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WASATCH CO RECORDER-ELIZABETH M PARCELL
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REQUEST: COALITION TITLE

DECLARATION OF COVENANTS
[Trans-Wasatch Company, L.L.C./Deer Crest Associates I, L.C.]

THIS DECLARATION (this "Declaration") is entered into as of the 28th day of June, 1996, between TRANS-WASATCH COMPANY, L.L.C., a Utah limited liability company ("Trans-Wasatch"), whose address is 190 North Main Street, Heber City, Utah 84032, Attention: McKay Edwards, Chief Operating Officer, and DEER CREST ASSOCIATES I, L.C., a Utah limited liability company ("DCA"), whose address is c/o LCC Properties Group, L.C., 2121 Avenue of the Stars, Suite 1700, Los Angeles, California 90067, Attention: David M. Lubner, managing member.

FOR THE SUM OF TEN DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned agree as follows:

1. Definitions. As used in this Declaration, each of the following terms shall have the indicated meaning:

1.1. "Hidden Hollow Parcel" means the real property located in Summit County, Utah, described on the attached Exhibit A. As of the date of this Declaration, the Hidden Hollow Parcel is owned by Trans-Wasatch.

1.2. "Keetley Road" has the meaning set forth in Section 3.13 of the Settlement Agreement, dated December 29, 1995, entered into between Trans-Wasatch, Park City Consolidated Mines Company, a Utah corporation, and Park City Municipal Corporation, a Utah municipal corporation.

1.3. "Mortgage" means a mortgage or a deed of trust recorded in the official records.

1.4. "Mortgagee" means the mortgagee under a mortgage, or the beneficiary under a deed of trust, recorded in the official records.

1.5. "Official records" means the official records of the Summit County Recorder and/or the Wasatch County Recorder, State of Utah, as applicable.

1.6. "Owner" means a person that is the legal owner of record (in the official records) of a whole or undivided fee interest in all or a portion of a Parcel. Initially, Owner shall mean DCA with respect to the Snowtop Parcel, and Trans-Wasatch with respect to the Hidden Hollow Parcel.

1.7. "Parcel" means either the Hidden Hollow Parcel or the Snowtop Parcel.

1.8. "Snowtop Parcel" means the real property located in Summit County and Wasatch County, Utah, described on the attached Exhibit B. As of the date this Declaration is recorded in the official records, the Snowtop Parcel is owned by DCA.

1.9. "Snowtop Road" means Snowtop Road and the paved and improved portion of Hidden Hollow Road to the cul-de-sac, to be constructed on real property located in Summit County and Wasatch County, Utah pursuant to Paragraph 2.2.

2. Certain Obligations.

00187895 Bk00326 Pg00079

2.1. Keetley Road. Commencing on or before June 1, 1997, weather permitting, DCA shall improve that portion of Keetley Road located in Park City from Queen Esther Drive to McKinley Gap, in accordance with at least the minimum requirements of the relevant governmental agency. Such improvements shall be completed on or before October 15, 1997, weather permitting.

2.2. Snowtop Road. On or before October 15, 1997, DCA shall construct Snowtop Road, which shall include power, water, sewer, telephone and gas on and over the Hidden Hollow Parcel and the Snowtop Parcel pursuant to the plan included as part of Exhibit N of that certain Purchase and Sale Agreement dated February 5, 1996, as amended, among Park City Consolidated Mines Company, Trans-Wasatch and DCA's predecessor in interest, LCC Properties Group, L.C., in accordance with at least the minimum requirements of the relevant governmental agency. Trans-Wasatch shall reimburse DCA for one-half of all costs, expenses and fees reasonably incurred by DCA in connection with the construction of the portion of such road located on the Hidden Hollow Parcel, up to the maximum amount of Three Hundred Thousand Dollars (\$300,000.00). Trans-Wasatch may meet such obligation by assuming in favor of DCA, and paying when due, a proportionate share of DCA's construction loan(s) relating to such construction, but not to exceed Three Hundred Thousand Dollars (\$300,000.00), in a manner to be mutually agreed on between Trans-Wasatch and DCA acting reasonably and in good faith. If Trans-Wasatch fails to assume the proportionate share of DCA's construction loan(s) relating to such construction, DCA shall be entitled to pursue specific performance and the recovery of damages, in addition to its rights under Paragraph 4. In connection with such obligation, DCA shall provide to Trans-Wasatch photocopies of all underlying documentation evidencing the nature and amount of such costs, expenses and fees. If DCA does not timely commence or complete such construction, Trans-Wasatch may itself perform such construction. If Trans-Wasatch performs such construction, DCA shall reimburse Trans-Wasatch for one-half of all costs, expenses and fees reasonably incurred by Trans-Wasatch in connection with such construction within thirty (30) days after receipt of an invoice for therefor, accompanied by photocopies of all underlying documentation evidencing the nature and amount of such costs, expenses and fees.

