When Recorded, Return To:

Elkhorn Development LLC
4001 Browns Canyon
Peoa, UT 84061

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ELKHORN RANCH SUBDIVISION OAKLEY, UTAH

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ALAN SPRIGGS, SUMMIT CO RECORDER
2001 SEP 21 15:10 PM FEE $34.00 BY DMG
REQUEST: FOUNDERS TITLE CO

THIS DECLARATION of covenants, conditions and restrictions is made this 20th day of September 2001 by Elkhorn Development, LLC, Declarant, who is the owner of the following described property located in Summit County, Utah:

> Lots 1, 2, 3, 4, 5 and 6 of the Elkhorn Ranch Subdivision, Oakley City, Utah, as it appears of record in the office of the Summit County Recorder as Entry No. 596033

Declarant intends to develop and convey Lots 1,2,3,4,5,6 within the Subdivision subject to a general plan of development, and subject to certain protective covenants, conditions and restrictions all as set forth in this Declaration, and which are deemed to be covenants running with the land mutually burdening and benefiting each of the Lots.

Declarant hereby declares that all of the Lots shall be held, sold, conveyed, encumbered, leased, used, occupied and improved subject to the protective covenants, conditions, restrictions and equitable servitude, all of which are created for the mutual benefit of the Lots. It is the intention of the Declarant in imposing these covenants, conditions and restrictions to create a generally uniform pattern of development, to protect and enhance the property values and aesthetic values of the Lots by eliminating inconsistent uses or improvements, all for the mutual protection and benefit of the Owners of the Lots. The covenants, conditions and restrictions are intended to, and shall in all cases run with the title of the land, and be binding upon the successors, assigns, heirs, lien holders, and any other person holding any interest in the Lots, and shall inure to the benefit of all other Lots in the Subdivision. The covenants, conditions and restrictions shall be binding upon the Declarant as well as its successors in interest, and may be enforced by the Declarant or by any Owner.

ELKHRN -1
" -2
" -3
" -4
" -5
" -6
" -A

ARTICLE 1

DESCRIPTION OF THE PROJECT

The project consists of the following elements:

1.1 Building Lots. Lots 1, 2, 3, 4, 5.and 6 as shown on the official Subdivision Plat, are designated as building lots, and may be improved by the construction of single family dwellings and one guest house, on those lots. Within Lots 1, 2, 3, 4, 5 and 6 there are additional land use designations as follows:

(a) Building Pad. The building location is shown on the plat. All structures are to be located entirely within that designated buildable area, with the exception of walkways, patios and driveways connecting the garage within the buildable area to the access road and septic systems. Swimming pools, if built, must be located on the buildable area.

(b) Natural Area of Lot. All of the Lot not included within the designated buildable area is the Natural Area of the Lot, and is intended to be left substantially as it now exists. The Natural Areas are intended to screen the Improvements to provide privacy for the Owners and a scenic and natural view for the Owners of adjoining Lots, to prevent soil erosion, and preserve some wildlife habitat value within the Subdivision. No structures of any kind shall be constructed outside of the designated buildable area. This includes sheds, storage buildings, garages, or any other building of any kind. No tennis courts or other hard surfaced areas (other than driveways, walkways, fences, or patios) are permitted in this area. Driveways leading from the common entry road to the garage located within the buildable area may cross the Lot outside of the buildable area. Underground utility lines, septic system drain fields and similar below ground utility services are permitted in this area. Ponds, trails, fences, and other landscape features may be constructed in the non-buildable area.

(c) Reciprocal River Frontage Easement. This Declaration creates a reciprocal easement for the benefit of each Lot over the other Lots along the bank of the Weber River. This easement is 30 feet northerly from the high water mark of the river, and shall extend southerly to the Property boundary, which is the center line of the Weber River. This easement is for fishing and walking access only, and permits pedestrian travel along the bank of the river. No motor vehicles are allowed in this easement area. No fences, walls or other improvements which would impede the free pedestrian use of this easement are permitted in this easement. Nothing in this Declaration shall be construed as granting a public easement along the river bank, and this easement is expressly for the sole and limited use of the Owners of Lots A, 1, 2, 3, 4, 5, 6 and Richard Maynes and their families and guests. (NOTE: THE ADDITION OF LOT A AND RICHARD MAYNES). The easement is appurtenant to Lots A, 1, 2, 3, 4, 5 and 6 and property owned by Richard Maynes (North of Weber Canyon Road) and will pass with the title to those Lots. No Owner shall have the right to grant the right to use this easement to any other party or adjoining land Owner without the express written consent of the other Lot Owners. The use of this easement is limited to daylight hours.

