

Declaration Page 1 of 24
Russell Shirts Washington County Recorder
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OF UTAH SCHOOL AND INSTITUTIONAL TRUST
LANDS ADMINISTRATION

**DECLARATION OF COVENANTS
REGARDING DEVELOPMENT**

This DECLARATION OF COVENANTS REGARDING DEVELOPMENT (“**Development Declaration**”) is made and entered into this 1st day of January, 2018, by and between the State of Utah, through the School and Institutional Trust Lands Administration (hereinafter referred to as “**SITLA**”), and Brennan Holdings No. 200, LLC, a Utah limited liability company in good standing (hereinafter referred to as “**Developer**”).

RECITALS:

A. SITLA is the beneficial owner of the real property described in **Exhibit A** attached hereto and incorporated herein by reference (hereinafter referred to as the “**Premises**”) and will cause the Premises to be conveyed to Developer, to be improved solely in accordance with the provisions hereof and those supplemental provisions of **Exhibit B** attached hereto.

B. The Premises constitute a portion of a larger tract of land which SITLA desires be developed into a planned community of commercial and/or residential and related uses under the name of Sienna Hills (hereinafter referred to as “**Sienna Hills**” or the “**Planned Community**”).

C. SITLA will cause the Premises to be conveyed to Developer only upon the condition that Developer agrees to the provisions of this Development Declaration and that this Development Declaration is recorded in the office of the County Recorder, Washington County, Utah, prior to the time the Premises are conveyed to Developer.

D. SITLA and Developer agree that the provisions of this Development Declaration shall be covenants running with the land, or equitable servitudes, as the case may be, as to the Premises and each portion thereof (except that enforceability of the provisions of this Development Declaration shall be governed by the provisions hereinafter set forth).

AGREEMENT:

NOW, THEREFORE, in consideration of SITLA conveying the Premises to Developer, the parties hereto agree as follows:

1. **Inducement to SITLA; Development Timing.** Developer acknowledges that the development of the Planned Community, including the Premises, as a planned community development, is of prime importance to SITLA and that SITLA would not cause the Premises to be conveyed to Developer if such conveyance would impair SITLA’s future plans for such development of the Planned Community. Developer further acknowledges that it is SITLA’s desire and intent that the Planned Community be developed under a set of architectural controls to ensure that all landscaping, buildings and other structures constructed or placed within the Planned Community (including those located upon the Premises) are aesthetically pleasing and in harmony with surrounding areas. Developer intends to subdivide the Premises into single family residential lots and construct and install infrastructure improvements upon the Premises

and sell lots to builders (the “**Homebuilders**”) for the construction of residences thereon. As set forth in the Development Stipulations in **Exhibit B**, the improvements specified in this Development Declaration shall primarily be constructed by Developer except to the extent this Development Declaration expressly provides for such improvements to be constructed by the Homebuilders.

2. **Development Stipulations.** Developer shall in all cases fully comply with all terms and conditions of the “**Development Stipulations**” set forth in **Exhibit B** hereto. Developer shall be in default of this Development Declaration should Developer fail for ninety (90) days after written notice by SITLA to Developer of such failure in any material manner to comply with the terms of this Development Declaration, including, without limitation, the Development Stipulations, and any such default shall, without limitation, warrant enforcement action by SITLA in the nature of injunctive or other relief, including damages, as set forth in **Section 4** below. Developer acknowledges that the Development Stipulations shall be in addition to, and not in lieu of, all terms and conditions hereof and of the Master Declaration, the City Development Agreement, the PCD, and the Lease, as those terms are defined in **Exhibit B**. An enforcement action by SITLA need not enlist the aid or support of the governing association identified in the Master Declaration (the “**Governing Association**”) or any member of such Governing Association, but, rather, may be brought independently by SITLA based upon the provisions hereof, and SITLA shall be deemed in all cases to have actual and legal standing in recognition of its continuing interest in the Planned Community and the Premises as set forth in Section 1. No application for a variance, nor any application or grant of approval of any development plan, plat, improvement, structure or other matter shall in any way limit, modify or alter the obligation of Developer fully to comply with the terms hereof, including the Development Stipulations.

3. **Cooperation in SITLA Development.** Developer shall, at all times, duly cooperate with SITLA in SITLA’s development of the remainder of the Planned Community. Without limiting the generality of the foregoing, Developer shall not, at any time, oppose any development activities which SITLA desires to take with respect to the remainder of the Planned Community, unless Developer, in good faith, determines that such activity is inconsistent with or not contemplated by the Master Declaration or the PCD (both as defined in the Development Stipulations) and will materially and adversely affect the Premises, and Developer shall, from time to time, within ten (10) days after request by SITLA, execute, acknowledge (if required) and deliver to SITLA such consents, approvals, petitions or other documents or instruments which SITLA requests to assist SITLA in developing the remainder of the Planned Community in the manner desired by SITLA; *provided, however*, that (a) Developer shall not be required to incur any cost or expense with regard thereto (other than such attorneys or consultants fees as Developer elects to incur in connection with reviewing any such items), and (b) Developer shall not be required to make any conveyance of property, or any interest therein, to SITLA except as required by the Master Declaration, the PCD or as otherwise set forth in this Development Declaration.

4. **SITLA Remedies.** In addition to, and not in place of, any other remedies available to SITLA under this Development Declaration, if Developer shall at any time be in default with respect to its obligations under this Development Declaration, including without limitation, those obligations set forth in the Development Stipulations and such default continues for ninety (90)

days after written notice from SITLA of such default, SITLA shall have the right (but not the obligation) to elect, at its option and in its sole discretion: (a) to bring an action to recover damages as a result thereof; (b) to enforce the provisions of this Development Declaration against Developer by an action for specific performance, injunctive relief or other appropriate equitable remedy; or (c) to perform the unperformed obligations of Developer required in the Development Stipulations and invoice the then-current owner of the Premises (or portion thereof to which such work relates) and the Developer shall reimburse SITLA for the cost of performing such obligations within ten (10) days after receipt of an invoice therefor and proof of payment thereof. All sums paid by SITLA as provided herein shall constitute a lien on the portion of the Premises to which such work or amounts relate. If the Developer does not reimburse SITLA within such ten (10) day period, SITLA shall have (i) the right to exercise any and all rights which SITLA might have at law to collect the same, and (ii) the right to foreclose its lien in any manner allowed by law, including, without limitation, a non-judicial foreclosure as provided in Utah Code Title 57, Chapter 1, to the extent of the amount paid by SITLA but not reimbursed by the Developer (through bonds, letters of credit or otherwise), which amount shall bear interest at a rate equal to the then published federal discount rate plus four percent (4%) per annum, or the highest legal rate of interest, whichever is less, from the date of the invoice therefor until paid by Developer. Such lien may be recorded by SITLA as a claim against the portion of the Premises to which the lien relates, to the extent permitted by law, and in the form required by law, in the office of the Washington County Recorder, which lien shall contain at least the following information: the name of the lien claimant; the name of the then-owner of the portion of the Premises to which the lien relates; a description of the work performed on behalf of such party and a statement itemizing the cost thereof; and a legal description of the property and/or improvements being liened. To the extent permitted by law, the lien so claimed shall attach from the date of recordation in the amount claimed by SITLA. To the extent permitted by law, such lien, when so established against the real property described in such lien, shall be prior and superior to any right, title, interest, lien or claim which may be or is acquired or attached to such real property after the time of recording the claim of lien. All of the foregoing rights and remedies of SITLA, and any other rights or remedies which SITLA may have under this Development Declaration or any other agreement between SITLA and the Developer, shall be cumulative.