2.3. Release and Termination of Obligations Under Paragraphs 2.1 and 2.2. Notwithstanding any of the provisions of Paragraphs 2.1, 2.2 and 3 to the contrary, this Declaration shall be of no further force or legal effect, shall be terminated and shall become null and void as to both the parties and the Parcels, upon the satisfaction of the construction obligations described in Paragraphs 2.1 and 2.2 (the "Construction Obligations") and the fulfillment of the payment obligation described in Paragraph 2.2. Satisfaction of the Construction Obligations shall be evidenced by the

issuance by the engineer of the relevant governmental authority or, if not applicable, an engineer licensed by the State of Utah reasonably acceptable to Trans-Wasatch and DCA, of a written certification (the "Completion Certificate") setting forth the following: (a) that portion of Keetley Road located in Park City from Queen Esther Drive to McKinley Gap has been improved in accordance with at least the minimum requirements of the relevant governmental agency; and (b) Snowtop Road has been constructed, including power, water, sewer, telephone and gas, on and over the Snowtop Parcel and the Hidden Hollow Parcel in accordance with the Exhibit N identified in Paragraph 2.2 and at least the minimum requirements of the relevant governmental agency. Upon the issuance of the Completion Certificate and the fulfillment of the payment obligation described in Paragraph 2.2, each Owner and all Mortgagees of the Parcels shall be irrevocably bound and obligated to execute and deliver, at DCA's sole cost and expense, any and all written evidence as DCA shall reasonably deem necessary or advisable, in DCA's reasonable discretion, to release and terminate as a matter of public record, the continued legal effectiveness and validity of this Declaration.

2.4. Permits. The covenants set forth in Paragraphs 2.1 and 2.2 are subject to the obtaining of the building permits required to perform the work described in said Paragraphs. DCA shall exert its best reasonable efforts to timely obtain such permits.

2.5. Foreclosure of Hidden Hollow Parcel. If this Declaration is terminated as to the Hidden Hollow Parcel as a result of the foreclosure of a Mortgage covering the Hidden Hollow Parcel, DCA shall not be obligated to perform the work described in Paragraph 2.2.

3. Covenants Run with Land; Various Events.

3.1. Covenants Run with Land.

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3.1.1. Covenants Run with Land/Snowtop Parcel. The covenants of, and restrictions on, DCA set forth in Paragraph 2 shall: (a) create an equitable servitude on only the Snowtop Parcel in favor of the Hidden Hollow Parcel (but no other real property); (b) constitute a covenant running with the land; and (c) benefit and bind every person having any fee, leasehold or other interest (but explicitly excluding any Mortgagee of DCA and any Mortgagee with respect to the Snowtop Parcel) in any portion of the Snowtop Parcel to the extent that such portion is affected or bound by the covenant or restriction in question, or to the extent that such covenant or restriction is to be performed on such portion.

3.1.2. Covenants Run with Land/Hidden Hollow Parcel. The covenants of, and restrictions on, Trans-Wasatch set forth in Paragraph 2 shall: (a) create an equitable servitude on only the Hidden Hollow Parcel in favor of the Snowtop Parcel (but no other real property); (b) constitute a covenant running with the land; and (c) benefit and bind every person having any fee, leasehold or other interest (but explicitly excluding any Mortgagee of Trans-Wasatch and any Mortgagee with respect to the Hidden Hollow Parcel) in any portion of the Hidden Hollow Parcel to the extent that such portion is affected or bound by the covenant or restriction in question, or to the extent that such covenant or restriction is to be performed on such portion.

