

AFTER RECORDING, RETURN TO:

Chris L. Engstrom
Durham Jones & Pinegar
192 East 200 North, Third Floor
St. George, Utah 84770

RESTRICTIVE COVENANTS

The City of St. George, a municipality of the state of Utah (hereinafter referred to as the "City"), is the owner of certain real property ("Property") located in Washington County, Utah, which Property is more particularly described in Exhibit 1, attached hereto and incorporated herein by reference.

The City purchased the Property from White Hills, LC, a Utah limited liability company (hereinafter referred to as "White Hills"), subject to the protective covenants contained herein.

The City does hereby acknowledge, declare, and adopt the following protective covenants to govern the Property. These protective covenants shall run with and bind the Property, and shall inure to the benefit of the neighboring property owned by White Hills and shall be enforceable by White Hills or its legal representatives, heirs, successors, and assigns.

1. Use Restrictions. The City will use the Property as a reservoir site for the storage of water and for no other purpose. The City will prohibit public access to the Property and, without limiting the foregoing, will prohibit fishing in the reservoir.

2. Maintenance. The City will make all reasonable efforts to maintain the Property in a manner that will not adversely detract from any residential or commercial developments that White Hills may undertake on its neighboring property. Specifically, the City will keep the Property and the facilities, fencing and equipment located on it free and clear of debris, weeds and waste and in a state of good condition and repair at all times. In addition, the City will make all reasonable efforts to keep the Property free of mosquitoes and will keep algae from growing in the reservoir.

The right is granted to White Hills, at its election and at its own cost, to replace part of all of the fencing surrounding the Property with more decorative fencing, provided that the fencing provides comparable security to the Property. If, and when, that decorative fencing is installed, the City shall own and maintain the fencing.

The City shall seal the reservoir on the Property in such a manner that the water held in the reservoir will not leak onto or under the neighboring property owned by White Hills and will thereafter make all reasonable efforts to maintain the reservoir in such a manner that it will not so leak.

3. Construction of Water Line and Water Flow. The City will construct a water line out of the reservoir on the Property to a location (within 300 feet of the Property) on the neighboring property owned by White Hills. White Hills shall be entitled to connect the line to a watering trough (500 gallon maximum capacity) for animals. The City shall make all reasonable efforts to ensure that the water line has a continuous flow of water sufficient to keep the water trough full at all times. White Hills shall be responsible to provide the watering trough and any necessary control valves and appurtenances.

4. Waivers. No provision contained in this instrument shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur

5. Topical Headings. The topical headings contained in this instrument are for convenience only and do not define, limit or construe the contents of this instrument.

6. Amendment. This instrument and any of the protective covenants contained herein may not be amended or revoked without the prior written consent of White Hills. Any amendment or revocation which has been assented to by White Hills hereunder, must be made by an instrument signed by both the City and White Hills and must be properly recorded in the records of Washington County, Utah, to become effective.

IN WITNESS WHEREOF, the undersigned, being the City of St. George herein, has hereunto set its hand this 28 day of MAY, 2003.

CITY OF ST. GEORGE



Daniel D. McArthur
Mayor

Attest:

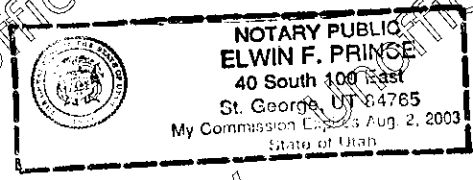
Jay Cragun
City Recorder

DM:
W.S.S.

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On this 28th day of May, 2003, before me personally appeared DANIEL D. McARTHUR and GAY CRAGUN, whose identities are personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that they are the mayor and city recorder, respectively, of the City of St. George, Utah, a municipal corporation, and that the foregoing document was signed by them on behalf of the City by authority of a resolution of its governing body, and they acknowledged before me that the corporation executed the document and the document was the act of the corporation for its stated purpose.

[Signature]
NOTARY PUBLIC
Address: SANTA CLARA, UT
My Commission Expires: 84765
8-2-03



CONSENT

White Hills, LC, hereby consents to the terms of the above Restrictive Covenants.

DATED this 28th day of May, 2003.

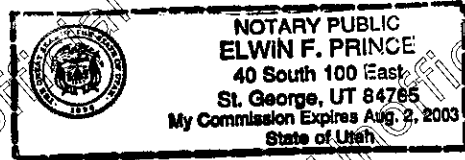
WHITE HILLS, LC

[Signature]
Wanda Sandberg Stevens, Manager

STATE OF UTAH)
COUNTY OF WASHINGTON) ss.

The foregoing instrument was acknowledged before me this 29th
day of MAY, 2003, by Wanda Sandberg Stevens, Manager.


NOTARY PUBLIC
Address: SANTA CLARA
My Commission Expires: 8-2-03



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EXHIBIT "1"
(Legal Description)

Commencing at the Northeast Corner of Section 22, Township 42 South, Range 15 West, Salt Lake Base and Meridian; thence South 00°20'26" East along the Section Line 204.59 feet; thence West 236.46 feet to the point of beginning; thence South 22°46'53" East, a distance of 175.71 feet; thence South 03°57'06" East, a distance of 335.27 feet; thence South 89°39'34" West, a distance of 246.74 feet; thence North 45°57'22" West, a distance of 371.95 feet; thence North 00°18'37" West, a distance of 77.36 feet; thence North 60°24'11" East, a distance of 201.82 feet; thence North 89°38'09" East, a distance of 138.86 feet; thence North 31°48'32" East, a distance of 72.81 feet; thence South 89°38'48" East, a distance of 70.64 feet to the point of beginning.

Initials W S S.

D R m.