5. **Improvement Districts.** Developer acknowledges that SITLA may desire that improvement districts be established under the laws of the State of Utah as to the Planned Community or portions thereof (including the Premises), for the purpose of constructing streets, lighting systems, sidewalks and other improvements required to fulfill requirements of the PCD. Developer shall fully cooperate with SITLA in causing such improvement districts as designated by SITLA to be so established, unless Developer, in good faith, believes Developer or the Premises will be materially and adversely injured or affected as a result thereof. Developer shall have the right to review and approve of the formation of such improvement districts which approval Developer will not unreasonably withhold, condition or delay. Developer hereby consents to any liens created against the Premises or any portion thereof as a result of such improvement districts. Without limiting the generality of the foregoing, within ten (10) days after request by SITLA, from time to time, Developer shall execute, acknowledge, if required, and deliver to SITLA such petitions, consents or other documents and instruments as may be requested by SITLA in order that such improvement districts for the Planned Community, or portions thereof (including the Premises), be established; *provided* that Developer does not, in good faith, believe that Developer or the Premises will be materially and adversely injured

thereby. Developer agrees that Developer shall not, without the prior written consent of SITLA, take any action to attempt to dissolve or otherwise challenge any improvement district so established with respect to the Planned Community, or any portion thereof.

6. **“Developer”**. The term “Developer” as used in this Development Declaration shall mean and refer to the person(s) or entities that, at the time in question, hold any legal or equitable ownership interest in the Premises or any portion thereof or interest therein, whether the same was obtained voluntarily or involuntarily through seizure and sale by legal process, the exercise of any power of sale in favor of any third party, the application of the United States bankruptcy laws or other similar laws or otherwise by operation of law, and the provisions of this Development Declaration shall be fully binding upon all such persons or entities. Notwithstanding the foregoing, the term “Developer” shall not include: (a) any mortgagee or beneficiary under a deed of trust or other lienholder, unless or until such time as such mortgagee or beneficiary or other lienholder takes possession and/or ownership of the Premises, or any portion thereof, by reason of a foreclosure, trustee’s sale, deed in lieu of foreclosure or otherwise; (b) any grantee under a utility easement; (c) any Homebuilders in Developer’s project on the Premises; or (d) any homeowner in Developer’s project on the Premises. Any assignment by Developer of the rights and obligations expressly designated for “Developer” under this Development Declaration shall require the written approval of SITLA, which may be withheld in SITLA’s reasonable discretion. Any assignment of Developer’s rights without such consent shall be null and void and of no effect.

7. **Covenants Running With Land**. It is the intention of the parties hereto that the provisions of this Development Declaration (including, without limitation, the obligations of the Developer set forth in the Development Stipulations) shall be deemed to be covenants running with the title to the Premises and each portion thereof, or equitable servitudes, as the case may be, and, accordingly, shall bind each and every portion of the Premises and shall not constitute merely personal covenants. Notwithstanding the foregoing, the obligation of Developer to install certain improvements and to ensure compliance with this Development Declaration for those improvements constructed by Homebuilders or other parties (as set forth in the Development Stipulations) shall remain in full force and effect. In addition, the provisions of **Section 10** below shall govern the standing of persons or entities to enforce the provisions of this Development Declaration. SITLA shall execute and deliver from time to time upon Developer’s written request estoppel certificates and other appropriate documentation to certify that this Development Declaration is not in default. Homebuilders and individual homeowners shall be bound by the covenants and conditions set forth in this Development Declaration to the extent such requirements are expressly stated to be the obligation of such Homebuilders and individual homeowners.

8. **Notices**. All notices, requests, demands or other communications required or permitted to be given by one party hereto to the other under this Development Declaration shall be in writing and shall either be personally delivered or mailed by United States mail, first class, registered or certified, return receipt requested, postage prepaid and properly addressed as follows:

If to SITLA: Utah School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102
Attention: Assistant Director, Planning and
Development

If to Developer: Brennan Holdings No. 200, LLC
P.O. Box 1991
Sun Valley, Idaho 83353
Attention: Robert Brennan

Either party shall have the right to change the address to which notices shall be sent to it by giving written notice of such change of address to the other party in the same manner as set forth above. Any notice shall be deemed to be given on the date of delivery, if personally delivered, or, if mailed, within three days after the deposit of same into the United States mail in the manner set forth above.

9. **Waiver.** No waiver by either party of any breach of any term or provision of this Development Declaration shall be construed to be or constitute a waiver of any succeeding breach of the same or any other term or provision of this Development Declaration. No term or provision of this Development Declaration shall be deemed to have been waived unless such waiver shall be set forth in writing.

10. **SITLA's Assignment of Rights.** SITLA shall have the right to assign or transfer all or any portion of its right, title and interest under this Development Declaration, and the right to enforce the same, to any person or entity at any time, including, without limitation, (a) to any person who is defined as being a "Declarant" under the Master Declaration, or (b) to the Governing Association, but only after such time as there is no longer a "Class B Membership" (as defined in the Master Declaration) in the Governing Association and the provisions of this Development Declaration may be enforced only by SITLA or any such permitted assignee or transferee. Without limiting the foregoing, owners of property in the Planned Community (other than SITLA or any such permitted assignee or transferee) shall not have the right to enforce the provisions of this Development Declaration, and shall not be considered third party beneficiaries of any of the provisions hereof.

11. **Invalidity.** If any term or provision of this Development Declaration or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Development Declaration, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Development Declaration shall be valid and shall be enforced to the fullest extent permitted by law.

12. **Term.** This Development Declaration, and each and every provision hereof, shall become null and void and of no further force or effect whatsoever on the earlier to occur of (a) the date Developer satisfies and completes each and every one of the Development Stipulations and SITLA or its successors or assigns records in the Washington County Recorder's Office a termination of this Development Declaration; or (b) the 75th anniversary of the date hereof.

Notwithstanding the foregoing, any easements or access rights granted to SITLA and its successors and assigns hereunder shall survive any termination of this Development Declaration.

13. **Amendment.** Except as set forth in the foregoing Section, this Development Declaration may be amended, restated, revoked or terminated in whole or in part only by an instrument in writing executed and acknowledged by SITLA and Developer and recorded in the office of the County Recorder of Washington County, Utah.

14. **Provisions Ineffective.** Any provision contained herein to the contrary notwithstanding, the terms and provisions of this Development Declaration shall not apply to SITLA.

15. **Time of Essence; Binding Effect.** Time is of the essence of this Development Declaration. This Development Declaration, and each and every provision hereof, shall, except as provided in **Section 10** above, be binding upon and inure to the benefit of the heirs, successors, personal representatives and assigns of the respective parties hereto and each and every future owner of all or any interest in the Premises or any portion thereof.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto the day and year first above written.

SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION:

DEVELOPER:
BRENNAN HOLDINGS NO. 200, LLC
a Utah company

By: David Ure
DAVID URE
Director

By: Robert M. Brennan
Robert M. Brennan
Its: Manager

APPROVED AS TO FORM:

By: Michelle E. McConkie
MICHELLE E. McCONKIE
Special Assistant Attorney General

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 31st day of January, 2018, personally appeared before me DAVID URE, who being by me duly sworn did say that he is the Director of the School and Institutional Trust Lands Administration of the State of Utah, and the signer of the above instrument, who duly acknowledged that he executed the same.

Given under my hand and seal this 31st day of January, 2018.

My Commission expires:

11/10/2020

Michelle K Vest
Notary Public

Residing at:
Salt Lake City, UT



STATE OF Utah)
 : ss.
COUNTY OF Washington)

On the 23 day of January, 2018, personally appeared before me Robert M. Brennan, who being by me duly sworn did say that he is the Manager of Brennan Holdings No. 200, LLC, and the signer of the above instrument, who duly acknowledged to me that (s)he executed the same.

Given under my hand and seal this 23 day of January, 2018.

