining Claim Lot No. 52, said point also being the most Southwesterly corner of Lot No. 15 of the recorded American Flag Subdivision; thence East along the Southerly line of the American Flag Subdivision 701.53 feet to a point of intersection with the West right-of-way line of the recorded Lake Flat C Road, and following said right-of-way line the next five courses: 1) South 19°01'35" East 177.29 feet to a point on a 936.65 foot radius curve to the left (center bears North 70°58'25" East 936.65 feet of which the central angle is 15°08'53") thence 2) Southeasterly along the arc of said curve 247.64 feet to a point of tangency; thence 3) South 34°10'28" East 211.53 feet to a point on a 175.00 foot radius curve to the right (center bears South 55°49'32" West 175.00 feet of which the central angle is 44°07'46"); thence 4) Southeasterly along the arc of said curve 134.79 feet to a point of tangency; thence 5) South 9°57'18" West 70.95 feet to a point on the Westerly right-of-way line of the recorded Lake Flat D Road, said point also being on a 140.00 foot radius curve to the right (center bears North 80°02'42" West 140.00 feet of which the central angle is 95°52'12"); and following the said Lake Flat D Road the next 12 courses: 1) Southerly along the

arc of said curve 234.25 feet to a point of tangency; thence 2) North $74^{\circ}10'30''$ West 215.36 feet to a point on a 2456.77 foot radius curve to the right (center bears North $15^{\circ}49'30''$ East 2456.77 feet of which the central angle is $4^{\circ}08'50''$); thence 3) Northwesterly along the arc of said curve 177.83 feet to a point on a 532.64 foot radius reverse curve to the left (center bears South $19^{\circ}58'20''$ West 532.64 feet of which the central angle is $20^{\circ}33'00''$); thence 4) Westerly along the arc of said curve 191.04 feet to a point of tangency; thence 5) South $89^{\circ}25'20''$ West 100.45 feet to a point on a 467.41 foot radius curve to the left (center bears South $0^{\circ}34'40''$ East 467.41 feet of which the central angle is $75^{\circ}25'20''$); thence 6) Southwesterly along the arc of said curve 615.28 feet to a point of tangency; thence 7) South $14^{\circ}00'00''$ West 603.75 feet to a point on a 435.00 foot radius curve to the left (center bears South $76^{\circ}00'00''$ East 435.00 feet of which the central angle is $47^{\circ}00'00''$), thence 8) Southerly along the arc of said curve 356.83 feet to a point of tangency, thence 9) South $33^{\circ}00'00''$ East 494.50 feet to a point on a 45.00 foot radius curve to the right (center bears South $57^{\circ}00'00''$ West 45.00 feet of which the central angle is $127^{\circ}30'40''$); thence 10) Southwesterly along the arc of said curve 100.15 feet to a point on a 364.61 foot radius reverse curve to the left (center bears South $4^{\circ}30'40''$ West 364.61 feet of which the central angle is $26^{\circ}29'06''$); thence 11) Southwesterly along the arc of said curve 168.54 feet to a point on a 428.78 foot radius compound curve to the left (center bears South $21^{\circ}58'26''$ East 428.78 feet of which the central angle is $21^{\circ}53'53''$); thence 12) Southwesterly along the arc of said curve 163.88 feet to a point of intersection with the Easterly line of the Matthew Lot 364 Mining Claim; thence North $15^{\circ}05'00''$ East along the Easterly line of said Matthew Mining Claim 75.15 feet to the Northeast corner thereof; thence North $45^{\circ}00'00''$ West 762.25 feet to a point on the Easterly line of the Yaup Lot 264 Mining Claim; thence North $74^{\circ}28'10''$ West 69.67 feet, thence North $15^{\circ}31'50''$ East 219.26 feet to the point of beginning.

Contains 40.6921 acres.

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2.3 Building: "Building" means any building or structure constructed on the Property.

2.4 Unit: "Unit" shall mean any apartment or single family home constructed on the Property.

III. APPROVAL

3.1 Approval by Declarant: No improvements of any kind, including but not limited to Buildings, swimming pools, ponds, parking areas, fences, walls, tennis courts, garages, drives, antennae, flag poles, curbs and walks shall ever be erected, altered, or permitted to remain on any lands within the Property, nor shall any excavating, clearing, removal of trees, or shrubs, or landscaping be done on any lands within the Property, unless the complete plans and specifications therefor are approved by the Declarant prior to the commencement of such work. The Declarant shall consider the materials to be used on the external features of said improvements, including exterior colors, harmony of external design with existing structures within the Property, location with respect to topography and finished grade elevations and harmony of landscaping with the natural setting and surroundings. The complete architectural plans and specifications must be submitted in duplicate, must include at least four different elevation views. One complete copy of plans and specifications shall be signed for identification by the owner and left with the Declarant. In the event the Declarant fails to give notice to the party submitting the same of its disapproval of said plan or specifications within 20 days after complete plans for such work have been submitted to it, then all of such submitted plans shall be deemed to be approved. Approval by Declarant shall not be unreasonably withheld.

