

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
SILVER FALLS @ WASHINGTON BENCH PHASE 2-A**

We the undersigned, owners in fee of the following described real property, to wit:

SEE ATTACHED EXHIBIT "A"

do hereby make the following declarations as to limitations, restrictions and uses to which the lots and/or tracts constituting the said subdivision, may be put, hereby specifying that the said declaration shall constitute covenants to run with all of the land as provided by law and shall be binding upon all the parties and all persons claiming under them, and for the benefit of and limitations upon all future owners in said subdivision, the declaration of restrictions being designed for the purpose of keeping the said subdivision desirable, uniform, and suitable in architectural and landscape design and use as herein specified.

AREA OF APPLICATION

Full-protected residential area. The residential area covenants in their entirety shall apply to all property listed in the above shown description.

RESIDENTIAL AREA COVENANTS

1. Land use and building type. No lot shall be used except for the residential purpose. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) family dwelling not to exceed two stories in height and private garage for not less than two vehicles. Exterior of dwelling to be constructed of stone, stucco, or brick with tile roof. Each finished dwelling of rambler style must have a minimum square footage of 1600 square feet of living area, plus two car garages. No carports are allowed unless its an additional parking, to the two car garage. Two story styles must have a minimum of 1400 square feet of living area on the main floor and a minimum of 600 square feet on the second level. Square footage of either style is excluding garages, porches, verandas, carports, patios, basements and steps. Any square footage with any portion thereof beneath the top grade of the foundations will not qualify to offset the minimum square footage requirement. Any deviations from this requirement must be approved in writing by the Architectural and Landscape Committee.

All front yard landscaping, (from side of house to side of lot lines), must be installed within three (3) months after such date that occupancy permit is granted to each individual dwelling. To insure compliance with this regulation, Buyer shall place in escrow, at time of closing, \$750.00. Architectural Control Committee will determine compliance, and will not reasonably withhold acceptance.

All lots will incorporate the following entities as part of their landscape and home design: All roofing material to be tile. Swamp coolers are not allowed. No roof mounted air conditioners or furnaces are allowed. If completion of landscaping is in compliance, the \$750.00 of escrowed monies will be refunded to lot owner. If lot owner fails to comply with this covenant, then the \$750.00 shall be released to the Architectural Control Committee, for costs involved in legal action to be taken against lot owner.

If lot owner fails to retain surface drainage or to keep sidewalks in good repair, free from breakage or street free and clear of all material as per city code, during the course of construction, Architectural Control Committee retains the right to do the following:

First Notify lot owner of said infraction, with a request to correct the problem within 24 hours.

Second. After owner has been notified to correct the problem, and has failed to do so, then the Architectural Control Committee reserves the right to hire someone to clean up, contain, correct or repair said problems. These expenses to be deducted from the \$750.00 escrowed funds.

2. No tank for storage of fuel may be maintained above the surface of the ground without the written consent of the Architectural and Landscape Committee.
3. Building location. No building shall be located any nearer to the front lot line or nearer to the side street than the minimum building set back lines as required by Washington City. In any event no habitable building shall be located on any lot nearer than 20 feet to the front lot lines, nor nearer than 20 feet to any side street, unless otherwise approved by the Architectural Control Committee and Washington City.

No building shall be located nearer than 8 feet to an interior lot line, except not less than a 7.5 foot side yard shall be required for a garage or other permitted accessory buildings located not less than 40 feet from the minimum building setback line, and provided that said garage or accessory building is separate (without attachments of any kind whatsoever) from the main structure by not less than 10 feet. No dwelling shall be located on an interior lot nearer than 20 feet to the rear lot line.

4. No building material of any kind or character shall be placed or stored upon any lot until the owner thereof is ready to commence improvements and then the material shall be placed with the property lines of the plot upon which the improvements are to be erected, and shall not be placed in the streets or between the curb and the property line.
5. Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. All power and telephone lines must be run underground.
6. Keeping of animals other than those ordinarily kept as family pets shall be forbidden, unless the written permission of 2/3 of the subdivision owners is obtained for the exception. Said exception must also be in accordance with city zoning requirements.

