

WHEN RECORDED MAIL TO:

Perry Homes Utah, Inc.
17 E. Winchester St., Suite 200
Murray, UT 84107

(Space Above For Recorder's Use)

SPECIAL WARRANTY DEED

FOR GOOD AND VALUABLE CONSIDERATION, the sufficiency and receipt of which are hereby acknowledged, MOUNTAIN HOME DEVELOPMENT CORP., a Utah corporation, with an address of 3940 N. Traverse Mountain Blvd., Suite 200, Lehi, Utah, UT 84043 ("**Grantor**"), hereby grants to PERRY HOMES UTAH, INC., a Utah corporation, with an address of 17 E. Winchester St., Suite 200, Murray, UT 84107 ("**Grantee**"), the real property ("**Property**") in the City of Lehi of Utah County ("**County**"), State of Utah, that is described in *Exhibit "A"* hereto, provided that the said Grantor only warrants against the claims of those persons claiming by, through or under Grantor, but not otherwise, and subject to the other reservations and exceptions set forth below. Certain capitalized terms used herein are defined in Section D below.

EXCEPTING AND RESERVING UNTO GRANTOR, its successors and assigns, together with the right to grant and transfer all or a portion of the same, as follows:

A. To the extent not already reserved by prior owners:

1. All oil rights, mineral rights, natural gas rights and rights to all other hydrocarbons by whatsoever name known, to all geothermal heat and to all products derived from any of the foregoing; and

2. The perpetual right to drill, mine, explore and operate for and to produce, store and remove any of the subsurface resources on or from the Property, including the right to whipstock or directionally drill and mine from lands other than the Property, wells, tunnels and shafts into, through or across the subsurface of the Property, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts within or beyond the exterior limits of the Property, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, but without the right to drill, mine, explore, operate, produce, store or remove any of the subsurface resources through or in the surface or the upper five hundred feet (500') of the subsurface of the Property.

B. To the extent not already reserved by prior owners, any and all water, water rights or interests therein appurtenant or relating to the Property or owned or used by Grantor in connection with or with respect to the Property above and beyond those required by Grantee for the development of all residential units required to be approved by Grantor on the

Property (no matter how acquired by Grantor), whether such water rights shall be riparian, overlying, appropriative, littoral, percolating, prescriptive, adjudicated, statutory or contractual, together with the right and power to explore, drill, redrill, remove and store the same from or in the Property or to divert or otherwise utilize such water, rights or interests on any other property owned or leased by Grantor; but without, however any right to enter upon the surface of the Property in the exercise of such rights.

C. Nonexclusive easements in gross on, over and under the Property for the construction, installation, maintenance, repair and replacement of (1) electric, gas, water, sewer, drainage facilities, and (2) transmission lines for any type of energy generating facility, provided that the exercise of these easement rights shall not unreasonably interfere with Grantee's development of the Property and Grantor shall repair any damage to the Property resulting from use by Grantor of the easements.

D. Exclusive and Nonexclusive easements for Telecommunications Services as defined below.

D.1 **Definitions.** When the following capitalized terms are used in this Special Warranty Deed, unless otherwise indicated herein, they have the following meanings.

a. **"Improvement"** means any structure, fixture, vegetation and appurtenance including buildings, walkways, pipes, parking areas, recreational facilities, pools, driveways, parking areas, fences, walls, landscaping, antennae, poles, signs, and storage areas.

b. **"Telecommunications Easements"** are the easements described in paragraph D.2 below.