3.2 Variances: The Declarant has the authority to deviate from the requirements contained herein in extenuating circumstances, when following these covenants would create an unreasonable hardship or burden for a property owner.

3.3 General Requirements: The Declarant shall exercise its best judgment to see that all improvements, construction, landscaping, and alterations on the lands within the Property conform and harmonize with the natural surroundings and with existing structures as to external design, materials, color, siting, height, topography, grade and finished group elevation. The external surfaces of all Buildings must be finished with natural materials such as wood siding or stone.

and shall remain natural in color or stained or painted with earth tone colors.

3.4 Preliminary Approvals: Persons who anticipate constructing improvements on lands within the Property, whether they already own lands or are contemplating the purchase of such lands may submit preliminary sketches of such improvements to the Declarant for informal and preliminary approval or disapproval. All preliminary sketches shall be submitted in duplicate and shall contain a proposed site plan together with sufficient general information on all aspects that will be required to be in the complete plans and specifications to allow the Declarant to act intelligently on giving an informed preliminary approval or disapproval. The Declarant shall never be finally committed or bound by any preliminary or informal approval or disapproval until such time as complete plans and specifications are submitted and approved or disapproved.

3.5 Plans: The Declarant shall disapprove any plans submitted to it which are not sufficient for it to exercise the judgment required of it by these covenants.

3.6 Declarant Not Liable: The Declarant shall not be liable in damages to any person submitting any plans for approval, or to any owner or owners of lands within the Property, by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, with regard to such plans. Any person or group acquiring the title to any of the Property or any person submitting plans to the Declarant for approval, by so doing shall be deemed to have agreed and covenanted that he, she, or they will not bring any action or suit to recover damages against the Declarant, its officers as individuals, or its advisors, employees, or agents.

3.7 Occupancy: No Building within the Property shall be occupied until and unless the owner of any Building shall have completed the Building in accordance with, and complied with, all approved plans and specifications.

IV. GENERAL RESTRICTIONS ON ALL PROPERTY

4.1 Zoning Regulations: No lands within the Property shall ever be occupied or used by or for any Building or purpose or in any manner which is contrary to the zoning regulations applicable thereto validly in force from time to time.

4.2 No Mining, Drilling or Quarrying: No mining, quarrying, tunneling, excavating or drilling for any substances within the earth, including oil, gas, minerals, gravel, sand

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rock, and earth, shall ever be permitted on the surface of the Property; provided that this Section 4.2 shall not prohibit the construction and use of water wells to the extent permitted by applicable law.

4.3 No Business Uses: The surface of the lands within the Property shall be used exclusively for residential living purposes, such purposes to be confined to approved residential Buildings within the Property. No portion of the Property shall ever be occupied or used for any commercial or business purposes, provided, however, that nothing in this Paragraph 4.3 shall be deemed to prevent (a) an owner or its duly authorized agent from using any portion owned by said owner as a sales model, or (b) any owner or his duly authorized agent from renting or leasing Units from time to time, subject to all of the provisions of this Declaration.

4.4 Restriction of Signs: With the exception of a sign no larger than three square feet identifying the architect and a sign of similar dimension identifying the prime contractor to be displayed only during the course of construction and a sign no larger than three square feet for the owner to advertise his Unit for Sale, no signs or advertising devices, including but without limitation, commercial, political, informational or directional signs or devices, shall be erected or maintained on any of the Property, except signs approved in writing by the Declarant as to size, materials, color and location: (a) as necessary to identify the address; (b) as necessary to give directions; (c) to advise of rules and regulations; (d) to caution or warn of danger; (e) as may be required by law; and (f) appropriate sign to identify the name of any apartment or condominium project.

4.5 Underground Utility Lines: All water, gas, electrical, telephone and other electronic pipes and lines and all other utility lines within the limits of the Property must be buried underground and may not be exposed above the surface of the ground.

4.6 Service Yards: All clothes lines, equipment, service yards or storage piles on any portion of the Property shall be kept screened by approved planting or fencing so as to conceal them from the view of neighboring streets, access roads and area surrounding the Property.