3.2. Transfer of Property. If any Owner transfers all or any portion of a Parcel owned by such Owner, such transferring Owner shall be released and discharged from all obligations

under this Declaration that accrue after the date of recordation in the official records of the instrument effecting such transfer.

3.3. Effect of Breach. No breach of this Declaration shall entitle any Owner to cancel, rescind or otherwise terminate this Declaration (but such limitation shall not affect any other right or remedy or limit any obligation that any Owner may have under this Declaration by reason of any such breach), or defeat or render invalid the lien of any Mortgage made in good faith and for value as to any Parcel.

3.4. Identical Ownership. The ownership of both Parcels by the same person shall not result in the termination of this Declaration.

3.5. Priority of Declaration.

00187895 Bk00326 Pg00081

3.5.1. Priority of Declaration/DCA. The interests in and rights concerning any portion of the Snowtop Parcel held by or vested in DCA or any other person on or after the date of this Declaration shall be subject and subordinate to the arrangement provided for in this Declaration, and the arrangement provided for in this Declaration shall be prior and superior to such interests and rights, as may be necessary to effectuate all of the terms and provisions set forth in this Declaration; provided, however, that the rights and interests of any Mortgagee of DCA, and any Mortgagee with respect to the Snowtop Parcel, shall be prior and senior to, and shall not be subject to or subordinate to the arrangement provided for in, this Declaration, except that any Mortgagee of DCA and any Mortgagee with respect to the Snowtop Parcel, shall be bound by the provisions of Paragraph 2.3.

3.5.2. Priority of Declaration/Trans-Wasatch. The interests in and rights concerning any portion of the Hidden Hollow Parcel held by or vested in Trans-Wasatch or any other person on or after the date of this Declaration shall be subject and subordinate to the arrangement provided for in this Declaration, and the arrangement provided for in this Declaration shall be prior and superior to such interests and rights, as may be necessary to effectuate all of the terms and provisions set forth in this Declaration; provided, however, that the rights and interests of any Mortgagee of Trans-Wasatch, and any Mortgagee with respect to the Hidden Hollow Parcel, shall be prior and senior to, and shall not be subject to or subordinate to the arrangement provided for in, this Declaration, except that any Mortgagee of Trans-Wasatch and any Mortgagee with respect to the Hidden Hollow Parcel, shall be bound by the provisions of Paragraph 2.3.

4. Lien. If the failure to timely pay any sum when due under this Declaration is not cured within ten (10) days after written notice is given by the nondefaulting Owner to the defaulting Owner, such sum and any subsequent delinquencies may be secured by a lien against all or any portion of the defaulting Owner's property (the "Owner's Parcel"). Such lien shall be evidenced by a notice of lien filed for record by the nondefaulting Owner in the official records. A copy of such notice of lien shall be given by the nondefaulting Owner to the defaulting Owner within ten (10) days following recordation in the official records. Such notice of lien shall set forth the unpaid amount, the date such amount was due and a description of the property subject to such lien, and shall be signed by the nondefaulting Owner. Any such lien may be foreclosed in the same manner as is provided under applicable law for the foreclosure of Mortgages, but shall be subject and subordinate to (a) each Mortgage affecting the defaulting Owner's Parcel at the time such notice of

lien is recorded, (b) this Declaration, (c) each (recorded or unrecorded) utility easement, right-of-way or similar interest affecting the defaulting Owner's Parcel at the time such notice of lien is recorded, (d) the interest of the tenant or lessee under each lease, rental agreement or similar instrument (whether recorded or unrecorded) affecting the defaulting Owner's Parcel at the time such notice of lien is recorded, and (e) the lien for general taxes and other governmental assessments, but shall be prior and superior to all other interests or estates (whether recorded or unrecorded at the time such notice of lien is recorded) in or respecting the defaulting Owner's Parcel.

5. Attorneys' Fees. If any Owner brings suit to enforce or interpret this Declaration or for damages on account of the breach of any provision of this Declaration, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs incurred in any such action or in any appeal from such action, in addition to the other relief to which the prevailing party is entitled.