7. Nuisances. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.
8. No signs, billboards, nor advertising structures may be erected or displayed on any lots hereinabove described or parts or portions thereof, except that a single sign, not more than 3X5 feet in size advertising a specific lot for sale or house for rent or construction sign, may be displayed on the premises affected. The other exception will be signs that are deemed necessary by the original owner/developer of the subdivision, and all such signs must be removed at such time that all the lots in the subdivision are sold.
9. No radio or short-wave antennas are allowed. All satellite dishes, antenna systems, and TV antennas must be placed on the back side of the roof (or in the attic) so no part of the antenna or satellite dish can be seen from the street in front of the house.
10. No trash, ashes, nor any other refuse may be dumped, or thrown, or otherwise disposed of, on any lot herein before described or any part or portion thereof. All homes must subscribe to city garbage disposal service.
11. Temporary structures. No structure of a temporary character, including a trailer, shack, garage, barn, or other out building, shall be allowed on any lot at any time, either as a residence, for storage, or for any other purpose, either temporary or permanently.
12. Any detached accessory building erected on the lots shall conform in design and materials with the primary residential home on the lot. Except if approved otherwise in writing by the Architectural and Landscape Committee, and with the guidelines found in Paragraph 3.
13. Fencing. No fence, wall, hedge, or other dividing structure higher than 3 1/2 feet shall be permitted within the front yard setback. No dividing structure on any other portion of the lot shall be over 6 feet. All fencing material must be of masonry, block or vinyl.
14. Parking and Storage. No inoperable automobile shall be placed or remain on any lot or adjacent street for more than 48 hours. No commercial type vehicles and no trucks shall be parked or stored on the front yard setback of any lot, or within the side yard building setback on the street side of a corner lot, or on the residential street except while engaged in transportation. Trailers, mobile homes, trucks over one-ton capacity, boats, campers not on a truck bed, motor homes, buses, tractors and maintenance or commercial equipment of any kind shall be parked or stored behind the front yard setback in an enclosed area screened from street view. Sufficient side yard gate access should be planned and provided for in the design of the home, to permit ingress, egress, and storage of trailers and recreational type vehicles on the side and rear yards. The storage or accumulation of junk, trash, manure or other offensive or commercial materials is prohibited. Facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view.
15. Maintenance. Every lot, including the improvements in said tract, shall be kept in good repair and maintained by the owner thereof in a clean, safe and attractive condition.
16. Manufactured Housing. No manufactured house or manufactured structure to be occupied as a home shall be permitted on any lot. All homes to be built or constructed on site.

NEW BUILDING AND PROCEDURE

To maintain a degree of protection to the investment which homeowners in this area may make, homes of superior design are requisite. Designs shall be limited to those prepared by architects or by qualified residential designers of outstanding ability whose previous work may be reviewed as a part of the approval process.

PRELIMINARY DRAWINGS

Shall include as minimum the following:

1. Plot Plan to scale of entire site with buildings located and elevation of floors shown above or below a designated point on the street.
2. Floor plans of each level to scale.
3. Elevations to scale of all sides of the house.
4. One major section through house.
5. A perspective (optional)
6. Specifications of all outside material to be used on the exterior or residence.

WORKING DRAWINGS- To be filed for approval and accepted before construction is begun.

Shall include as minimum the following:

1. Plot Plans to scale showing the entire site, building, garages, walks, drives, fences, carriage lights, retaining walls, with elevations of the existing and finished grade and contours including those at the outside corners of the buildings and at adjacent property lines and street fronts, and elevations of floors from a designated point on the street.
2. Detailed floor plans.
3. Detailed elevations, indicating all material and showing existing and finished grades.
4. Detailed sections, cross, and longitudinal.
5. Details of cornices, porches, windows, doors, garages, garden walls, steps, patios, fences, carriage lights, etc. Specifications shall give complete descriptions of material to be used