My Commission expires:
2-5-21

[Signature]
Notary Public
Residing at:
St. George UT

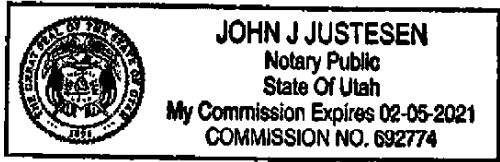


EXHIBIT A

Legal Description of Premises

Sienna Hills – Area 5

Beginning at a point which is South 01°02'46" West 1097.27 feet along the West Section line and North 90°00'00" East 186.29 feet from the West Quarter corner of Section 7, Township 42 South, Range 14 West, of the Salt Lake Base and Meridian; running thence North 61°09'10" East 216.54 feet to a point on the arc of a 1460.00 foot radius curve concave to the right; thence Northeasterly 430.69 feet along the arc of said curve through a central angle of 16°54'07", the chord of which bears North 69°36'13" East for a distance of 429.13 feet to a point of non-tangency; thence South 11°56'44" East 40.00 feet to a point of non-tangency on the arc of a 1420.00 foot radius curve concave to the right; thence Northeasterly 236.33 feet along the arc of said curve through a central angle of 9°32'08", the chord of which bears North 82°49'20" East for a distance of 236.05 feet; thence North 87°35'24" East 31.62 feet; thence South 27°41'06" East 78.52 feet; thence North 63°32'53" East 89.33 feet; thence South 39°00'49" East 204.56 feet; thence South 49°05'26" West 61.98 feet; thence South 29°38'30" West 72.62 feet; thence South 38°35'39" West 99.92 feet; thence South 42°45'53" West 22.79 feet; thence South 34°04'46" West 139.80 feet to a point on the arc of a 415.00 foot radius curve concave to the left; thence Southwesterly 216.27 feet along the arc of said curve through a central angle of 29°51'30", the chord of which bears South 19°09'00" West for a distance of 213.83 feet to a point of reverse curvature on the arc of a 50.00 foot radius curve concave to the right; thence Southwesterly 44.19 feet along the arc of said curve through a central angle of 50°38'22", the chord of which bears South 29°32'26" West for a distance of 42.77 feet to a point of reverse curvature on the arc of a 184.00 foot radius curve concave to the left; thence Southwesterly 181.03 feet along the arc of said curve through a central angle of 56°22'18", the chord of which bears South 26°40'28" West for a distance of 173.82 feet; thence South 01°30'41" East 125.05 feet to a point on the arc of a 50.00 foot radius curve concave to the left; thence Southwesterly 39.70 feet along the arc of said curve through a central angle of 45°29'54", the chord of which bears South 21°14'16" West for a distance of 38.67 feet to a point of reverse curvature on the arc of a 110.00 foot radius curve concave to the left; thence Southwesterly 84.38 feet along the arc of said curve through a central angle of 43°57'07", the chord of which bears South 22°00'39" West for a distance of 82.33 feet; thence South 00°02'06" West 22.39 feet to a point on the arc of a 40.00 foot radius curve concave to the left; thence Southeasterly 45.07 feet along the arc of said curve through a central angle of 64°33'10", the chord of which bears South 32°14'29" East for a distance of 42.72 feet to a point of reverse curvature on the arc of a 30.00 foot radius curve concave to the right; thence Southeasterly 50.59 feet along the arc of said curve through a central angle of 96°37'32", the chord of which bears South 16°12'18" East for a distance of 44.81 feet to a point of reverse curvature on the arc of a 75.00 foot radius curve concave to the left; thence Southwesterly 46.19 feet along the arc of said curve through a central angle of 35°17'13", the chord of which bears South 14°27'52" West for a distance of 45.46 feet to a point of reverse curvature on the arc of a 207.00 foot radius curve concave to the right; thence Southwesterly 164.25 feet along the arc of said curve through a central angle of 45°27'42", the chord of which bears South 19°33'06" West for a distance 159.97 feet to a point of reverse curvature on the arc of a 115.00 foot radius curve concave to the left; thence Southwesterly 101.99 feet along the arc of said curve through a central angle of 50°48'44", the chord of which bears South 16°52'35" West for a distance of 98.68 feet to a point of reverse curvature on the arc of a 45.00 foot radius

curve concave to the right; thence Southwesterly 44.41 feet along the arc of said curve through a central angle of 56°32'28", the chord of which bears South 19°44'27" West for a distance of 42.63 feet; thence South 48°00'41" West 71.69 feet to a point on the arc of a 50.00 foot radius curve concave to the right; thence Southwesterly 64.41 feet along the arc of said curve through a central angle of 73°48'43", the chord of which bears South 80°19'31" West for a distance of 60.05 feet; thence North 62°46'07" West 106.46 feet; thence South 22°04'16" West 84.97 feet; thence North 36°19'40" West 207.64 feet; thence North 12°13'05" West 170.11 feet; thence North 27°06'22" West 197.60 feet; thence North 43°20'14" East 108.01 feet; thence North 05°51'38" West 240.79 feet; thence North 68°06'53" West 23.52 feet; thence North 33°55'42" West 34.11 feet; thence North 20°14'25" West 56.38 feet; thence North 07°55'03" West 58.12 feet; thence North 24°11'15" East 58.64 feet; thence North 30°13'50" East 39.59 feet; thence North 05°45'08" West 143.80 feet; thence North 28°50'50" West 230.95 feet to the point of beginning.

The total Area of Sienna Hills - Area 5, as described above, is 1,024,005 sq.ft. or 23.5 acres.

Section 7, TS 42 S, R 14 W, SLB&M: Contains 985,550 sq.ft. or 22.6 acres.

Section 18, TS 42 S, R 14 W, SLB&M: Contains 38,455 sq.ft. or 0.90 acres.

Sienna Hills – Area 6

Beginning at a point which is South 01°02'46" West 921.05 feet along the West Section line and North 90°00'00" East 1085.52 feet from the West Quarter corner of Section 7, Township 42 South, Range 14 West, of the Salt Lake Base and Meridian; running thence North 27°41'06" West 78.52 feet to a point of non-tangency, said point also being on the arc of a 500.00 foot radius curve concave to the left; thence Northeasterly 619.80 feet along the arc of said curve through a central angle of 71°01'26", the chord of which bears North 34°58'26" East for a distance of 580.87 feet; thence North 00°32'17" West 202.13 feet; thence North 89°27'43" East 40.00 feet; thence North 64°09'34" East 232.01 feet; thence North 57°38'42" East 288.02 feet to a point on the arc of a 1400.00 foot radius curve concave to the right; thence Northeasterly 149.21 feet along the arc of said curve through a central angle of 6°06'23", the chord of which bears North 60°41'53" East for a distance of 149.14 feet to a point of reverse curvature on the arc of a 400.00 foot radius curve concave to the left; thence Northeasterly 97.09 feet along the arc of said curve through a central angle of 13°54'26", the chord of which bears North 56°47'51" East for a distance 96.85 feet to a point of reverse curvature on the arc of a 550.00 foot radius curve concave to the right; thence Northeasterly 398.88 feet along the arc of said curve through a central angle of 41°33'10", the chord of which bears North 70°37'13" East for a distance of 390.19 feet to a point of tangency; thence South 88°36'12" East 19.50 feet; thence South 79°35'59" East 29.71 feet; thence South 73°12'47" East 44.01 feet; thence South 61°33'43" East 44.85 feet; thence South 51°42'22" East 102.70 feet; thence South 27°43'00" East 107.68 feet; thence South 10°07'17" East 40.68 feet; thence South 01°52'20" West 105.97 feet; thence South 25°04'51" West 69.10 feet; thence South 38°58'22" West 59.15 feet; thence South 54°39'26" West 30.21 feet; thence South 59°53'03" West 65.44 feet; thence South 65°11'11" West 58.68 feet; thence South 67°31'14" West 195.29 feet; thence South 65°29'43" West 43.08 feet; thence South 65°12'14" West 83.59 feet; thence South 63°33'09" West 72.71 feet; thence South 63°18'52" West 72.62 feet; thence South 57°13'47" West 158.70 feet; thence South 49°45'32"

West 100.85 feet; thence South 41°42'04" West 215.86 feet; thence South 39°42'52" West 205.02 feet; thence South 54°16'37" West 113.88 feet; thence South 61°01'40" West 248.92 feet; thence North 39°00'49" West 204.56 feet; thence South 63°32'53" West 89.33 feet to the point of beginning.

