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08/19/2005 11:43 AM \$23.00
Book - 9176 Pg - 1604-1607
GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
TALON GROUP
BY: AMF, DEPUTY - WI 4 P.

RECORDING REQUESTED BY:

Holmes Homes, Inc.

**AND WHEN RECORDED MAIL
DEED AND TAX STATEMENTS TO:**

Holmes Homes, Inc.
45 West 10000 South
Sandy, Utah 84070
Attn: Patrick H. Holmes

SPECIAL WARRANTY DEED

KENNECOTT LAND RESIDENTIAL DEVELOPMENT COMPANY, a Delaware corporation, with its principal office at 5295 South 300 West, Suite 475, Murray, County of Salt Lake, State of Utah ("**Grantor**"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) paid to Grantor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby **CONVEY** and **WARRANT** against the acts of Grantor only to **HOLMES HOMES, INC.**, a Utah corporation ("**Grantee**"), certain land being more particularly described in Exhibit A attached hereto and incorporated herein by reference (the "**Land**"), together with (i) all improvements, if any, located thereon, and (ii) all right, title and interest of Grantor (if any) in, to and under adjoining streets, rights of way and easements, **SUBJECT TO** all reservations contained in this Deed and all encumbrances of record, all building codes and other applicable laws, ordinances and governmental regulations affecting the Land and all other matters reasonably identifiable from an inspection or survey of the Land.

THE TALON GROUP
LS# 449-4910515

Grantor hereby retains and reserves (i) all oil, gas and minerals under or appurtenant to the Land, together with all rights to use or extract the same, except that Grantor shall not have the right to enter upon the first 500 feet below the surface of the Land to use or extract the same, and (ii) all water flowing or located under, within, or over, and all water rights or water shares in any way connected or associated with or appurtenant to, the Land.

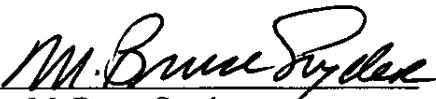
Grantor and Grantee agree that the provisions of Paragraph 10 of Exhibit B to that certain Deed dated October 16, 2002 from Kennecott Utah Copper Corporation, as grantor, to OM Enterprises Company, as grantee, recorded in the Official Records of Salt Lake County as Instrument No. 8442505, including, without limitation, the "Well Prohibition Covenant" [which prohibits drilling of water wells on the land] and the "Subsequent Transfer Covenant" [which requires that the Well Prohibition Covenant be inserted in all future deeds for such land] (as such terms are defined in such Paragraph 10), are hereby incorporated into this Deed and shall be binding on Grantee, its successors and assigns.

IN WITNESS WHEREOF, Grantor has caused its duly authorized representative to execute this instrument as of the date hereinafter written.

DATED: August 16, 2005

GRANTOR:

**KENNECOTT LAND RESIDENTIAL
DEVELOPMENT COMPANY**
a Delaware corporation

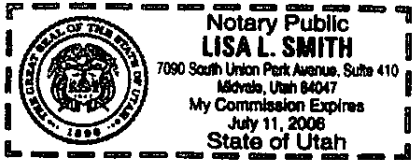
By: 
Name: M. Bruce Snyder
Its: Vice President Residential
and Commercial Development

ACKNOWLEDGMENT

STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

On August 16, 2005, personally appeared before me, a Notary Public, M. Bruce Snyder, the Vice President Residential and Commercial Development of **KENNECOTT LAND RESIDENTIAL DEVELOPMENT COMPANY** personally known or proved to me to be the person whose name is subscribed to the above instrument who acknowledged to me that he/she executed the above instrument on behalf of **KENNECOTT LAND RESIDENTIAL DEVELOPMENT COMPANY**.

WITNESS my hand and official Seal.



Lisa L. Smith
Notary Public in and for said State

My commission expires: _____

[SEAL]

EXHIBIT A TO DEED

Legal Description

Lots 105, 106, 107, 108, 109, 110, 300 and 301 of that certain map entitled "KENNECOTT DAYBREAK PHASE II SUBDIVISION" according to the official plat recorded September 14, 2004, as Entry No. 9172069 in Book 2004P beginning at Page 264 in the Official Records of Salt Lake County, Utah, which plat was amended solely with respect to Lots 213-217, 227-256, 300-309, P-101, P-102, P-104, P-105, P-106, P-113, and adding Lots 310-316 pursuant to that certain amendment entitled "AMENDED KENNECOTT DAYBREAK PHASE II SUBDIVISION" according to the official plat recorded December 22, 2004, as Entry No. 9256554 in Book 2004P beginning at Page 382 in the Official Records of Salt Lake County, Utah.

Tax Parcel Numbers: Lot 105: 27-19-354-007

Lot 106: 27-19-354-008

Lot 107: 27-19-354-009

Lot 108: 27-19-354-005

Lot 109: 27-19-354-004

Lot 110: 27-19-354-003

Lot 300: 27-19-157-018

Lot 301: 27-19-157-017