c. **"Telecommunications Facilities"** are defined as (1) Improvements, equipment and facilities for (i) telecommunications, (ii) transfer of audio, video and data signals, (iii) transfer of any other signals used for transmission of intelligence by electrical, light wave, wireless frequencies or radio frequencies, and (iv) any other methods of communication and information transfer, (2) all associated Improvements, equipment and facilities, including but not limited to outside plant ducts, manholes, riser cables, protection equipment, communications rooms, antennas, power outlets, power conditioning and back-up power supplies, cross connect hardware, copper, fiber, and coaxial cables, towers, broadcasting and receiving devices, conduits, junction boxes, wires, cables, fiber optics, and any other necessary or appropriate enclosures and connections, and (3) power generation serving the Improvements, equipment and facilities described in subparts (1) and (2) of this sentence. Grantor intends to have the term "Telecommunications Facilities" be interpreted as broadly as possible and to include relocated facilities, expansion of facilities, and/or facilities used for new technology that replaces the Telecommunications Facilities that are used when this Special Warranty Deed is executed. If there is a doubt as to whether an item fits within the definition of Telecommunications Facilities, the term is to be interpreted to include that item.

d. ***“Telecommunications Operator”*** means Grantor and its successors and assigns and contracting parties who have been granted rights and/or interests as a Telecommunications Operator.

e. ***“Telecommunications Services”*** are services that involve or relate to installing, constructing, operating, maintaining, enhancing, creating, repairing, expanding, replacing, relocating and removing Telecommunications Facilities on or in Telecommunications Sites.

f. ***“Telecommunications Sites”*** are defined as

i. Any above ground or underground areas of the Property, so long as the surface area is not developed with a building, pool, walkway, driveway or parking area set forth on the Plat Map governing the Property.

ii. The term ***“Telecommunications Sites”*** is to be interpreted as broadly as possible. If there is a question as to whether a location in the Property is a Telecommunications Site, the location shall be interpreted as included within the definition of ***“Telecommunications Site.”***

iii. The number and exact location of each Telecommunications Site and/or Telecommunications Facility is to be determined by the Telecommunications Operator, subject only to the limitation that the location is not within a building, pool, walkway, driveway, or parking area (although cabling may be located underground and/or beneath a building, pool, walkway, driveway, or parking area).

D.2. Reservation of Easements and Other Rights.

a. To the maximum extent allowed by law, Grantor excepts and reserves from the Property and retains the right to transfer and assign exclusive and nonexclusive easements in gross for the purposes of installing, maintaining, repairing, replacing, operating and relocating Telecommunications Facilities and conducting Telecommunications Services in the Property.

b. Grantor reserves, together with the right to grant and transfer all or a portion of the same, exclusive and nonexclusive easements in gross in, over, under, across and through the Property and all improvements thereon for the purpose of access for the Telecommunications Services and to the Telecommunications Sites. These easements are intended to give the Telecommunications Operator access from a public street over the Property, into any building or other Improvement, into any rooms and other spaces, to the Telecommunications Sites.

D.3. Rights in Connection with Easements. The Telecommunications Operator has the right to trim and remove landscaping whenever, in Telecommunications Operator’s reasonable judgment, it is necessary for the convenient and safe use of the Telecommunications Easements. The Telecommunications Operator has the right to use the mechanical, electrical, HVAC, plumbing systems and any other services provided by utilities serving the Property whenever, in Telecommunications Operator’s reasonable judgment, it is

necessary for use of the Telecommunications Easements so long as Telecommunications Operator reimburses Grantee for the actual cost of Telecommunications Operator's use of such services. The Telecommunications Facilities will not be deemed to be affixed to or a fixture of the Property. Grantee shall not access, operate, or move the Telecommunications Facilities. Grantor shall be responsible to repair any damage to the Property resulting from Grantors use of the Telecommunications Easements.

D.4. Limits on Telecommunications Easements.

a. Use of the Telecommunications Easements shall not unreasonably interfere with use of the Property.

b. Telecommunications Operator shall use reasonable efforts to minimize alteration, removal or damage to any landscaping caused in connection with Telecommunications Operator's exercise of the Telecommunications Easements.

c. Telecommunications Operator shall indemnify, defend and hold Grantee harmless from all liability resulting from Telecommunications Operator's use of the Telecommunications Easements.