The total Area of Sienna Hills - Area 6, as described above, is 896,524 sq.ft. or 20.6 acres.

Sienna Hills – Area 7

Beginning at a point which is South 01°02'46" West 156.07 feet along the West Section line and North 90°00'00" East 557.21 feet from the West Quarter corner of Section 7, Township 42 South, Range 14 West, of the Salt Lake Base and Meridian; running thence North 23°45'52" East 150.74 feet; thence North 25°38'00" East 251.73 feet; thence North 21°01'39" East 157.83 feet; thence North 15°49'54" East 108.52 feet; thence North 12°15'50" East 96.42 feet; thence North 15°26'30" East 202.57 feet; thence North 09°45'19" East 200.82 feet; thence North 13°10'26" West 33.46 feet; thence North 17°09'57" East 22.27 feet; thence North 56°31'07" East 22.39 feet; thence North 30°02'06" East 107.24 feet; thence North 20°09'32" East 101.45 feet; thence North 04°18'50" East 113.34 feet to a point on the Northerly boundary of Sienna Hills Development; thence along said boundary South 88°56'32" East 269.45 feet; thence South 00°20'40" West 40.00 feet to the point of non-tangency on the arc of a 500.00 foot radius curve concave to the right; thence Southeasterly 291.20 feet along the arc of said curve through a central angle of 33°22'10", the chord of which bears South 72°26'35" East for a distance of 287.10 feet; thence North 34°14'30" East 40.00 feet; thence North 52°01'08" East 40.54 feet; thence North 82°16'51" East 87.12 feet; thence North 40°54'19" East 59.28 feet; thence North 14°28'37" East 75.56 feet; thence North 58°09'04" East 105.18 feet; thence North 10°08'57" East 71.75 feet; thence North 00°00'00" East 58.29 feet; thence North 80°09'32" East 78.22 feet; thence South 62°23'25" East 77.31 feet; thence South 80°58'58" East 92.12 feet; thence North 80°51'37" East 63.96 feet; thence North 83°29'38" East 114.36 feet to a point on the Easterly Boundary of said Sienna Hills Development; thence along said boundary for the following three (3) courses: South 13°25'06" East 215.26 feet; thence South 04°14'38" East 576.08 feet; thence South 46°25'46" East 43.56 feet; thence South 00°30'20" West 37.26 feet; thence South 68°59'13" West 65.72 feet; thence South 22°09'10" West 92.99 feet; thence South 56°46'55" West 239.29 feet to the point on the arc of 1105.00 foot radius curve concave to the right; thence Southwesterly 188.50 feet along the arc of said curve through a central angle of 9°46'27", the chord of which bears South 61°40'09" West for a distance of 188.28 feet to a point of reverse curvature on the arc of a 105.00 foot radius curve concave to the left; thence Southwesterly 70.63 feet along the arc of said curve through a central angle of 38°32'33", the chord of which bears South 47°17'06" West for a distance of 69.31 feet to a point of reverse curvature on the arc of a 179.00 foot radius curve concave to the right; thence Southwesterly 114.34 feet along the arc of said curve through a central angle of 36°35'55", the chord of which bears South 46°18'47" West for a distance of 112.41 feet to a point of reverse curvature on the arc of a 900.00 foot radius curve concave to the left; thence Southwesterly 178.63 feet along the arc of said curve through a central angle of 11°22'19", the chord of which bears South 58°55'35" West for a distance of 178.34 feet; thence South 53°14'25" West 330.22 feet; thence South 00°32'17" East 119.32 feet; thence South 89°27'43" West 40.00 feet; thence South 00°32'17" East 202.13 feet to the point on the arc of 500.00 foot radius curve concave to the right; thence Southwesterly 619.80 feet along the arc of said curve through a central angle of 71°01'26", the chord of which bears South 34°58'26" West

for a distance of 580.87 feet to a point of non-tangency; thence South 87°35'24" West 31.62 feet to the point on the arc of 1420.00 foot radius curve concave to the left; thence Southwesterly 236.33 feet along the arc of said curve through a central angle of 9°32'08", the chord of which bears South 82°49'20" West for a distance of 236.05 feet to a point of non-tangency; thence North 11°56'44" West 40.00 feet to a point of non-tangency on the arc of a 350.00 foot radius curve concave to the left; thence Northwesterly 210.80 feet along the arc of said curve through a central angle of 34°30'32", the chord of which bears North 14°11'08" West for a distance of 207.63 feet to a point of reverse curvature on the arc of a 287.50 foot radius curve concave to the right; thence Northwesterly 167.60 feet along the arc of said curve through a central angle of 33°24'04", the chord of which bears North 14°44'22" West for a distance of 165.24 feet to a point of compound curvature on the arc of a 517.50 foot radius curve concave to the right; thence Northeasterly 192.01 feet along the arc of said curve through a central angle of 21°15'30", the chord of which bears North 12°35'26" East for a distance of 190.91 feet to a point of non-tangency; thence North 61°13'03" West 169.17 feet; thence North 04°08'17" West 58.30 feet to the point of beginning.

Less and excepting:

Beginning at a point which is South 01°02'46" West 75.23 feet along the West Section line and North 90°00'00" East 1323.73 feet from the West Quarter corner of Section 7, Township 42 South, Range 14 West, of the Salt Lake Base and Meridian; running thence South 00°32'17" East 120.31 feet to a point of non-tangency; said point also being on the arc of 455.00 foot radius curve concave to the left; thence Southwesterly 444.31 feet along the arc of said curve through a central angle of 55°57'00", the chord of which bears South 56°53'19" West for a distance of 426.87 feet to a point of reverse curvature on the arc of a 60.00 foot radius curve concave to the right; thence Northwesterly 188.50 feet along the arc of said curve through a central angle of 180°00'00", the chord of which bears North 61°05'11" West for a distance of 120.00 feet to a point of compound curvature on the arc of a 575.00 foot radius curve concave to the right; thence Northeasterly 571.14 feet along the arc of said curve through a central angle of 56°54'40", the chord of which bears North 57°22'09" East for a distance of 547.95 feet to the point of beginning.

The total Area of Sienna Hills - Area 7, as described above, is 2,282,184 sq.ft. or 52.4 acres.

Boundary Area as described above is 2,348,766 sq. ft. or 53.9 acres.

Less and excepting Area as described above is 66,582 sq. ft. or 1.53 acres.