4.7 Maintenance of Property: All Property and all improvements on any portion of the Property shall be kept and

maintained by the owner thereof in clean, safe, attractive and slightly condition and in good repair.

4.8 No Noxious or Offensive Activity: No noxious or offensive activity shall be carried on upon any Property nor shall anything be done or placed on any Property which is or may become a nuisance or cause embarrassment, disturbance or annoyance to others.

4.9 No Hazardous Activities: No activities shall be conducted on any Property and no improvements constructed on any Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Property; and no open fires shall be lighted or permitted on any Property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed fireplace.

4.10 No Unsightliness: No unsightliness shall be permitted upon any of the Property. Without limiting the generality of the foregoing, (a) any unsightly structures, facilities, equipment, tools, boats, vehicles other than automobiles, objects or conditions shall be enclosed within an approved Building or appropriately screened from view, except equipment and tools when in actual use for maintenance or repairs; (b) no trailers, mobile homes, tractors, truck campers or trucks other than pickup trucks shall be kept or permitted to remain upon the Property; (c) no vehicle, boat or equipment shall be constructed, reconstructed, repaired or abandoned upon any of the Property; (d) no lumber, grass, shrub or tree clippings, plant waste, metals, bulk materials or scrap shall be kept, stored or allowed to accumulate on any of the Property, except in service yards meeting the requirements of Section 4.6; (e) refuse, garbage and trash shall be placed and kept at all times in a covered container and such container shall be kept within an enclosed structure or appropriately screened from view; (f) hanging, drying or airing of clothing or household fabrics shall not be permitted within Buildings or on the Property if visible from Buildings, or areas surrounding the Property.

V. RESTRICTIONS

5.1 Roof Overhang and Roofing Materials: All buildings shall be constructed with a minimum roof overhang of not less than three feet on all elevations. In order to minimize roof leaks, all roofs must be cold roofs or double roofed with

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the underlay roof being three-ply asphalt hot mopped covered by fire resistant wood shingles or wood shakes, thick butt asphalt shingles or similar roofing materials and must be designed so that all roof areas drain.

5.2 Icicles and Ice Build-up: Building designs must consider and address the danger caused by falling ice and accumulation of ice on walks and Building entrances.

5.3 Structural Certification: All Building designs must be approved and certified by a qualified licensed structural engineer. Particular attention should be given to snow load on roofs and frost line depth for foundations and plumbing installations.

5.4 Protection to Minimize Problem of Frozen Pipes: Water lines and sewer wastelines shall not be installed in the outside walls, overhangs, or in uninsulated attic or crawl spaces.

5.5 Balconies and Patios: To the extent possible, balconies and patios should be located so that they face in a southerly direction. Northerly exposure of patios and balconies should be avoided.

5.6 Insulation and Weatherstripping: The following list is the minimum insulation and weatherstripping requirements in all Buildings:

- a. All outside walls minimum insulation factor of R-15.
- b. All ceilings separating attic from roof minimum insulation factor R-25;
- c. All vaulted ceilings that are also the roof minimum insulation factor R-25;
- d. Exposed underfloor areas minimum insulation factor R-25;
- e. Underfloor areas over crawl space minimum insulation factor R-10;
- f. Perimeter concrete foundation walls to be insulated with a minimum of one inch of rigid insulation;
- g. All outside windows must be double glazed to provide an air space between for insulation;
- h. All outside doors and windows must be weatherstripped on all edges.

5.7 Height Limitations: No Building shall be erected to a height greater than 28 feet, measured in

accordance with the currently effective Land Management Code adopted by the Park City Municipal Corporation.

5.8 Towers and Antennae: No towers, and no exposed or outside radio, television or other electronic antennae, with the exception of television receiving antennae shall be allowed or permitted to remain on the Property.

5.9 Used or Temporary Structures: No used or previously erected or temporary house, structure, house trailer, mobile home, camper, or nonpermanent outbuilding shall ever be placed, erected, or allowed to remain on the Property except during construction periods, and no dwelling shall be occupied in any manner prior to its completion in accordance with Section 3.7 hereof.

5.10 Flashings and Roof Gutters: Flashing or roof gutters or other metal fittings on the exterior of Buildings shall be painted to match adjacent materials on Buildings.

5.11 Automatic Fire Sprinkler Systems: All Buildings must contain an automatic fire sprinkler system or such other approved in writing automatic fire extinguishing system.

