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WHEN RECORDED RETURN TO:

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Parr, Waddoups, Brown, Gee & Loveless
185 South State Street, Suite 1300
Salt Lake City, Utah 84147-0019

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JAMES ASHAUER, DAVIS CNTY RECORDER
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REC'D FOR ASSOCIATED TITLE COMPANY

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DECLARATION OF COVENANTS AND RESTRICTIONS

THIS DECLARATION (this "Declaration") is executed as of the 28th day of May, 1999, by Granite Construction Company, a California corporation (hereinafter referred to as "Declarant").

RECITALS:

A. Declarant is the record owner of the property (the "Property") more particularly described in Exhibit A attached hereto and incorporated herein by this reference.

B. Declarant owns and operates a sand, gravel and asphalt business adjacent to the Property and desires to ensure the continued compatibility of such operations with any development that may exist or come to exist on the Property.

B. Declarant desires to subject the Property to the covenants and restrictions hereinafter set forth.

DECLARATION

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Declarant hereby declares that the Property is and shall be held, transferred, sold, conveyed, and occupied subject to the following:

1. Definitions. As used in this Declaration, each of the following terms shall have the indicated meaning:

1.1. "Adjacent Property" means property owned or operated, now or in the future, by Declarant located adjacent to the Property, and includes, but is not limited to, the property described in Exhibit B attached hereto and incorporated herein by reference.

1.2. "Adjacent Property Owner" means Declarant and its successors and assigns to the Adjacent Property or any portion thereof.

1.3. "Official Records" means the official records of the Davis County Recorder, State of Utah.

1.4. "Operations" means operations consisting of sand, gravel and asphalt excavation, extraction and processing businesses, including but not limited to, plants, conveyors, trucks, crushers, grinders, heavy machinery and other improvements, equipment and appurtenances used in connection therewith.

1.5. "Lot" means any parcel, lot or other subdivision created on the Property, now or in the future.

1.6. "Mortgage" means a mortgage or a deed of trust recorded in the Official Records.

1.7. "Mortgagee" means the mortgagee under a mortgage, or the beneficiary under a deed of trust, recorded in the Official Records.

1.8. "Owner" means the person that at the time concerned is the legal owner of record (in the Official Records) of a whole or undivided fee interest in any portion of the Property, including any owner of any Lot. If there is more than one Owner of a Lot at the time concerned, the obligations and liabilities of each such Owner for performance under, and compliance with, the applicable provisions of this Declaration shall be joint and several. Notwithstanding any applicable theory relating to a Mortgage, the terms "Owner" and "Owners" shall not mean a Mortgagee unless and until such Mortgagee has acquired title to the Lot concerned pursuant to foreclosure or any arrangement or proceeding in lieu of foreclosure.

1.9. "Structure" means any building or dwelling unit or other improvement ancillary thereto constructed or erected on the ground.

2. Use Covenant. Each Owner of a Lot shall be deemed to have taken title to such Lot subject to and in recognition of the following facts and circumstances, all of which are agreed to by such Owner:

2.1. Each Lot located on the Property is located near the Adjacent Property on which the Operations are conducted. The Property is located in an area of historically industrial and commercial operations, including sand, gravel and asphalt operations at various locations in the vicinity.

2.2. The Operations necessarily involve the creation of certain noise, dust, fumes, light, vibrations and other conditions which may be perceptible beyond the boundaries of the Property. In addition, the Operations by their nature change the natural or existing terrain of the Adjacent Property and may affect the views and other natural conditions surrounding the Property.

2.3. The use and occupancy of any Lot may involve exposure to such conditions.

2.4. The Operations shall not be deemed to be a nuisance, private or public, whether by virtue of any changed conditions in and about the locality thereof or otherwise; provided that this provision shall not apply if the condition claimed to be a nuisance results from the negligent or improper conduct of the Operations. The Operations may be conducted on the Adjacent Property for so long as the Adjacent Property Owner determines that it is in its best interests to conduct such operations.