Sienna Hills – Area 8

Beginning at a point which is North 01°01'55" East 1270.53 feet along the West Section line and North 90°00'00" East 1279.75 feet from the West Quarter corner of Section 7, Township 42 South, Range 14 West, of the Salt Lake Base and Meridian; running thence North 00°20'40" East 40.00 feet to a point on the Northerly Boundary of Sienna Hills Development; thence along said boundary for the following two (2) courses: thence North 00°20'40" East 1336.06 feet; thence South 89°01'27" East 486.53 feet; thence South 51°24'02" East 42.35 feet; thence South 22°59'31" East 239.36 feet; thence South 18°59'37" East 223.22 feet; thence South 12°54'32" East 190.90 feet; thence South 16°53'36" East 100.03 feet; thence South 23°45'00" East 84.55

feet; thence South 34°09'01" East 333.11 feet to a point on the Easterly boundary of Sienna Hills Development; thence along said boundary South 13°25'06" East 3.45 feet; thence South 83°29'38" West 114.36 feet; thence South 80°51'37" West 63.96 feet; thence North 80°58'58" West 92.12 feet; thence North 62°23'25" West 77.31 feet; thence South 80°09'32" West 78.22 feet; thence South 00°00'00" East 58.29 feet; thence South 10°08'57" West 71.75 feet; thence South 58°09'04" West 105.18 feet; thence South 14°28'37" West 75.56 feet; thence South 40°54'19" West 59.28 feet; thence South 82°16'51" West 87.12 feet; thence South 52°01'08" West 40.54 feet; thence South 34°14'30" West 40.00 feet to a point of non-tangency on the arc of a 500.00 foot radius curve concave to the left; thence Northwesterly 291.20 feet along the arc of said curve through a central angle of 33°22'10", the chord of which bears North 72°26'35" West for a distance of 287.10 feet to the point of beginning.

The total Area of Sienna Hills - Area 8, as described above, is 944,860 sq.ft. or 21.7 acres.

EXHIBIT B

Development Stipulations

Developer agrees for itself, its successors and assigns, that Developer and its successors and assigns, as the case may be, shall be obligated at their sole cost and expense to perform, complete and satisfy each of the following Development Stipulations, unless those obligations to perform are otherwise expressly set forth herein:

1. **GENERAL OBLIGATIONS:**

(a) **Impact Fee Credits.** SITLA has already paid or will pay certain impact fees to the City of Washington (“City”), and as a result, SITLA has or will have certain general City-wide road impact fee credits and upon performance of the construction of a park by SITLA or its designees, certain park impact fee credits with the City which SITLA desires to sell to an individual or entity engage in the development of the Premises (whether such individual or entity is Developer, a Homebuilder, or some other individual or entity). Any such individual or entity developing the Premises shall pay to SITLA, upon demand in cash, by cashier’s check or wire transfer of immediately available U.S. funds, an amount equal to the total general City-wide road impact fees plus the total park impact fees assessed or to be assessed against such individual or entity and/or the Premises in connection with the development of the Premises; *provided, however,* that in no event shall such individual or entity be required to pay to SITLA an amount in excess of the total amount of impact fee credits SITLA has available to assign to such individual or entity in connection with the Premises at the time demand for payment therefor is made by SITLA. Upon payment by such individual or entity of the amounts required by this provision, SITLA shall assign impact fee credits to the individual or entity in an amount equal to the amount paid to SITLA hereunder. It is anticipated that payment of the impact fees will be due to the City and the credits will be due from the City within fifteen (15) days prior to filing a final subdivision plat map for the Premises with the City.

(b) **Planned Community Documents.** Developer shall take no actions or construct any improvements which are inconsistent with that certain Development Agreement between the City and SITLA as recorded in the office of the County Recorder, Washington County, Utah, as Entry No. 0098651, in Book 1815 at Pages 0165-0183, as the same may be amended from time to time (the “**City Development Agreement**”), the Sienna Hills Planned Community Development Project Plan (the “**PCD**”), that certain “Declaration of Covenants, Conditions, Restrictions and Easements for Sienna Hills” as recorded in the office of the County Recorder, Washington County, Utah, as Entry No. 00999848, in Book 1838 at Pages 0798-0919, as the same may be amended from time to time in SITLA’s discretion (the “**Master Declaration**”), and the development lease to be execute between the parties (the “**Lease**”), in connection with the development, ownership, use and/or operation of the Premises. None of the Development Stipulations are intended, nor shall they be deemed in any way, to act as a waiver or variance from the obligations, duties, requirements, standards, conditions or specifications set forth in: (a) the City Development Agreement with respect to any portion of the Premises; (b) the Master Declaration; (c) the PCD; or (d) any other agreement or instrument of record against the Premises as of the date hereof.

(c) Subdivision Plats. No subdivision plat shall be recorded with respect to the Premises or any portion thereof unless such plat is first approved in writing by SITLA, but SITLA shall have the right to withhold such approval if (i) Developer is in default under the Lease or this Development Declaration; or (ii) the plat fails to conform with all development restrictions, including, without limitation, architectural and aesthetic requirements of this Development Declaration and the Master Declaration. SITLA's approval of a plat shall be evidenced by SITLA's execution of such plat.

(d) Residential Use of Premises. The Premises and each and every portion thereof shall be utilized only for residential purposes (including facilities incidental thereto such as recreational facilities and areas) and no commercial or industrial activity shall be conducted thereon, except that Developer shall have the right to use no more than an aggregate total of two (2) acres of the Premises to maintain sales, administrative and construction offices on the Premises for so long as Developer is developing the Premises and is in compliance with all terms and provisions hereof, including these Development Stipulations. This right to maintain sales, administrative and construction offices may also apply to the Homebuilders provided SITLA gives written approval of such, which may be withheld in SITLA's reasonable discretion. To the extent applicable, the provisions of these Development Stipulations shall constitute a Tract Declaration within the meaning of the Master Declaration and the Land Use Classification applied to the Premises is that of "single family residential" as defined in Article V, Section 5.1 of the Master Declaration.

(e) Development Schedule. Developer agrees that development and construction of the Premises shall be performed in accordance with the schedule set forth in the Lease.

(f) Developer's Obligation to Develop. Except as expressly set forth in these Development Stipulations, those development obligations set herein shall be performed by Developer and shall not be delegated or assigned to the Homebuilders or any other party without SITLA's prior written consent, which consent may be withheld in SITLA's reasonable discretion. In the event SITLA consents to a delegation of such responsibility, Developer shall be responsible for ensuring the party constructing the improvement performs as required in this Development Declaration and may be declared in default under this Development Declaration for such failure to perform.

2. ROADS AND TRAILS:

(a) Use of Roads During Construction. Developer agrees that, in connection with Developer's development of the Premises, Developer shall cause all construction vehicles (including, but not limited to, dump trucks, tractors, trailers, cement trucks and vehicles carrying construction materials) to obtain access to and from the Premises only by use of publicly dedicated roads, unless SITLA shall approve of an alternate means of access (which approval shall not be unreasonably withheld). In addition, Developer shall at all times keep the roads surrounding the Premises clean, free of dust, mud and debris caused by construction activities on the Premises, and follow all applicable requirements of the City, during all construction activities on the Premises. Developer shall not be allowed, nor shall Developer allow any of its employees, agents or contractors, to park construction vehicles or equipment, or otherwise store materials of any kind, on the roads adjacent to or near the Premises or any portion thereof at any

time without the express prior written consent of SITLA, which consent may be withheld or conditioned in SITLA's sole discretion. If Developer's use of the roads as provided above results in any damage to such roads, Developer shall, upon demand by SITLA or the City, repair such damage in a manner reasonably acceptable to SITLA and the City. These obligations shall apply to and be binding upon Developer and the Homebuilders, depending on which entity is constructing the applicable improvements.

(b) Trails. Developer shall, at Developer's sole cost and expense, construct the trails and any related pedestrian access points at the locations identified and shown on **Map B-1** attached hereto (the "**Trails**"). The Trails shall be constructed to City standards, shall be ten (10) feet wide, shall be constructed of concrete or asphalt, and shall be consistent with the requirements (as applicable) of the Master Declaration. In order to ensure the Trails are part of a cohesive system within the Planned Community, Developer shall submit proposed plans for the Trails to SITLA for its written approval. SITLA's approval will not be unreasonably withheld. Developer shall immediately, upon demand by SITLA or the Governing Association, convey and dedicate to the Governing Association or the City, as applicable, all of Developer's right, title and interest in and to the Trails and related improvements, by instrument(s) reasonably acceptable to SITLA and the Governing Association. The Lease requires Developer to complete construction of certain Trails before continuing to develop the Premises. Developer shall be bound by these requirements in the Lease.