6. Notices. Any notice or demand to be given by one party to the other shall be given in writing by personal service, telecopy, express mail, Federal Express, DHL or any other similar form of courier or delivery service, or mailing in the United States mail, postage prepaid, certified and return receipt requested, and addressed to such party as follows:

If to Trans-Wasatch:

Trans-Wasatch Company, L.L.C.
190 North Main Street
Heber City, Utah 84032
Attention: McKay Edwards, President
telecopier: (801) 654-5187

with a required copy to:

Victor A. Taylor, Esq.
Kimball, Parr, Waddoups, Brown & Gee
185 South State Street, Suite 1300
P.O. Box 11019
Salt Lake City, Utah 84147-0019
telecopier: (801) 532-7750

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and to:

E. Jay Sheen, Esq.
Robinson & Sheen, L.L.C.
77 West 200 South, Suite 420
Salt Lake City, Utah 84101
telecopier: (801) 238-1859

If to DCA:

Deer Crest Associates I, L.C.
c/o LCC Properties Group, L.C.
2121 Avenue of the Stars, Suite 1700
Los Angeles, California 90067
Attention: David M. Luber
telecopier: (310) 552-3229

and to:

Deer Crest Associates I, L.C.
c/o LCC Properties Group, L.C.
Gateway Center
136 Heber Avenue
Suite 308
Park City, Utah 84060
telecopier: (801) 655-8120

with a required copy to:

Jonathan K. Butler, Esq.
Parsons Behle & Latimer
201 South Main Street, Suite 1800
P.O. Box 45898
Salt Lake City, Utah 84145-0898
telecopier: (801) 536-6111

00187895 Bk00326 Pg00083


Any party may change the address at which such party desires to receive notice on written notice of such change to the other party. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice.

7. General Provisions. This Declaration shall be governed by, and construed and interpreted in accordance with, the laws (excluding the choice of laws rules) of the State of Utah, and is subject to applicable Utah law. This Declaration shall inure to the benefit of, and be binding on, each Owner and the heirs, personal representatives, successors and assigns of each Owner. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be valid under applicable law; but, if any provision of this Declaration shall be invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Declaration. Each exhibit referred to in, and attached to, this Declaration is an integral part of this Declaration and is incorporated in this Declaration by this reference.

TRANS-WASATCH AND DCA have executed this Declaration on the respective dates set forth below, to be effective as of the date first set forth above.

TRANS-WASATCH:

TRANS-WASATCH COMPANY, L.L.C.

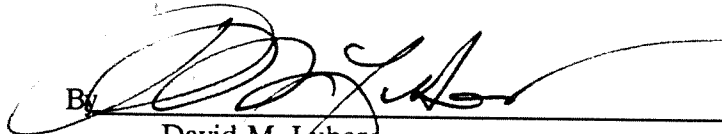
By 
H. McKay Edwards
Chief Operating Officer

Date 28 June, 1996

DCA:

DEER CREST ASSOCIATES I, L.C.,
by its managing member:

LCC PROPERTIES GROUP, L.C.

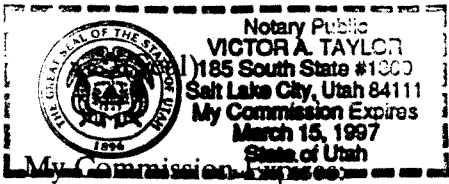
By 
David M. Lubber
Managing Member

Date June 28, 1996

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State of Utah)
County of Salt Lake) ss.

The foregoing instrument was acknowledged before me this 28th day of June, 1996, by H. McKay Edwards, the Chief Operating Officer of Trans-Wasatch Company, L.L.C.



Jill A. Lof
Notary, Public

Residing at:

Davis County, Utah

March 15, 1997

State of Utah)
County of Salt Lake) ss.

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The foregoing instrument was acknowledged before me this 28th day of June, 1996, by David M. Luber, the Managing Member of LCC Properties Group, L.C., the Managing Member of Deer Crest Associates I, L.C.