(d) Access to River Frontage Easement. The common property line between Lots 1 & 2, and Lots 3 & 4, shall be used by the easement owners for ingress and egress to the River Frontage easement. Any landscaping shall be designed by the Lot Owners to encourage such use. Adjacent Lot Owners may fence and/or landscape this approximate 10 foot wide easement.

(e) Right to Maintain View Corridor (Lot 5 Only). Mr. Brian Schank, the property owner west of Lot 5, is granted the right to maintain a view corridor of the river from his house and covered patio. This view corridor does not extend past the banks of the river. This view easement gives Mr. Schank the right to trim shrubs and trees in a reasonable manner, so as to maintain his view. This easement does not give Mr. Schank the right to remove trees or to alter the terrain or landscaping. The amount of trimming will be consistent with that existing during the summer of 2001. This right to maintain a view corridor will pass to future owners of the residence of Mr. Brian Schank.

ARTICLE 2

USE AND MAINTENANCE OF COMMON FACILITIES

There are a number of common facilities within the Subdivision which are the joint ownership and maintenance obligation of the Owners of Lots 1, 2, 3, 4, 5 and 6. These include: the entry road as shown on the plat; entry gate; perimeter and internal fencing; electrical lines, telephone lines, the culinary water system; and irrigation system and pump house.

2.1 Entry Road. The entry road consists of a 20' wide paved surface road. This is a private road, and will not receive any City or County maintenance. It is the obligation of the Owners to provide routine maintenance on the road, including snow removal. These costs are Common Expenses, as defined below. No Owner will park vehicles on the entry road or in any other way block or impede access to Lots 1, 2, 3, 4, 5 and 6. The entry road is for use for ingress and egress only, and will not be used by recreational vehicles, snowmobiles, ATV's or similar uses other than ingress and egress. Each Owner will be responsible for repairing any damage caused to the entry road by the Owner's construction activities, including ruts, damage to culverts, or other damage from construction vehicles.

2.2 Irrigation Water System. The Lot Owners each own Two shares of stock in New Field and North Bench Irrigation Company, which permits the use of irrigation water for each of Lot 1, 2, 3, 4, 5 and 6. The water is provided from the ditch with a common pressurized system.

2.3 Assessments. In order to provide for the common maintenance and payment of Common Expenses, the Lots shall be subject to assessment on an annual basis. The Owners will meet annually to prepare an estimated budget for the ensuing year. If the Owners agree on the budget, each will sign a copy of it, and an assessment sufficient to defray the budgeted expenses (and any budgeted reserves) is levied. In the event the Owners fail to meet, or fail to agree on a budget and assessment, the assessment levied for the preceding year is deemed to have been re-adopted.

(a) Initial Assessment. Declarant has established an initial assessment of $1,000, for each lot, for the first fiscal year. The fiscal year is May 1 to April 30. This rate of assessment will remain in effect until the Owners have adopted a subsequent budget and assessment.

(b) Books and Accounts. The Owners will designate one of them as the manager of the project, and will open a checking account in the name of Elkhorn Ranch Owners Association or in the Owner's joint names. Common Expenses will be paid from that account, and all assessment revenue will be deposited into that account. Each Owner will be entitled to access to the books and accounts at all times.

(c) Due Date. Assessments are due on or before June 1st of each year following the adoption of the budget at the commencement of the fiscal year, or continuation of the prior year's budget if no new budget is adopted. Unless agreed to in the budget, assessments will be payable in full in a single installment; provided that the Owners can, in the budget, agree to installment payments.