3. **SITE DEVELOPMENT/LANDSCAPING:**

(a) Improvements in City Development Agreement. Developer shall construct, install, dedicate, maintain and/or repair all improvements located on the Premises which are required by the City Development Agreement, and Developer hereby assumes on behalf of itself and its successors and assigns all obligations and duties of SITLA contained in or otherwise referenced by such City Development Agreement with respect to and to the extent such obligations and/or duties relate to items located or to be located on or otherwise required in connection with the Premises.

(b) Soil Retention. Any adjoining lots within the Premises that have an elevation difference of two (2) feet or greater shall be retained by block or rock to prevent possible sloughing from the higher lot to the lower lot. Prior to installing such block or rock, Developer shall submit proposed plans for such to SITLA for written approval, which shall not be unreasonably withheld.

(c) Hill Stabilization; Cut and Fill Slopes. Any hills within the Premises or other portions of the Planned Community that are disturbed by Developer in the course of the development of the Premises shall be stabilized in a manner that will ensure stabilization is maintained. Prior to disturbing any such hills, Developer shall submit engineering plans to SITLA for written approval, which shall not be unreasonably withheld. In addition, on or before the conveyance of the first lot within the Premises, Developer shall hydro seed or use seed broadcasting methods on all cut slopes and fill slopes within the Premises or adjacent to the Premises with a seed product approved by SITLA. In the alternative, Developer may also use rock on these slopes. The determination as to whether a specific cut or fill slope will utilize hydro seeding, seed broadcasting methods or rock shall be made by Developer, with SITLA's

prior written consent (which consent shall not be unreasonably withheld). The requirements herein are intended to protect against erosion, slippage or other deterioration of such slopes and surrounding areas.

The foregoing in no way is intended to limit the Developer's or Homebuilders' obligations to comply with the PCD or the Landscaping Plan or to otherwise develop the Premises in accordance with the PCD.

(d) Perimeter Walls. Developer shall construct, install, maintain and/or repair those walls along the boundaries of the Premises (the "**Perimeter Walls**") in the manner set forth in the PCD. In order to ensure compliance with these requirements, Developer shall submit an engineering plan for the Perimeter Walls (including materials to be used) to SITLA for approval (which approval shall not be unreasonably withheld) prior to beginning construction of such walls. All Perimeter Walls shall be constructed of twelve (12) inch block. Developer shall also submit written timelines for construction of the Perimeter Walls to SITLA for approval, which approval shall be in writing and shall not be unreasonably withheld. Construction timelines for the Perimeter Walls shall comply with those time periods set forth in the PCD. Developer may enter into agreements with Homebuilders to build the Perimeter Walls, or portions thereof, provided the Homebuilders construct the Perimeter Walls in accordance with the approved engineering plans and the approved construction timelines. Notwithstanding such agreements between Developer and the Homebuilders, Developer shall be responsible for ensuring the Perimeter Walls are constructed in accordance with the approved engineering plans and approved construction timelines, this Development Declaration and the PCD. Failure of the Perimeter Walls to be constructed as set forth herein shall constitute a default under this Development Declaration (subject to those default provisions set forth in this Development Declaration). Developer shall require all contractors involved in constructing the Perimeter Walls to maintain bonds for the performance and warranty of the work. In the event: (a) construction of any portion of the Perimeter Walls is not completed in the time periods agreed to by Developer and SITLA, as set forth herein; or (b) the Perimeter Walls demonstrate any deficiencies (structural or otherwise) in that period of time which is twelve (12) months after completion of the applicable portion of Perimeter Walls, then SITLA shall provide Developer with written notice of such defaults and deficiencies. Developer shall have ninety (90) days to correct those deficiencies with the Perimeter Walls set forth in the written notice. Failure of Developer to correct the deficiencies within this 90-day period shall, at SITLA's option, allow SITLA to declare Developer in default under the Lease and to pursue all rights and remedies set forth in the Lease and prohibited by law.

(e) Landscaping Plan. Developer acknowledges that SITLA desires that landscaping within the Planned Community (including that located upon the Premises) be in accordance with a community-wide landscaping design theme. In this regard, Developer agrees that, prior to the time that Developer commences any construction activities or other developmental activities upon the Premises, Developer shall first prepare, at Developer's cost, and submit to SITLA for approval in the manner hereinafter set forth a "Landscaping and Revegetation Plan" (the "**Landscaping Plan**"). The Landscaping Plan shall, among other things: (a) identify the use of natural and other desert plant vegetation as a landscape feature on the Premises; and (b) set forth other details regarding the manner in which vegetation brought on to the Premises will enhance the Premises. SITLA shall have a period of thirty (30) days after delivery to it of the

Landscaping Plan in which to approve or disapprove the Landscaping Plan; *provided, however*, that SITLA shall not have the right to disapprove of the Landscaping Plan if it is in accordance with the Design Guidelines (as defined in the Master Declaration). In the event SITLA shall not inform Developer as to whether or not SITLA approves or disapproves of the Landscaping Plan prior to the expiration of the thirty (30) day period referred to above, then SITLA shall be deemed to have disapproved of the Landscaping Plan. Developer shall adhere to the approved Landscaping Plan and follow the requirements thereof in connection with the development of the Premises and shall require the Homebuilders to follow the Landscaping Plan to the extent the Homebuilders install landscaping within the Planned Community. Any deviation from or amendment to the approved Landscaping Plan shall require the approval of SITLA.

(f) Compliance with PCD: Landscaping Improvements. The Premises shall be developed in accordance with all the requirements and design standards set forth in the PCD and the following:

(i) Frontage of Main Roads. Developer shall install landscaping along the entire frontage of the Premises and between the sidewalk and curb and gutter along Sandy Talus Road and Grapevine Crossing, in accordance with the PCD and the Landscaping Plan. Landscaping along these main roads shall be installed within ninety (90) days of completion of construction of the sidewalk, curb and gutter along such roads.

(ii) Front Yards. The owner of the applicable lot or parcel at the time the landscaping improvements set forth in this Section 3(f) are required (whether such owner be Developer, a Homebuilder or a homeowner) shall install all landscaping required by the PCD in the front yard of each lot or parcel prior to occupancy of the improvements on such lot or parcel.

(iii) Lot Park Strips. The Homebuilders shall plant within a park strip at least two (2), two inch (2") caliper trees per lot on the Premises, which trees must be one of the approved species of trees set forth in the PCD and Design Guidelines, with adequate irrigation supply to keep such trees alive and thriving in the climate of the Premises, and provided that if any of such trees die, are removed, or are damaged such that removal is necessary within the first two (2) years after being planted, the same shall be replaced within ninety (90) days after the same have died or been removed. These trees shall be planted on a lot's park strip within ninety (90) days after completion of the sidewalks and other improvements associated with the applicable park strip.

(iv) Frontage of Interior Roads. The Homebuilders shall install all landscaping along all interior road frontages within the Premises (excluding those frontages along Sandy Talus Road and Grapevine Crossing and within individual lot park strips) in accordance with the PCD and the Landscaping Plan. Landscaping along interior road frontages shall be completed within ninety (90) days after completion of construction of the sidewalk, curb and gutter along such roads. Maintenance (including irrigation) associated with landscaping on the interior road frontages shall be provided and paid for by the Homebuilders until such time as a certificate of occupancy has been issued for the home on the lot. At the time a certificate of occupancy has been issued, the homeowner shall maintain the landscaping and pay those costs associated therewith. All landscaping on the interior road frontages shall comply with the approved Landscaping Plan, as described in Section 3(c) herein.