(Seal)

Jeanne Burgi
Notary Public

My Commission Expires:

Residing at:

12.14.96

Salt Lake County, Utah

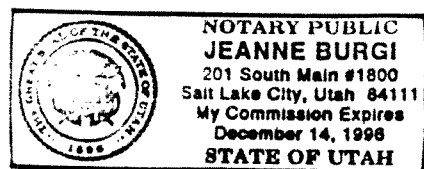


EXHIBIT A

to

DECLARATION OF COVENANTS

HIDDEN HOLLOW PARCEL

The Hidden Hollow Parcel referred to in the foregoing Declaration is located in Summit County, Utah, and is described as follows:

Beginning at a point on the Summit-Wasatch County line, said point being South 0°30'11" West 529.16 feet along the section line and East 5719.73 feet from the East quarter corner of Section 16, Township 2 South, Range 4 East, Salt Lake Base and Meridian; and running thence North 4°33'29" East 142.89 feet; thence North 12°19'16" East 761.76 feet; thence North 0°40'51" West 620.11 feet more or less; thence along the South line of the Republican Mining Claim (MS 4980) South 68°19'00" East 310.72 feet more or less; thence along the East line of the Republican Mining Claim North 31°00'00" East 1281.41 feet more or less; thence along the North line of the Queen Esther No. 5 Mining Claim (MS 6979) South 66°45'00" East 1350.12 feet more or less; thence along the East line of the Queen Esther No. 4 and the Queen Esther No. 5 Mining Claims South 18°45'00" West 1174.00 feet more or less; thence along the North line of the Queen Esther No. 3 Mining Claim South 66°45'00" East 251.90 feet more or less; thence along the East line of the Queen Esther No. 3 Mining Claim South 18°31'58" West 799.74 feet; thence along the Summit-Wasatch County line the following 4 courses: 1) North 43°00'37" West 488.15 feet; thence 2) North 85°09'01" West 382.13 feet; thence 3) South 73°11'51" West 485.08 feet; thence 4) South 73°02'55" West 812.81 feet to the point of beginning.

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EXHIBIT B

to

DECLARATION OF COVENANTS

SNOWTOP PROPERTY

The Snowtop Property referred to in the foregoing instrument is located in Wasatch County, Utah, and is described as follows:

Beginning at a point South 00°30'11" West along the section line 850.29 feet and East 5230.66 feet from the East Quarter Corner of Section 16, Township 2 South, Range 4 East, Salt Lake Base and Meridian (Bases of bearing being South 00°30'11" West between the East Quarter Corner and the Southeast Corner of said Section 16) said point being on the Summit and Wasatch County line; and running thence along said Summit and Wasatch County line the following six courses: 1) North 55°24'54" East 454.52 feet; thence 2) North 61°48'14" East 133.55 feet; thence 3) North 73°02'55" East 812.81 feet; thence 4) North 73°11'51" East 485.08 feet; thence 5) South 85°09'01" East 382.13 feet; thence 6) South 43°00'37" East 488.15 feet to a point on the East line of the Queen Esther No. 3 Mining Claim (MS 6979); thence South 18°31'58" West along said East line 333.29 feet to a point on the West line of the Mountain Neef No. 5 Mining Claim (MS 6798); thence South 05°39'38" East along said West line 117.63 feet; thence West 1134.47 feet to a point on a 275.00 foot radius non-tangent curve to the right (center bears North 67°22'33" West); thence westerly along the arc of said curve 470.07 feet thru a central angle of 97°56'19"; thence North 59°26'14" West 44.70 feet to a point on a 24.00 foot radius non-tangent curve to the left (center bears South 30°33'43" West); thence northwesterly along the arc of said curve 21.05 feet thru a central angle of 50°14'14"; thence South 72°15'50" West 503.34 feet; thence North 85°42'00" West 400.24 feet to a point on the Summit and Wasatch County line; thence North 17°33'57" East along said County line 370.98 feet to the Point of Beginning.

TOGETHER WITH a non-exclusive public utility and access easement over the following described parcel:

Beginning at the Northeast Corner of the McKinley Mining Claim (MS 6645); and running thence South 04°18'00" West along the East line of said Mining Claim 129.73 feet; thence North 78°05'18" West 421.38 feet to a point on the Summit and Wasatch County line; thence North 17°33'57" East 75.94 feet along said County line to a point on the North line of said Mining Claim; thence South 85°42'00" East along said North line 400.24 feet to the point of beginning.

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