D.5. Limits on Grantee's Use of the Property.

a. No person shall have access to any Telecommunication Sites without the prior consent of the Telecommunications Operator.

b. Without the advance written consent of Telecommunications Operator, which consent shall not be unreasonably withheld, Grantee shall not dig or drill any well, plant any tree, construct any Improvement, nor store fluids or other materials, within twenty feet (20') of any area where Telecommunications Facilities are located.

c. Without the advance written consent of Telecommunications Operator, which consent shall not be unreasonably withheld, Grantee shall not (1) increase or decrease the ground surface elevations within twenty feet (20') of any area where underground Telecommunications Facilities are located, or (2) penetrate the ground surface to a depth in excess of eighteen inches (18").

d. Grantee shall not grant or dedicate any easements, licenses or other rights on, across, under or over or affecting the Property that, in the opinion of the Telecommunications Operator, interfere with, compete with or conflict with the Telecommunications Easements.

e. Grantee shall indemnify, defend and hold Telecommunications Operator harmless from use of the Property by Grantee, its employees, agents, invitees and its and invitees.

f. Grantee shall execute and allow to be recorded against the Property such documents as Telecommunications Operator reasonably requests in connection with Telecommunications Operator's exercise or protection of its rights so long as such

documents do not expand the rights granted to Telecommunications Operator granted hereunder.

E. Exclusive and Nonexclusive easements for access, ingress, and egress, for purposes of installing, operating, maintaining, repairing, inspecting, removing and replacing a cable television system and telecommunication and internet service lines (whether they are wireless or not) and related facilities and equipment, provided that the construction and installation of such facilities shall not unreasonably interfere with Grantee's development of the Property and that Grantor shall repair any damage to the Property resulting from use of the easements. All such community cable television and telecommunication lines, facilities and equipment shall remain the property of Grantor, its subsidiaries, successors, transferees and assigns, and transfer of all or any portion of the Property does not imply the transfer of any such community cable television and telecommunication easements or the lines, facilities or equipment located thereon.

F. Nonexclusive easements in gross on, over and under the Property for construction, equipment storage, rights-of-way or other purposes as described and shown on *Exhibit "B"* attached hereto and by this reference made a part hereof so long as such storage is not unsightly, is temporary, does not unreasonably interfere with Grantee's use of the Property and that Grantor shall repair any damage to the Property resulting from use of the easements.

G. Permanent, nonexclusive easements in gross on, over and under all private and public streets, roads and walkways in the Property for the purpose of (i) vehicular and pedestrian ingress and egress to all portions of the adjacent property owned by Grantor or its successors ("*Adjacent Property*") and (ii) the construction, installation (including the right to connect to existing facilities), maintenance and use of electric, gas, cable, telephone, water, sewer, drainage and other utility facilities serving the Adjacent Property; provided, however, that the construction, installation and maintenance of such facilities shall not unreasonably interfere with Grantee's development or use of the Property and that Grantor shall repair any damage to the Property resulting from use of the easements.

SUBJECT TO:

Exceptions. The exceptions shown in *Exhibit "C"* attached and, in addition, all of the other exceptions described herein.

Taxes and Assessments. General and special real property taxes and assessments and supplemental assessments, if any, for the current fiscal year.

Development Declaration. That certain Declaration of Development Covenants, Conditions and Restrictions recorded concurrently herewith, and any amendments thereto (the "Development Declaration").

Master Declaration. That certain Master Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Traverse Mountain, recorded on August 31, 2001, as Instrument No. 88405:2001, of Official Records of the County, and any amendments thereto ("*Master Declaration*").

Other Restrictions. All other covenants, conditions, restrictions, reservations, rights, rights-of-way, dedications, offers of dedication and easements, including, but not limited to those shown on the Map, of record or apparent.