(v) Lighting. Developer shall install all lighting on the Premises as may be required by and in accordance with the PCD in such time periods as required by the City.

(g) Revegetation. If, in connection with Developer's development of the Premises: (i) any area of the Premises that has been "filled" or that shall be "filled" with dirt or other materials and such "filled" area is visible from any portion of the Planned Community or from any publicly dedicated road, Developer shall promptly cause such area to be revegetated so that the appearance of such area is restored to that existing prior to such "fill" (or to be revegetated in accordance with the General Landscaping Plan set forth in the PCD), to the extent reasonably practicable; *provided, however*, that portions of such area may be screened from view by retaining walls (of a muted color as required under the "Design Guidelines", as defined in the Master Declaration) as long as any remaining portion of such area is revegetated as above required up to any such retaining walls; or (ii) any area of the Premises shall be "cut" and such "cut" area is visible from any portion of the Planned Community or from any publicly dedicated road, Developer shall promptly revegetate, and/or landscape (any such revegetation or landscaping to be in accordance with the General Landscaping Plan set forth in the PCD); or (iii) SITLA determines, in its reasonable discretion, based upon SITLA's review of grading plans for the Premises and/or actual development on the Premises, that any areas require revegetating, Developer shall promptly revegetate and landscape such areas (any such revegetation and landscaping to be in accordance with the General Landscaping Plan set forth in the PCD). Developer acknowledges that SITLA's approval of any such plans and specifications shall in no way subject SITLA, the State or any of their respective consultants to liability, including without limitation, liability for engineering or other safety considerations in connection with the construction of any rip rap area, which shall be the sole responsibility of Developer.

(h) Irrigation. Developer shall install irrigation systems for those landscaping improvements Developer is required to install pursuant to this Development Declaration. Developer shall require all contractors involved in constructing such irrigation systems to maintain bonds for the performance and warranty of the work. In the event installation of any irrigation system is not completed or an irrigation system demonstrates deficiencies in that period of time which is twelve (12) months after completion of the installation of the irrigation system, then SITLA shall provide Developer with written notice of such deficiencies. Developer shall have ninety (90) days to correct those deficiencies in the irrigation system set forth in the written notice. Failure of Developer to correct the deficiencies within this 90-day period shall, at SITLA's option, allow SITLA to declare Developer in default under the Lease and to pursue all rights and remedies set forth in the Lease and prohibited by law.

4. **DEDICATIONS/EASEMENTS/ACCESS:**

(a) Drainage Area. Developer shall, at SITLA's option and request, cooperate with SITLA in dedicating to the Governing Association, or the City, as the case may be, the areas depicted as open space on plat maps for the Premises, for the purpose of installing, operating, maintaining, repairing and replacing as necessary, open space trails and related amenities and drainage facilities that will carry storm water and other surface water drainage from other properties to storm water channels and other drainage areas within the Planned Community (the "Drainage Area"). The Governing Association, or the City, or their successors and assigns shall

be responsible for installing, operating, maintaining, repairing and replacing such dedicated drainage facilities.

(b) Drainage Area Easements. Developer shall, at SITLA's option and request, cooperate in dedicating to the Governing Association, or the City, as the case may be, an exclusive easement agreement granting an easement across the Premises (including, without limitation granting and maintaining open and accessible at all times an access point of sufficient width to allow the Governing Association or the City to move equipment and related tools into the Drainage Area) for the purpose of operating, maintaining, repairing and replacing as necessary, the Drainage Area.

(c) Drainage Easements on Adjacent Properties. If easements or other rights of way are required in addition to existing easements and rights of way across adjacent properties for the purpose of installing improvements for and/or to convey drainage into collection and drainage distribution facilities, Developer shall notify SITLA in writing of such additional easements and rights of way that are necessary and SITLA shall reasonably cooperate with Developer, at no cost or expense to SITLA, in granting or obtaining such easements or rights of way.

(d) Right to Inspect. SITLA and its agents and assigns shall have the right at any reasonable time or times, from and after the date hereof, upon prior reasonable written notice to Developer with Developer or its representatives having the right to be present during such times, to enter upon the Premises or portions thereof for the purpose of determining whether the use and ownership of the Premises are in compliance with the provisions of this Development Declaration. The fact that SITLA, or SITLA's agents or assigns, exercises or fails to exercise the foregoing inspection rights shall not, in any manner, be deemed to be a waiver by SITLA of any of Developer's obligations under this Development Declaration. SITLA agrees to indemnify, defend and hold harmless Developer from any and all liability, claims, damages, expenses, judgments, proceedings and causes of action of any kind whatsoever, arising out of SITLA's exercise of the rights granted herein.

(e) Dedication Language. Plats dedicating improvements on any portion of the Premises shall contain that owner's dedication language set forth in **Schedule B-1**.

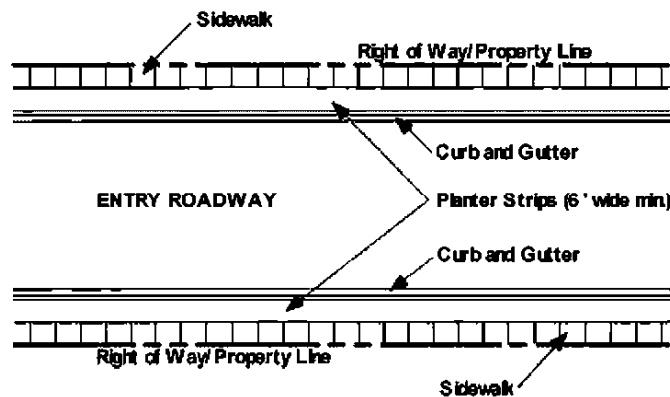
5. **BONDING:** In connection with any construction on the Premises and in addition to the Letter of Credit, Developer shall provide to the City, at Developer's expense, payment and performance bonds as required by the City. Developer shall cause SITLA to be named as an additional insured under such bonds. All contractors utilized by Developer for work having a value in excess of \$50,000 per annum shall provide performance and completion bonds.

6. **SUPPLEMENTARY DESIGN GUIDELINES FOR PREMISES:** The following items are supplementary design guidelines ("**Supplementary Design Guidelines**") that are applicable only to the Premises. Notwithstanding these Supplementary Design Guidelines, which are intended to supplement and be in addition to the design guidelines in the PCD, nothing in this **Section 6** is intended to limit the design guidelines found in the PCD and/or the Master Declaration, all of which will continue to apply to the Premises:

(a) **Roof Design.** Roof design, ridgelines and the pitch of roofs on any structures within or upon the Premises must be varied so as to provide a visual variety of roof heights and slopes through the development on the Premises. Homebuilders may achieve ridgeline variety by changing directions of ridgelines within the same structure and/or between a series of structures and by the location of structures in comparison to one another throughout the development. In addition, subject to the approval of the Design Review Committee of the Planned Community, Homebuilders shall use other elements, such as chimneys and special roof designs and features over entryways, to achieve a varied and interesting “roofscape” throughout the development on the Premises. In no event shall flat roofs be allowed on any structures on the Premises.

(b) **Roof Materials.** Roof materials for all structures within or upon the Premises shall be of a quality, material and style acceptable to the Design Review Committee. Homebuilders will submit the type, material and final color choice(s) for roof materials to the Design Review Committee for written approval before installation of such roof materials on any structures.