2.4 Purpose of Assessments. The assessments will be used to pay the Common Expenses as described in this declaration, including the costs of maintenance, operation, insurance, and such other costs as the Owners might have agreed to in the annual budget. Unless set forth in the budget, no common expense funds will be expended without written consent of all Owners.

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2.5 Capital Improvements. The Owners may agree to make capital improvements to the road, or other jointly owned elements of the property. In the absence of a written agreement to make

and pay for capital improvements, Owner may make improvements to facilities at his own expense in case of emergency.

2.6 Assessments Constitute Lien, Mortgagee Protection. Any validly imposed assessment shall constitute a lien against the Lots in the Subdivision. The other Owner shall have the right to foreclose on that lien when any assessment remains unpaid for a period of more than 90 days from the date the assessment was levied (or the start of the fiscal year), but if the lien is not foreclosed upon, it may be renewed from year to year by recording a new notice of the lien, together with accumulated interest. The common expense lien against any Lot shall have priority from the date that the first Notice of Lien on a specific Lot is recorded in the office of the Summit County Recorder, and is subordinate to any previously recorded liens or encumbrances filed against that Lot, specifically including any purchase money mortgage or trust deed. Not withstanding the lien rights, the obligation to pay assessments is a personal obligation of the Owner of each Lot, and the other Owner may proceed to collect against the Owner, or the prior Owner of any Lot in the event of a sale. No Mortgagee or Beneficiary under a Trust Deed who takes title by foreclosure or non-judicial sale, or accepts in deed in lieu of foreclosure or non-judicial sale, shall be held liable for the unpaid assessments of the Owner whose Lot was acquired by the Mortgagee or Beneficiary under a Trust Deed.

2.7 Advancement of Funds. In the event that any Owner defaults in the obligation to pay his or her share of the Common Expenses, the other Owner has the right, but not the obligation, to pay Common Expenses on behalf of the defaulting party. Such payments constitute loans to the defaulting party, and are called Advanced Funds. No funds will be advanced until the other Owners has been notified in writing of the expense and given 10 days to make payment. If funds are advanced, the Owner advancing the funds will be entitled to full reimbursement from the defaulting Owner, plus interest at the rate of 1.5% per month (18% annual rate) until fully paid, plus all costs of collecting the amounts owed including court costs, attorneys fees, deposition and discovery expenses, and the costs of supplemental proceedings to collect the amount owed. Disputes about the appropriateness of amounts advanced will be arbitrated as described below. The Owner advancing funds to cover a default by the other Owner shall be entitled to a lien against the default Owner's lot in the amount of the Advanced Funds, plus interest and costs of collection.

2.8 Statement of Account. Any Owner may request the designated manager to provide a statement of his account to any lender or prospective buyer of that Lot showing the assessments to be paid in full, or the amount of any past due assessments. The Buyer or lender for whom such a statement was prepared will be entitled to rely on its accuracy, and will not be held liable for any amounts not shown on the statement.

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ARTICLE 3

RESTRICTIONS ON USE OF PROPERTY

The following restrictions on use apply to all Property within the Subdivision:

3.1 Zoning Regulations. The lawfully enacted zoning regulations of Oakley City, and any building, fire, and health codes are in full force and effect in the Subdivision, and no Lot may be occupied in a manner that is in violation of any such statute, law, or ordinance. If the covenants, conditions and restrictions in this Declaration are more stringent than applicable zoning, it is the intent that the provisions of this Declaration control. This Declaration shall not authorize any uses, or activities that are prohibited by any local, state or federal law or regulation.

3.2 No Mining Uses. The property within the Subdivision shall be used for residential purposes only, and no mining, drilling, or quarrying activity will be permitted at any time.

3.3 No Business or Commercial Uses. No portion of the Subdivision may be used for any commercial business use, provided however that nothing in this provision is intended to prevent the use by any Owner of his Lot for a home occupation. No home occupation will be permitted, however,

which requires or encourages the Owner's clients, customers, patients or others to come to the Lot to conduct business, or which requires any employees outside of the Owner's immediate family or household. This provision may be more restrictive than the applicable zoning on home occupation, and uses permitted by zoning are not necessarily permitted under this Declaration. No retail sales, manufacturing, machinery or auto repair facility, warehousing, or sawmill uses of any kind may be made in the Subdivision.