2.5. No Owner shall take any action, directly or indirectly, to seek the curtailment, cessation or interruption of the Business, including but not limited to, any action in which such Owner contends that the Operations constitute a nuisance because of changed conditions or any other reason other than the negligent or improper conduct of the Operations. Without limiting the generality of the foregoing, each Owner hereby covenants and agrees that such Owner will not at any time, directly or indirectly, initiate, maintain, or prosecute, or in any way knowingly aid in the initiation, maintenance, or prosecution, of any claim, demand, cause of action, or proceeding (administrative or otherwise), at law, in equity, or otherwise, against any Adjacent Property Owner for any claim, damage, loss, or injury of any kind arising out of or in any way connected with the Operations.

3. Nature of Restrictions. The restrictions and covenants set forth in Section 2 shall be perpetual. Each covenant and restriction created by this Declaration is an appurtenance to the Adjacent Property and every portion thereof (but no other real property) and may not be transferred, assigned or encumbered except as an appurtenance to the Adjacent Property or any portion thereof. Each covenant and restriction contained in this Declaration shall constitute a covenant running with the land. No breach of this Declaration shall defeat or render invalid the lien of any Mortgage made in good faith and for value. The interests in and rights concerning any portion of the parcels affected by this Declaration shall be subject and subordinate to the arrangement provided for in this Declaration, and the arrangement provided for in this Declaration shall be prior and superior to such interests and rights, as may be necessary to effectuate all of the terms and provisions set forth in this Declaration. The Adjacent Property Owner is an intended beneficiary of this Declaration and shall be entitled to enforce the terms and provisions hereof.

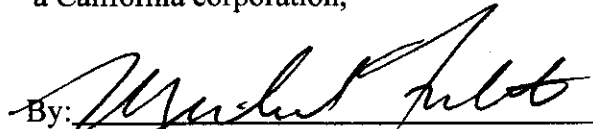
4. Attorneys' Fees. If any person brings suit to enforce or interpret this Declaration or for damages on account of the breach of any provision of this Declaration, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees and costs incurred in any such action or in any appeal from such action, in addition to the other relief to which the prevailing party is entitled.

5. General Provisions. This Declaration shall be governed by, and construed and interpreted in accordance with, the laws (excluding the choice of laws rules) of the State of Utah. This Declaration shall inure to the benefit of, and be binding on, Declarant and its successors and assigns. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be valid under applicable law; but, if any provision of this Declaration shall be invalid or prohibited under applicable law, such provision shall be ineffective to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Declaration.

6. Modification. This Declaration and any covenant or restriction contained in this Declaration may not be terminated, extended, modified or amended without the consent of each of the Adjacent Property Owners, and any such termination, extension, modification or amendment shall be effective on recordation in the Official Records a written document effecting the same, executed and acknowledged by each Owner; provided, however, that no such termination, extension, modification or amendment shall affect the rights of any Mortgagee holding a Mortgage constituting a lien on any Lot unless such Mortgagee consents to the same in writing.

Declarant has executed this Declaration on the date set forth below, to be effective as of the date first set forth above.

GRANITE CONSTRUCTION COMPANY,
a California corporation,

By: 
Its: Vice President and Secretary

By: 
Its: Vice President and Chief Financial Officer

STATE OF CALIFORNIA

E 1415004 B 2310 P 1617

County of Santa Cruz

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: ss
)

The foregoing instrument was acknowledged before me this 12th day of June, 1998, by Michael Futch and William E. Barton, the V.P. + Secretary and V.P. + CFO, respectively, of Granite Construction Company, a California corporation.