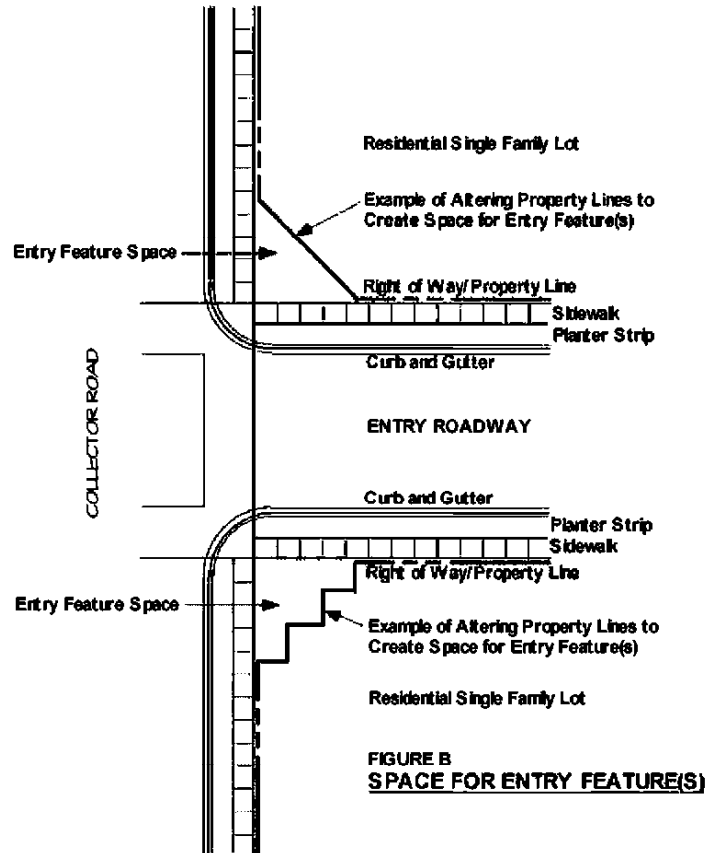
(c) **Planter Strips at Entry Roads.** Developer shall construct planter strips, at least six (6) feet wide, between the back of curb and the adjacent finished edge of the sidewalk, on each side of each entry roadway to the Premises and such planter strips must extend the entire length of the entry road into the Premises. Maintenance of these planter strips, once landscaping is installed, shall be the responsibility of Developer, until such time as the improvements on the lot adjacent to the planter strips are occupied. At that time, the homeowner shall be responsible for maintaining the planter strips as set forth in the Master Declaration (unless the Governing Association voluntarily elects to maintain the planter strips). Irrigation to these planter strips shall be metered separately from other water sources to the adjacent lot in order for the Governing Association to assess fees to homeowners within the neighborhood for the costs associated therewith. The planter strips are to be planted with street trees and other special entry landscape materials allowed under the PCD. See Figure A below, and see also Figure 3B and page 16 in Section 2, (Transportation) of the PCD.



**FIGURE A
PLANTER STRIPS ALONG ENTRY ROADWAYS**

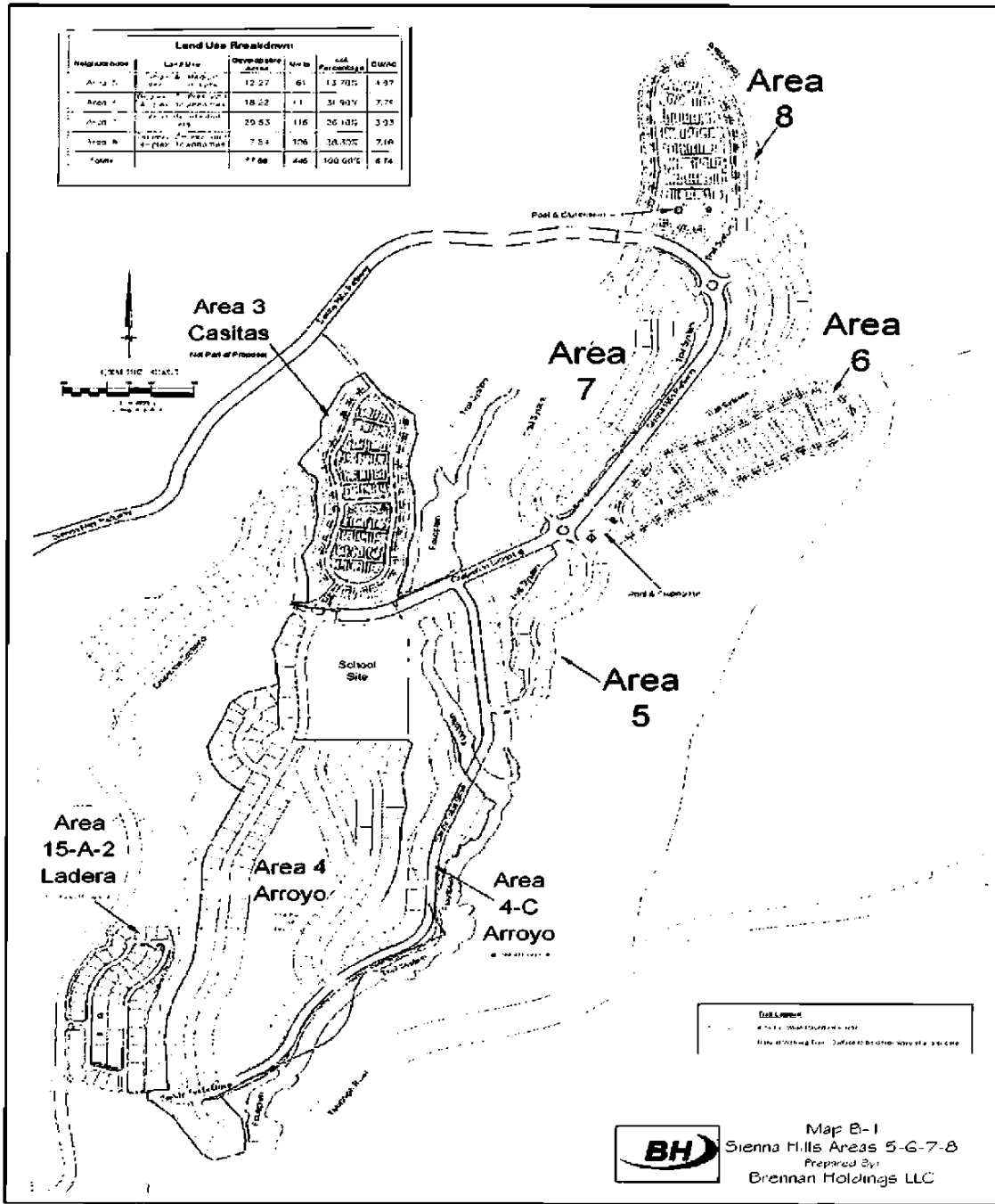
(d) **Entry Features.** Developer shall construct, at Developer’s sole cost and expense, an entry feature (with appropriate landscaping) at each entry roadway to the Premises or in

additional locations as requested by Developer and approved by SITLA. Adequate space must be set aside and reserved by Developer from any lots in the Premises for the installation of such features and the necessary landscaping in connection therewith. Construction of the entry features shall be completed on or before such time as residences have been constructed on twenty five percent (25%) of the lots planned for development on the Premises. See Figure B below.



Each entry feature must comply with the PCD be approved in writing by the Design Review Committee before installation of any such entry features.

Map B-1
Map of Trails



Schedule B-1

Plat Language

“KNOW ALL MEN BY THESE PRESENTS that the undersigned owner of all the hereon described tract of land hereafter known as _____ for good and valuable consideration received, does hereby dedicate and convey to [Washington City] for perpetual use of the public, all parcels of land shown on this plat as public roadway [etc.], and does hereby dedicate and convey to Washington City and to each public utility providing utility services, non-exclusive easements for installation and maintenance of public utilities and drainage facilities over, on, under and across the utility easements as shown on this plat. Subject to any existing reservations to the State of Utah, its successors and assigns, of all coal, oil and gas and other mineral deposits.”