3.4 Restrictions on Signs. No signs will be permitted on any Lot except for signs stating the address or the name of the Owner of the Lot which are no larger than 6 square feet and of a uniform design approved by both Owners. An entry sign may be installed at the intersection of the private road with the highway, with the design agreed to by the Owners, and installed and maintained as a Common Expense.

3.5 Completion Required Before Occupancy. No Dwelling Unit may be occupied prior to its completion and the issuance of a certificate of occupancy by Summit County.

3.6 Dwelling to be Constructed First. No garage, barn, storage unit, or other out building may be constructed prior to the construction of the primary Dwelling Unit on the Lot.

3.7 Animals. No animals other than ordinary household pets and horses may be kept on any Lot. No kennel or dog run may be placed closer than 200 feet to any Dwelling Unit other than that of the Owner of the Kennel. Dogs and barking noises must be kept under control by the Owner so as to not be an irritant to other owners. Dogs shall not be permitted to run at large on the lot of the other Owners.

3.8 No Re-Subdivision. No Lot may be re-subdivided.

3.9 Underground Utilities. All gas, electrical, telephone, television, and any other utility lines in the Subdivision are to be underground, including lines within any Lot which service installations entirely within that Lot. Propane tanks, if used, must be screened from view with vegetation or other landscaping.

3.10 Maintenance of Property. All Lots, and the Improvements on them, shall be maintained in a clean, sanitary, attractive and marketable condition at all times. No Owner shall permit his Lot or the Improvements on it to fall into disrepair.

3.11 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried out on any Lot, including the creation of loud or offensive noises or odors that detract from the reasonable enjoyment of nearby Lots.

3.12 No Hazardous Activity. No activity may be conducted on any Lot that is, or would be considered by a reasonable person to be unreasonably dangerous or hazardous, or which would cause the cancellation of conventional property casualty insurance. This includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, unlawful discharge of firearms or fireworks, and setting open fires (other than properly supervised and contained barbecues).

3.13 No Unsightliness. No unsightliness is permitted on any Lot. This shall include, without limitation, the open storage of any building materials (except during the construction of any Dwelling Unit or addition); open storage or parking of farm or construction equipment, inoperable motor vehicles, boats, campers, trailers, trucks larger than pick-up trucks (except during periods of actual loading and unloading); accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; household refuse or garbage except as stored in tight containers in an enclosure such as a garage; lawn of garden furniture except during the season of use; and the storage or accumulation of any other material, vehicle, or equipment on the Lot in a manner that it is visible from any other Lot or any public street.

3.14 No Annoying Lights. Any outdoor lighting shall be subject to approval by the Architectural Committee, and no outdoor lighting shall be permitted expect for lighting that is designed to aim downward and limit the field of light to the confines of the Lot on which it is installed.

3.15 No Annoying Sounds. No speakers, or other noise making devices may be used or maintained on any Lot which create noise that might reasonably be expected to be unreasonably or annoyingly loud from adjoining Lots, except for security or fire alarms.

3.16 Septic Systems. Each building lot must be connected to a septic system for sewage disposal. The design, placement, and capacity of the septic system must be approved by the Summit County Health Department. Each Owner must maintain his septic system in good operating condition at all times.

3.17 Vehicles Restricted to Roadways. No motor vehicle will be operated on the Property except on improved roads and driveways. No snowmobiles or motorcycles will be operated on the Property except for ingress and egress or while loading the equipment for lawful transport on public streets. This shall not preclude the operation of agricultural equipment for the irrigation and cultivation of crops, removal of manure, and maintenance of the property.

3.18 No Transient Lodging Uses. The Lots are to be used for residential housing purposes only, and shall not be rented in whole or in part for transient lodging purposes, time share, boarding house, "Corporate Retreat", "bed and breakfast," or other uses for providing accommodations to travelers. No lease of any Lot shall be for a period of less than 90 days.