6. **Future Development.** Grantor may seek amendments to any specific or area plan, general plan, zoning, or other existing entitlements for the Project, as defined in the Development Declaration. Grantee agrees that it will not oppose the development of the Project in accordance with the existing development entitlements for the Project, nor will Grantee oppose any such amendments and will support and cooperate with Grantor in obtaining approval of such amendments. Any Governmental Authority, as defined in the Development Declaration, may elect to form additional Community Facilities, as defined in the Development Declaration, or assessment districts with jurisdiction over the Property to fund construction of fire protection facilities, street and traffic signal improvements, school facilities, parks, recreation facilities and other improvements. Any such assessment district and any future Community Facilities districts or assessment districts (collectively, "**Districts**") will require the assessment of liens, taxes and assessments against the Property. Grantee agrees not to oppose the formation of the Districts or the levying of assessments and taxes through the Districts. Grantee shall consent to, or if an election is called, cast its votes in favor of all Districts in the levying of assessments and taxes through such Districts. Grantee shall not take any action which would in any way interfere with the operation of the Districts, or decisions made, or actions taken by any Governmental Authority or Grantor, with respect to the Districts, or the bond financing related thereto, including the timing of commencement of assessments or special taxes, the amount of assessments or special taxes, the spreading of assessments or special taxes and the use of the assessments or special taxes so collected by the Districts. Each covenant and restriction contained in this Paragraph 6 (whether affirmative or negative in nature) shall (a) constitute a covenant running with the land, (b) benefit and bind every person having any fee, leasehold, mortgage lien or other interest in any portion of the Property, and (c) benefit and bind any successor in interest of Grantee whose title is acquired by judicial foreclosure, trustee's sale, deed in lieu of foreclosure or other means. Grantee and each successor in interest to Grantee, by acceptance of title to the Property, does hereby expressly waive any and all rights that Grantee has or may have, whether arising by statute, common law or otherwise, to take action in contravention of the covenants not to oppose set forth herein.

[SIGNATURES ON FOLLOWING PAGE]

EXHIBIT "A"
TO
SPECIAL WARRANTY DEED
LEGAL DESCRIPTION

MICRON PARCEL

Beginning at a point South 89°51'14" East 1322.367 feet from the Southwest Corner of Section 29, Township 4 South, Range 1 East, Salt Lake Base and Meridian. Said point being the POINT OF BEGINNING; thence North 0°14'39" West 1325.58 feet; thence North 89°48'43" East 1908.17 feet; thence South 0°05'59" East 2268.04 feet; thence North 87°46'07" West 1910.08 feet; thence North 0°08'40" East 861.84 feet to the POINT OF BEGINNING;

Containing 97.5062 acres, more or less.

PARCEL MD-1

Beginning at a point which is North 1242.85 feet and West 300.95 feet from the Southeast Corner of Section 30, Township 4 South, Range 1 East, Salt Lake Base and Meridian; thence along an arc 102.50 feet to the right, having a radius of 541.23 feet and a central angle of 10°51'03", the chord of which is South 75°49'53" East for a distance of 102.35 feet; thence South 70°24'22" East a distance of 676.95 feet to a point of curvature; thence along an arc 213.52 feet to the right, having a radius of 401.00 feet and a central angle of 30°30'28", the chord of which is South 55°09'08" East for a distance of 211.00 feet; thence South 50°06'10" West a distance of 31.00 feet to a point of curvature; thence along an arc 223.18 feet to the right, having a radius of 370.00 feet and a central angle of 34°33'36", the chord of which is South 22°37'06" East for a distance of 219.81 feet to a point of curvature; thence along an arc 43.26 feet to the right, having a radius of 26.00 feet and a central angle of 95°20'19", the chord of which is South 42°19'50" West for a distance of 38.44 feet; thence West a distance of 493.84 feet to a point of curvature; thence along an arc 451.39 feet to the left, having a radius of 8545.00 feet and a central angle of 3°01'36", the chord of which is South 88°29'12" West for a distance of 451.34 feet; thence North a distance of 635.76 feet to the POINT OF BEGINNING.

The above described parcel contains 10.00 acres (435,600.83 sq. ft.)

Basis of Bearing being North 0°17'58" West 2648.83 feet between the Southeast Corner of Section 30, and the East Corner of Section 30, Township 4 South, Range 1 East, Salt Lake Base and Meridian.

