

RECORDING REQUESTED BY:

HOLMES HOMES, INC.

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

Holmes Homes, Inc.
45 West 10000 South, Suite 206
Sandy, Utah 84070
Attn: Patrick H. Holmes

9941412
12/15/2006 11:06:00 AM \$75.00
Book - 9395 Pg - 1437-1440
Gary W. Ott
Recorder, Salt Lake County, UT
TALON GROUP
BY: eCASH, DEPUTY - EF 4 P.

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
CV# 26412A

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 or disturb 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.

[SIGNATURES ON NEXT PAGE]

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

DATED: December 15, 2006

GRANTOR:

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

By: 

Name: M. Bruce Snyder

Its: Vice President Residential and Commercial
Development

F-S-1

NB1:649174.5

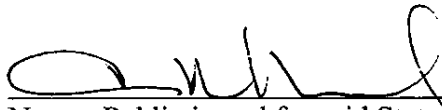
BK 9395 PG 1438

ACKNOWLEDGMENT

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

On December 12, 2006, 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.



Notary Public in and for said State

My commission expires: 6.22.08

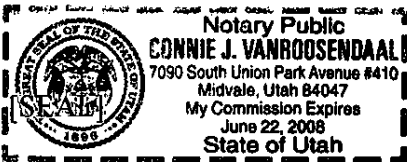


EXHIBIT A TO DEED

Legal Description

LOTS DESIGNATED AS TOWNHOMES:

LOTS 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, AND 397, KENNECOTT DAYBREAK PLAT 7 SUBDIVISION AMENDING LOTS OS2 AND V1 OF THE KENNECOTT MASTER SUBDIVISION #1 AND ADDING A PORTION OF QUITCLAIM DEED BOOK 9277 PAGE 2603 THRU 2605, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE.

Tax Parcel No. 27-18-400-005-0000