3.19 No Time Interval Ownership. No Unit may be owned, leased, or otherwise held in a manner that divides either the legal title or the legal right of use into formal or informal time intervals or timeshare ownership, or any other contract, trust, partnership, or other arrangement that permits, allows, or as a practical matter, creates or establishes time interval ownership or rotating legal right of use of the Unit that is indistinguishable from time interval ownership.

3.20 Temporary Occupation. No trailer, mobile home, basement of any incomplete Dwelling, tent, truck camper, shack, garage, barn, or temporary structure of any kind shall be used at any time for a Dwelling on the Property on a temporary or permanent basis; provided however that if a Conditional Use Permit is obtained from Summit County, a temporary structure may be occupied during the actual construction of the permanent dwelling and promptly removed upon completion. Temporary buildings or structures for office use or storage during the actual construction of any approved Improvement shall not be placed on the Property until a building permit has been issued by Summit County, and shall be removed upon the completion of construction and the issuance of the certificate of occupancy, or upon the expiration of the building permit, which ever occurs first.

3.21 Vegetation Removal. The natural vegetation of both the woodland areas and the meadow areas of the Property are important features of the Property, and shall be preserved. No commercial harvesting of forest products, including cutting of firewood, shall be allowed on the Property.

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ARTICLE 4

RESTRICTIONS ON IMPROVEMENTS

To ensure a high quality of construction and compatible design, all Improvements on any Lot shall be subject to the following restrictions and architectural design standards:

4.1 Number of Buildings. Only one Main Dwelling Unit may be constructed on any Lot. The minimum square footage ,of the main floor, of the main dwelling unit shall be 3500 square feet. All Dwellings shall have an attached garage for at least 2 cars. Reasonable storage buildings or out-building are permitted on any Lot. Guest houses and/or staff quarters may be constructed provided

that they are connected or within 150 feet of the primary dwelling and do not exceed 1,200 square feet in gross floor area.

4.2 Placement of Buildings. Within each Lot, as shown on the Plat, there is an area shown as the Buildable Area. All of the Dwelling Unit, guest house, storage buildings, garage, and any above grade decks or balconies must be confined to the Buildable Area.

4.3 Building Setback and Placement. All portions of the Dwelling Unit are to be within the Buildable Area designated for each Lot as shown on the Plat, which will dictate the minimum front, rear and side yard setbacks.

4.4 Building Height. No structure on and Lot may exceed 33 feet in height as measured at the natural grade on the Lot prior to construction to a point half way between the eaves and the ridge line of the roof. The maximum ridge line height will be 33 feet above natural grade, with the intention being to have the building mass follow the natural, existing contour of the land.

4.5 Roof Design. Roof pitches must be within a range of a 5/12 to a 7/12 slope. More than one roof pitch may be used. Eaves and roofs must overhang by at least twenty-four inches. Roofing will be medium shake shingles, colored metal roofing or asphalt shingles. Mansard, fake mansard, A-frame, gambrel, curvilinear, and domed roof designs are prohibited. All fascia boards must be at least twelve inches in width. Special attention will be paid to the south facing roof overhang to allow for adequate sun protection. All roof metal such as flashing, vent stacks, gutters and chimney caps will be made of anodized aluminum or painted galvanized metal, and in either case, will be painted an earth tone color.

4.6 Siding Materials. The following exterior wall surface materials are allowed: cedar siding, redwood siding, log, stone, wood shingles, and stucco without "tudor" wood breaks. Textured plywood, metal, vinyl, masonite or similar manufactured siding materials are prohibited. Exterior wall colors must harmonize with the site and surrounding buildings. The predominant tone should be earth tone, whether in the natural color or patina of the weathered color of the wall surface itself or the color of the stain or other coating. Bright or dramatic colors can be used for accent of exterior wall areas hidden from general view. Fascia and trim shall also remain in the earth tone spectrum.

4.7 Windows. Windows must be either vinyl, wood, bronze-tone aluminum clad wood, bronze tone aluminum, or dark metal. All windows must be double glazed. Any trapezoidal windows must parallel the shape of the walls or roofs surrounding them. No mirrored or reflective glass may be used.

4.8 General Design. The general design of the home and other buildings shall be for a "Ranch", "Country" or "Mountain" home appearance.