Pamela J. Burnham
NOTARY PUBLIC
Residing in Watsonville, CA

My Commission Expires: 8/31/98

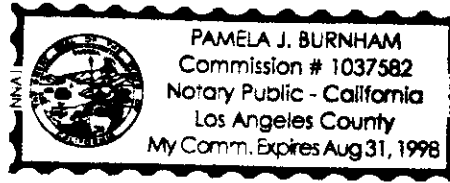


EXHIBIT A

TO

E 1415004 B 2310 P 1618

DECLARATION OF COVENANTS AND RESTRICTIONS

PROPERTY DESCRIPTION

The "Property" referred to in the foregoing Declaration is located in Davis County, Utah and is more particularly described as follows:

Beginning at a point on the Quarter Section Line which is North 89°36'12" West 1,038.01 feet along said Quarter Section Line from the Center of Section 12, Township 1 North, Range 1 West, Salt Lake Base and Meridian and running thence along the East Boundary of Grantor's Property in the following four courses: South 11°00'00" East 294.89 feet, Southerly 135.35 feet along the arc of a 470.00 foot radius curve to the right through a central angle of 16°30'00" (chord bears South 2°45'00" East 134.89 feet), South 5°30'00" West 1,073.39 feet, South 41°30'00" East 197.43 feet; thence North 55°40'08" West 252.63 feet; thence North 44°55'28" West 126.25 feet; thence North 23°15'00" West 125.78 feet; thence North 20°07'51" West 125.48 feet; thence North 3°45'00" East 238.62 feet; thence North 16°00'00" East 202.66 feet; thence North 6°46'47" East 193.69 feet; thence North 10°58'00" West 193.66 feet; thence North 16°58'29" West 437.39 feet; thence North 11°55'16" East 495.01 feet; thence North 77°45'00" East 110.00 feet; thence Northwesterly 342.07 feet along the arc of a 417.00 foot radius curve to the left through a central angle of 47°00'00" (chord bears North 35°45'00" West 332.56 feet); thence North 59°15'00" West 174.87 feet; thence along the boundary of said Grantor's property in the following three courses to the point of beginning: South 61°00'00" East 290.67 feet, Southeasterly 235.61 feet along the arc of a 270.00 foot radius curve to the right through a central angle of 50°00'00" (chord bears South 36°00'00" East 228.21 feet), South 11°00'00" East 611.11 feet.

EXHIBIT B

TO

E 14 15004 B 23 10 P 16 19

DECLARATION OF COVENANTS AND RESTRICTIONS

01-107-0012

ADJACENT PROPERTY DESCRIPTION

The "Adjacent Property" referred to in the foregoing Declaration includes, but is not limited to, the following property located in Davis County, Utah and more particularly described as follows:

Parcel A:

Beginning at the Southwest Corner of Section 12 in Township 1 North, Range 1 West, Salt Lake Meridian, thence North 40 chains, thence East 15 chains, thence South 40 chains, thence West 15 chains to the point of beginning.

LESS AND EXCEPTING: Beginning at a point which is South 89°36'12" East 340.18 feet along the Quarter Section line from the West Quarter corner of Section 12, Township 1 North, Range 1 West, Salt Lake Meridian, and running thence South 89°36'12" East 650.00 feet along the Quarter section line to the East line of the West half of the East half of the Northwest Quarter of the Southwest Quarter of Section 12, thence South 0°04'18" East along said East line 1100.0 feet, thence North 30°31'45" West 1282.26 feet to the point of beginning.

Parcel B:

Beginning at the Northwest corner of Section 13, Township 1 North, Range 1 West, Salt Lake Base and Meridian, and running thence along the Section line South 89°51'14" East 986.33 feet; thence South 32°39'34" West 609.25 feet; thence South 800.00 feet; thence South 89°46'32" West 657.56 feet along the South line of the North half of the Northwest Quarter of said Section 13; thence North 1,318.01 feet along the Section line to the point of beginning.

Parcel C:

01-120-0033

All of that certain real property located adjacent to the Property described in the foregoing instrument and known as the "Whitehill Pit" operated by Granite Construction Company.