5.12 Acoustics: The following list is the minimum acoustical standard in all Buildings:

- a. Lockoff bedrooms shall have a minimum sound transmission class (STC) rating of 60 for walls separating such bedroom from the other occupied areas and 50 for walls separating the bedroom from corridors.
- b. Doors should have a minimum STC rating of 40
- c. Party walls should have a minimum STC rating of 60.
- d. Walls within each Unit other than lockoff bedrooms should have a minimum STC rating of 50.
- e. The minimum impact isolation class rating (IIC) for floors and ceilings above kitchens, hallways and bathrooms should be 50. For floors above living and dining rooms should be 55 and for bedrooms should be 60.

VI. ENFORCEMENT

6.1 Enforcement and Remedies: The obligations, provisions, covenants, restrictions and conditions contained in

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this Declaration shall be enforceable by Declarant or by any owner of a Unit subject to this Declaration. If court proceedings are instituted in connection with the rights of enforcement and remedies provided in this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorney's fees.

6.2 Protection of Encumbrances: No violation or breach of any provision, restriction, covenant or condition contained in this Declaration and no action to enforce the same shall defeat, render invalid or impair the lien of any mortgage or deed of trust taken in good faith and for value and perfected by recording prior to the time of recording of an instrument giving notice of such violation or breach, or the title or interest of the holder thereof or the title acquired by any purchaser upon foreclosure of any such mortgage or deed of trust. Any such purchaser shall, however, take subject to the Declaration except only that violations or breaches which occur prior to such foreclosure shall not be deemed breaches or violations hereof with respect to such purchaser, his heirs, personal representatives, successors and assigns.

6.3 Limited Liability: The Declarant nor any officer, agent or employee of the Declarant shall not be liable to any party for any action or for any failure to act with respect to any manner if the action taken or failure to act was in good faith and without malice.

VII. GENERAL PROVISIONS

7.1 Duration of Declaration: Any provision, covenant, condition or restriction contained in this Declaration which is subject to the common law rule sometimes referred to as the rule against perpetuities, shall continue and remain in full force and effect for the period of twenty years from the date hereof. All other provisions, covenants, conditions and restrictions contained in this Declaration shall continue and remain in full force and effect until January 1, 2029, A.D., provided however, that unless at least one year prior to said time of expiration, there is recorded an instrument directing the termination of this Declaration, executed by the owners of not less than two-thirds of the Units then subject to this Declaration, said other provisions, covenants, conditions and restrictions shall continue automatically for an additional ten years and thereafter for successive periods of ten years unless, at least one year prior to the expiration of any such extended period of duration, this Declaration is terminated by recorded instrument directing termination signed by the owners

of not less than two-thirds of the Units then subject to this Declaration as aforesaid.

7.2 Severability: Invalidity or unenforceability of any provision of this Declaration in whole or in part shall not affect the validity or enforceability of any other provision or valid and enforceable part of a provision of this Declaration.


7.3 Captions: The captions and headings in this instrument are for convenience only and shall not be considered in construing any provision, restriction, covenant or condition contained in this Declaration.

7.4 No Waiver: Failure to enforce any provision, restriction, covenant or condition in the Declaration shall not operate as a waiver of any such provision, restriction, covenant or condition or of any other provision, restriction, covenant or condition.

IN WITNESS WHEREOF, Deer Valley Resort Company has executed this Declaration the day and year first above written.

DEER VALLEY RESORT COMPANY,
a Utah limited partnership

By ROYAL STREET OF UTAH,
a General Partner

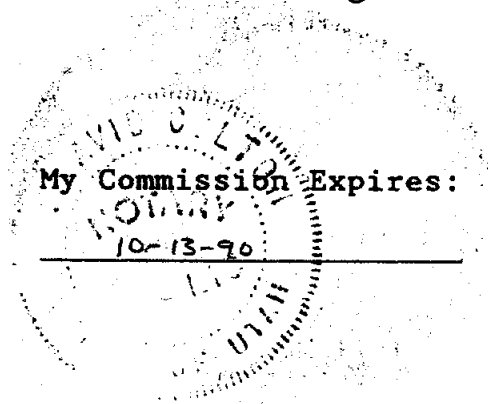
By 
Title: Vice Pres

STATE OF UTAH)
): ss.
COUNTY OF SUMMIT)

On the 28th day of December, 1987, personally appeared before me William A Prince who, being by me duly sworn did say that he is the VICE PRESIDENT of ROYAL STREET OF UTAH, a Utah corporation and a general partner of Deer Valley Resort Company, a Utah limited partnership, and

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that the within and foregoing Declaration of Protective
Covenants was signed on behalf of said Partnership.



David J. Tolton
Notary Public
Residing at: Salt Lake City, Utah

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