ARCHITECTURAL AND LANDSCAPE COMMITTEE

Except for the initial Committee which consists of the owner/developer of record and his assigns, the Architectural and Landscape Committee shall consist of 5 members, the majority of which shall constitute a quorum and the concurrence of the majority is necessary to carry out the provisions applicable to this committee. In the event of death or resignation of any of the members, the surviving members of the Committee shall have full authority to appoint another person to fill said vacancy. Except for the initial members appointed to the Committee, all members of the Committee must be residents of the subdivision at the time for their appointment. Should any member move his residence outside of the subdivision he shall be disqualified to serve and the Committee shall declare a vacancy. At such time that all lots owned by the initial Owner/Developer are sold, the
 owners in the subdivision to stand as the
 architectural and Landscape Committee.

It is understood that the Architectural and Landscape Committee members shall serve without pay, and are to give of their time as a public service to the community. Therefore, any liability incurred due to an oversight or implied mistake that might arise due to the action of the Committee or any of its members while carrying out the functions of the Committee will be exempt from any civil claims brought by the signatories of these covenants. Therefore, such Committee members will be held harmless to any such action and exempt from any civil recourse either intended or implied to any of the committee members while serving in the capacity of the Committee, or for the judgments that they may render during the course of their service.

COMMITTEE PROCEDURE

Any three members in agreement shall constitute the Committee to act on Committee business, and these three shall affix their signature to any plans or correspondence describing that upon which they have taken action. On occasion when a member of the Committee shall be in opposition, a majority of two shall govern, except on initial Committee which requires the signature and action on only the initial Owner/Developer. The Committee can accept or reject:

1. Preliminary Plans of proposed residences (as defined herein).
2. Final Plans of proposed residences (as defined herein).
3. Planning problems or complaints by property owners.

That Committee shall act within seven days on any of the above, and place its action in writing to be held as a permanent record, with copies to parties concerned and on file.

The final plans shall be delivered to the Committee, which shall accept or reject them within seven days, and so notify the owner in writing. Within seven days of submittal of complete written plans as previously outline in preliminary and working drawings.

An owner whose plans are rejected shall meet with the Committee at the Committee's invitation where he shall be informed of the nature of the cause of the action so that he can take the steps necessary toward obtaining approval of his plans.

Finally, the Committee has the authority to judge buildings, materials, fences, planting, etc., on whatever basis available to it with the aim of preserving what it feels are the best interests of the property owners represented. These shall include but not be limited to aesthetics, reasonable protection of views, permanence of materials, etc. All decisions of the Committee shall be final.

In the event said Committee, or lots designated representatives, fails to approve or disapprove such design and location within 30 days after such plans and specifications have been submitted to it, or in any event, if no suit too enjoin the erection of such building or the making of such alterations has been commenced prior the completion thereof, such approval will not be required and this covenant will be deemed to have been complied with, provided the said structure shall conform to and be in harmony with existing structures in the tract and with the other provisions herein contained.

GENERAL PROVISIONS

The said covenants, conditions, restrictions and reservations shall be perpetual and shall apply to and be forever binding upon the grantee, successors, executors, administrators and assigns, and are imposed upon the land as an obligation and charge against the same for the benefit of the grantors herein named, its successors and assigns as a general plan for the benefit of the said tract, however, the said covenants can be terminated or amended by agreement in writing signed by two-thirds of the property owners in the said tract.

SUBORDINATION OF LIEN TO MORTGAGES

The lien of the assessments provided for herein shall be subordinate to the lien of a lender holding a first mortgage thereon. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceedings in lieu thereof, shall extinguish the assessment lien as to payments which became due prior to such sale or transfer. No sale or transfer, however, shall relieve a Lot or owner from personal liability for assessments coming due after he takes title or from the lien of such later assessments.

ASSIGNMENT OF POWERS

Any and all rights and powers of the Grantor/Developer herein contained may be delegated, transferred or assigned. Wherever the term Grantor/Developer/Declarant is used herein, it includes assigns or successors in interest of the Grantor.

Declaration of Protective Covenants, Conditions and Restrictions of SILVER FALLS @
WASHINGTON BENCH, Washington City, Utah,

Submitted by KLC PROPERTIES, LC., a Utah Limited Liability Company.