PARCEL MD-2

Beginning at a point which is North 1277.15 feet and West 180.58 feet from the Southeast Corner of Section 30, Township 4 South, Range 1 East, Salt Lake Base and Meridian; thence South 89°41'23" East a distance of 1497.58 feet; thence South 0°14'39" East a distance of 650.04 feet; thence West a distance of 513.19 feet to a point of curvature; thence along an arc 39.20 feet to the right, having a radius of 26.00 feet, and a central angle of 86°22'25" the chord of which is North 46°48'48" West for a distance of 35.59 feet to a point of curvature; thence along an arc 303.87 feet to the left, having a radius of 480.00 feet and a central angle of 36°16'19", the chord of which is North 21°45'45" West for a distance of 298.82 feet; thence South 50°05'56" West a distance of 16.00 feet to a point of curvature; thence along an arc 247.06 feet to the left, having a radius of 464.00 feet and a central angle of 30°30'28", the chord of which is North 55°09'08" West for a distance of 244.15 feet; thence North 70°24'22" West a distance of 676.95 feet to the POINT OF BEGINNING.

The above described parcel contains 12.20 acres (531,376.76 sq. ft.)

EXHIBIT "B"
TO
SPECIAL WARRANTY DEED
NON EXCLUSIVE EASEMENTS IN GROSS

SEE SUBDIVISION PLAT MAP

EXHIBIT "C"
TO
SPECIAL WARRANTY DEED
EXCEPTIONS

Micron #1 - Overall

1. Tax Parcel No.s **11 030 0030, 11 030 0031 and 11 030 0032.**
Taxes for the year 2007 are now accruing as a lien, but are not yet due and payable.
Taxes for the year 2006 have been paid in full.
2. Excepting all oil, gas, and other minerals of every kind and description underlying the surface of the land.
3. Said property is included within the boundaries of Lehi, and is subject to the charges and assessments thereof.
4. Right of Way
Grantee: The Telluride Power Company, a Colorado corporation
Recorded: September 1, 1909
Entry No: 4587, 4592 - 4594
Book/Page: 113/244 - 247
5. Right of Way
Grantee: The Telluride Power Company, a Colorado corporation
Recorded: September 1, 1909
Entry No. 4614
Book/Page: 115/11
6. Easement
Grantee: Utah Power Company
Recorded: October 9, 1912
Entry No.: 4165
BookPage: 137/33

The interest of Utah Power Company was transferred to Utah Power and Light Company by Warranty Deed recorded February 10, 1913 as Entry No. 821 in Book 137 at Page 79 of Official Records.
7. Right of Way
Grantee: Fred Merrill and Eva Merrill
Recorded: March 2, 1918
Entry No.: 1641
Book/Page: 173/8
8. Right of Way
Grantee: Provo Reservoir Canal
Recorded: December 12, 1941
Entry No.: 10528 and 10529
Book/Page: 362/503
9. Right of Way
Grantee: The State Road Commission of Utah
Recorded: December 11, 1950
Entry No.: 14078 and 14079
Book/Page: 570/477 and 478

10. Right Of Way And Easement

Grantee: Mountain Fuel Supply Company
 Recorded: August 10, 1962
 Entry No.: 10943
 Book/Page: 912/441

11. Land Purchase Contract and Warranty Deed of Easement

By and between: Ernest J. Smith and Colene P. Smith, his wife and Utella Smith
 Taft, aka Utella S. Taft and The United States of America
 Recorded: December 24, 1980
 Entry No.: 44145 and 44146
 Book/Page: 1885/85 and 93

12. Land Purchase Contract and Warranty Deed of Easement

By and between: Lee J. Smith and Joy P. Smith, his wife and The United States of America
 Recorded: December 30, 1980
 Entry No.: 44502 and 44503
 Book/Page: 1885/771 and 779

13. Right-Of-Way And Easement Grant

Grantee: Mountain Fuel Supply Company
 Recorded: July 2, 1996
 Entry No.: 54827
 Book/Page: 4010/146

14. Access from State Route 92 is limited to those opening permitted by the State Of Utah.

15. Rights of the public and others entitled thereto to use for street purposes that portion of subject property lying within the bounds of Bull River Road.