4.8 Chimneys. Chimneys must be enclosed in an approved siding material. No exposed metal flues are permitted.

4.9 Antennas, Solar Panels. All antennas must be enclosed within the Dwelling Unit. Any satellite dishes larger than 24" in diameter must be located and screened so they are not visible from either adjoining Lots or from outside the Subdivision. Solar panels will be permitted only if they lie flat against the roof and may not differ in pitch or color from the roof surface on which they are mounted.

4.10 Balconies and Decks. Any balcony or deck that is more than twenty-four inches above the natural grade must be constructed in compliance with the following: All posts or pillars supporting any deck must be between eight and sixteen inches in width, including vertical members in railings. The area under any deck must either be landscaped or screened from view so that the view from adjoining Lots or streets is not of the unfinished underside of the deck. The area under any deck shall not be used for storage of equipment, firewood, building material, or similar material. The underside of any deck more than three feet above grade must either be completely screened with vertical lattice or siding, or, if exposed (as in the case of a second story deck) painted or stained to match the house.

ARTICLE 5

GENERAL PROVISIONS

The covenants, conditions, and restrictions contained in this Declaration may be enforced as follows:

5.1 Remedies.

(a) Any single or continuing violation of the covenants contained in this Declaration may be enjoined in an action brought by the Declarant (for so long as the Declarant is the Owner of any Lot), by any other Owner. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment all of the reasonable costs of enforcement, including attorneys fees and costs of court.

(b) Nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state, or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. These covenants are to be construed as being in addition to those remedies available at law.

(c) The remedies available under this Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.

(d) The failure to take enforcement action shall not be construed as a waiver of the covenants contained in this Declaration in the future or against other similar violations.

5.2 Severability. Each of the covenants contained in this Declaration shall be independent of the others, and in the event that any one is found to be invalid, unenforceable, or illegal by a court of competent jurisdiction, the remaining covenants shall remain in full force and effect.

5.3 Term of Covenants, Renewal. This Declaration shall expire fifty years from the date it is first recorded with the Summit County Recorder, provided however that in the last year prior to expiration, the Owners may, by written notice which is recorded with the Summit County Recorder, agree to extend the covenants for a period of an additional twenty years.

5.4 Amendment. At any time while this Declaration is in effect, the Owners by 2/3 action may amend the provisions of this Declaration. No such amendment will be binding upon the holder of any mortgage or trust deed on any Lot unless the mortgage or trust deed holder joins in the amendment. These covenants may be repealed in whole or in part by amendment.

5.5 Constructive Notice. Every person who owns, occupies, encumbers, or acquires any right, title or interest in any Lot in the Subdivision is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the covenants, conditions and restrictions against his Lot, whether or not there is any reference to this Declaration in the instrument by which he acquires his interest in any Lot.

5.6 Reservation of Easements. For the mutual benefit and convenience of all of the Owners, each Lot is burdened by two utility easements ten feet in width on both sides of the access road, and each Owner shall also have an easement for underground utilities along the access road to the abutting public street. The Owner grants the right to public utilities to enter upon each Lot for purposes of utility installation, meter reading, and maintenance, and the right to public agencies providing utility-type services and emergency and public safety services to enter on to the Lot as needed to perform their functions.

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5.7 Notices. All notices under this Declaration are deemed effective 72 hours after mailing, whether delivery is proved or not, provided that any mailed notice must have postage pre-paid and be sent to the last known address of the party to receive notice. Notices delivered by hand are effective upon delivery.

5.8 Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development of the Subdivision. Paragraph headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended to include masculine, feminine and neuter as well.

5.9 Insurance. The Owners will maintain such policy or policies of insurance as the Owners deem necessary for the purposes and protection of the commonly held property and the Owners, in such amounts as are customary and commercially reasonable for projects of this type in this area. At the minimum, the Owners will obtain insurance that complies with the following:

(a) Hazard Insurance. The Owners will maintain multi-peril type insurance covering the Farmstead buildings, access road and any other insurable improvements. This policy shall be equal to the full replacement cost of these facilities, as determined by the Owners and insurance carriers, with provisions for automatic increases in coverage to cover any increases in the costs of replacement. Such policy will cover losses by fire and such other hazards covered by the standard extended coverage endorsement, and debris removal, demolition, damage by vandalism, malicious mischief, windstorm, hail, water damage (excluding flood insurance), and such other risks as are customarily covered in condominium projects in this location, of this construction, and use.