KLC PROPERTIES, LC., A UTAH
LIMITED LIABILITY COMPANY

BY: ROBERT M. ELLIOTT, temporary manager

STATE OF UTAH

COUNTY OF WASHINGTON

On the 10th day of June, 2005, personally appeared before me ROBERT M. ELLIOTT, as temporary manager of KLC PROPERTIES, LC., A Utah Limited Liability Company, the signer of the foregoing instrument who duly acknowledged to me that he executed the same, for and on behalf of and as managing member of said limited liability company, for the uses and purposes as stated therein.

My Commission Expires:
Residing at:


NOTARY PUBLIC

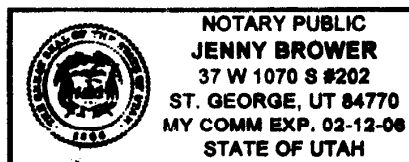


EXHIBIT A

Beginning at a point on the westerly right of way line of Camino Real, said point being South 00°13'30" West, along the section line 1315.14 feet and South 89°46'30" East, 32.47 feet from the West Quarter Corner of Section 25, Township 42 South, Range 15 West, Salt Lake Base and Meridian; and running thence along the southerly boundary line of "Silver Falls @ Washington Bench - Phase 1" for the following thirteen (13) courses: South 73°44'50" East, 60.00 feet; thence North 16°15'10" East 16.87 feet; thence South 73°44'50" East, 89.92 feet; thence North 89°26'38" East, 265.73 feet; thence South 75°51'19" East, 153.05 feet; thence North 14°08'41" East, 5.78 feet; thence South 85°58'01" East, 140.04 feet; thence South 20°23'54" West, 104.22 feet; thence South 83°53'35" East, 125.79 feet; thence South 67°41'09" East, 50.00 feet; thence North 22°18'51" East, 14.12 feet to a point on a 275.00 foot radius curve to the left; thence 48.35 feet along said curve through a central angle of 10°04'22" (chord bears North 17°16'39" East, 48.28 feet); thence South 65°58'16" East, 126.60 feet to a point on the southeast corner of said Silver Falls - Phase 1; thence South 23°10'16" West, 188.69 feet; thence South 06°34'16" East, 148.13 feet; thence South 81°38'33" West, 120.11 feet to a point on a 275.00 foot radius curve to the right; thence 47.16 feet along said curve through a central angle of 09°49'35" (chord bears South 86°33'21" West 47.11 feet); thence North 88°31'52" West, 116.52 feet to a point on a 625.00 foot radius curve to the right; thence 29.59 feet along said curve through a central angle of 02°42'45" (chord bears North 87°10'29" West, 29.59 feet); thence North 85°49'06" West, 261.93 feet to a point on a 575.00 foot radius curve to the left; thence 47.54 feet along said curve through a central angle of 04°44'15" (chord bears North 88°11'14" West, 47.53 feet); thence South 89°26'38" West, 266.08 feet to a point on a 325.00 foot radius curve to the right; thence 54.08 feet along said curve through a central angle of 09°32'00" (chord bears North 85°47'22" West, 54.01 feet); thence North 08°58'38" East, 50.00 feet; thence North 16°43'07" East, 130.88 feet; thence North 89°26'38" East 20.00 feet; thence North 15°48'58" East, 137.86 feet; thence North 06°48'58" East, 25.00 feet to a point of non-tangency with a 250.00 foot radius curve to the right; thence 101.57 feet along said curve through a central angle of 23°16'43" (chord bears North 71°32'41" West, 100.87 feet) to a point of non-tangency with a 200.00 foot radius curve to the left; thence 13.27 feet along said curve through a central angle of 03°48'08" (chord bears North 26°17'24" East, 13.27 feet); thence North 65°36'40" West, 30.00 feet to a point on non-tangency with a 170.00 foot radius curve to the left; thence 25.27 feet along said curve through a central angle of 08°31'06" (chord bears North 20°08'04" East, 25.25 feet); thence North 16°15'10" East, 93.15 feet to the point of beginning.