16. DEED OF TRUST

Amount: \$5,040,000.00
 Trustor: Mountain Home Development Corporation, a Utah corporation
 Trustee: Commerce Land Title Incorporated
 Beneficiary: Perry & Associates Inc., Employee Profit Plan
 Recorded: April 30, 2004
 Entry No.: 49828:2004

17. DEED OF TRUST

Trustor: Mountain Home Development Corporation, a Utah corporation
 Trustee: Commerce Land Title Inc.
 Beneficiary: Perry Homes Utah, Inc., a Utah corporation
 Amount: \$2,200,000.00
 Recorded: February 3, 2005
 Entry No.: 11797:2005

18. DEED OF TRUST

Trustor: Mountain Home Development Corporation, a Utah corporation
 Trustee: Commerce Land Title Inc.
 Beneficiary: Perry Homes Utah, Inc., a Utah corporation
 Amount: \$7,000,000.00
 Recorded: February 3, 2005
 Entry No.: 11800:2005

MD-East-1

1. Tax Parcel No. **11 031 0088**. (affects this and other property)
Taxes for the year 2007 are now accruing as a lien, but are not yet due and payable.
Taxes for the year 2006 have been paid in full on Tax Parcel No. 11 031 0065.
2. Excepting all oil, gas, and other minerals of every kind and description underlying the surface of the land.
3. Said property is included within the boundaries of Lehi City (801-768-7100) and is subject to the charges and assessments thereof.
4. Right of Way and Easement Grant
Dated: June 12, 1962
Recorded: September 19, 1967
Entry No.: 12798
Book/Page: 916/484
Grantee: Mountain Fuel Supply Company
5. Annexation and Development Agreement
Recorded: May 30, 1997
Entry No.: 41417
Book/Page: 4282/661
6. Subdivision Development Agreement Traverse Mountain Planned Communities, LLC
Between: Mountain Home Development Corporation, a Utah Corporation
And: Lehi City Corporation
Dated: August 9, 2001
Recorded: August 31, 2001
Entry No.: 88403:2001
7. Grant of Easement (Morning Glory Road)
Grantee: Lehi City, a Utah municipal corporation
Recorded: March 6, 2006
Entry No.: 26275:2006
8. Deed of Trust (affects this and other property)
Trustor: Mountain Home Development Corporation, a Utah corporation
Trustee: Commerce Land Title Inc.
Beneficiary: Perry Homes Utah, Inc., a Utah corporation
Amount: \$7,000,000.00
Dated: February 2, 2005
Recorded: February 3, 2005
Entry No.: 11800:2005

1. Tax Parcel No.s **11 030 0043 and 11 030 0044.** (affects this and other property)
Taxes for the year 2007 are now accruing as a lien, but are not yet due and payable.
Taxes for the year 2006 have been paid in full on Tax Parcel No.s 11 031 0063 and 11 031 0065.
2. Excepting all oil, gas, and other minerals of every kind and description underlying the surface of the land.
3. Said property is included within the boundaries of Lehi City (801-768-7100) and is subject to the charges and assessments thereof.
4. Annexation and Development Agreement
Recorded: May 30, 1997
Entry No.: 41417
Book/Page: 4282/661
5. Subdivision Development Agreement Traverse Mountain Planned Communities, LLC
Between: Mountain Home Development Corporation, a Utah Corporation
And: Lehi City Corporation
Dated: August 9, 2001
Recorded: August 31, 2001
Entry No.: 88403:2001
6. Grant of Easement (Morning Glory Road)
Grantee: Lehi City, a Utah municipal corporation
Recorded: March 6, 2006
Entry No.: 26277:2006