(b) Named Insured. The named insured will be the Owners as tenants in common, or the Elkhorn Ranch Owners Association.

(c) Liability Insurance. The Owners will maintain a comprehensive public liability policy covering all Common Facilities. Such insurance will contain a "severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying a claim of one Owner because of the negligence of other Owners. The coverage will include coverage for non-owned automobiles, damage to property of third parties, and such other liability exposures as are reasonable and customary for projects of this type, nature, and use. The limits of liability coverage will not be less than $1 million for all claims arising from a single occurrence.

(d) Individual Owners' Insurance. The Owners are solely responsible for property, casualty and liability insurance on the contents of their Lots and houses, which shall not be treated as common expense. Not withstanding the provisions on common insurance, if the Owners are able to acquire comparable coverage treating the common facilities and buildings as appurtenances to their private lots, such that both Owners are protected for loss and liability, they may carry this insurance as an addition to the insurance on their private lots with a 30 day notice of cancellation or non-renewal provision running in favor of the other Owner.

5.10 Additional Services. Upon agreement of the Owners, they may provide additional services to the Property not specifically mandated by this Declaration or the Act as Common Area Expenses, or may agree to provide services such as snow removal and yard maintenance as an individual Owner's expense rather than through the Common Area Assessments. Such additional services may be added or discontinued from time to time as the Owners agree, without requiring amendment of this Declaration.

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5.11 Arbitration of Disputes. In the event of a dispute between the Owners concerning any matter covered by this Declaration, or any other matter concerning the use, occupation, and maintenance of the Property or Common Expenses, which the Owners are not able to resolve themselves, the Owners agree to binding arbitration under the rules of the American Arbitration Association. Arbitration will be carried out by the American Arbitration Association in Salt Lake City. In reaching their decision, the arbitrators are to consider the long range maintenance costs of the Property, preservation and enhancement of values, the level of maintenance on similar properties in the immediate neighborhood, and the probability that repairs may prevent future damage or deterioration, and the marketability of the property. The decision of the arbitrators may be enforced by a court, and judgment entered on the basis of the award. This shall not preclude either Owner from seeking injunctive relief in the case of non-monetary violations of this Declaration where immediate

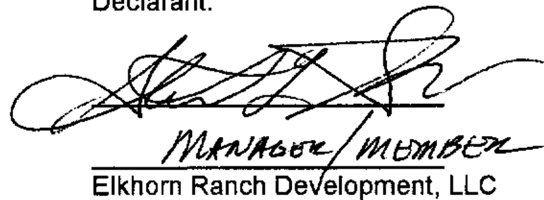
remedial action is necessary to eliminate a dangerous condition or abate a nuisance.

5.12 Enforcement Expenses. Actions to enforce this Declaration or foreclose on any lien for unpaid Common Area Assessments will be treated as Common Area Expenses, and paid for as Common Expense. If there are not sufficient funds available, the Owner seeking enforcement may pay the costs as Advanced Funds.

5.13 Severability. If any provision of this Declaration is adjudicated to be unenforceable, the remainder of the Declaration shall remain in full force and effect.

Effective upon recording.

Declarant:

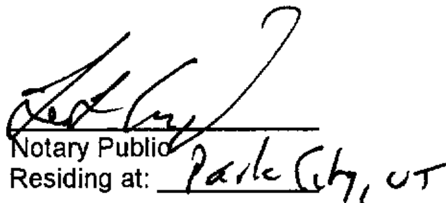


Manager/Member

Elkhorn Ranch Development, LLC

STATE OF UTAH)
:ss
COUNTY OF SUMMIT)

The foregoing instrument was acknowledged before me this 20th day of September 2001 by Elkhorn Ranch Development LLC.



Notary Public
Residing at: Park City, UT

Commission Expires:
8-22-02