

WHEN RECORDED, RETURN TO:

M. Thomas Jolley, Esq.
3520 N. University Avenue, Suite 100
Provo, Utah 84604

Tax Parcel Nos. _____

**FIRST AMENDMENT TO
NEIGHBORHOOD CHARTER**

FOR

THE RIDGE LOTS AT SUNDANCE COMMUNITY PRESERVE

SUNDANCE RECREATION RESORT, PLAT K

THIS FIRST AMENDMENT to Neighborhood Charter for The Ridge Lots At Sundance Community Preserve, Sundance Recreation Resort, Plat K dated as of April 7, 2006 ("First Amendment") is executed pursuant to the provisions of the Neighborhood Charter described in Recital "B" below by SUNDANCE PARTNERS, LTD., a Utah limited partnership (the "Neighborhood Developer"). Capitalized terms used and not otherwise defined in this First Amendment shall have the meaning or meanings given to them in the Neighborhood Charter.

RECITALS:

A. On March 7, 2005, the Neighborhood Developer recorded with the Recorder of Utah County, Utah a Community Charter for Sundance Community Preserve as Entry Number 23601:2005 (as amended from time to time, the "Community Charter") covering certain real property in the Preserve.

B. On March 7, 2005, the Neighborhood Developer recorded with the Recorder of Utah County, Utah a Neighborhood Charter for The Ridge Lots at Sundance Community Preserve, Sundance Recreation Resort, Plat K as Entry Number 23603:2005 (the "Neighborhood Charter") covering the real property and improvements situated in Utah County, Utah, and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

C. Pursuant to Section 10.3.3 of the Neighborhood Charter, the Neighborhood Developer reserved the right to unilaterally amend the Neighborhood Charter for any purpose so long as the Neighborhood Developer or any Neighborhood Developer Affiliate owns any Lot or other portion of the Property, or any portion of the Additional Property.

D. The Neighborhood Developer currently owns a Lot or other portion of the Property.

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NOW, THEREFORE, pursuant to Section 10.3.3 of the Neighborhood Charter, from and after the Recording of this First Amendment the Neighborhood Charter is hereby amended as follows:

1. Incorporation of Recitals. The Recitals set forth above shall and are hereby incorporated herein and made a part of this First Amendment.

2. Annexation of Property. Section 3.2.2 is hereby deleted in its entirety. Further, Section 3.2.1 is amended and restated as follows:

3.2.1 No Person, including the Neighborhood Developer, shall have the right to annex and subject to this Neighborhood Charter all or any portion of the Additional Property or any other property.

3. Withdrawal of Property. Section 3.3 is amended and restated as follows:

3.3 No Person, including the Neighborhood Developer, shall have the right to withdraw property from the Project.

4. Development Plan. Section 3.7 is hereby deleted.

5. Land Use. Section 4.1 is amended and restated as follows:

4.1 Land Uses. Subject to the provisions of this Section 4.1, the Property shall be used exclusively for single-family, detached Residences, along with ancillary uses such as public or private pedestrian, bicycle and ski trails, Common Area and the like. Each Lot shall be developed to include only one Residence that may be occupied at any one period of time by no more than one family (i.e., an individual or two or more persons related by blood, marriage or adoption, including up to two unrelated individuals). Subject to the foregoing, nothing in this Neighborhood Charter shall preclude the Lots from being owned by multiple Owners with undivided interest ownership (or a single Owner-entity comprised of multiple parties), nor shall this Neighborhood Charter place any restrictions on the manner in which title may be vested with respect to any Lot.

6. Residential Use. The last sentence in Section 4.20 is amended to read as follows:

The leasing of a Residence by the Owner thereof for any period of time, the ownership and occupancy of a Residence in accordance with Section 4.1 of this Neighborhood Charter, or the ownership of a Residence by multiple Owners (or a single Owner-entity comprised of multiple parties) shall not be considered a trade or business within the meaning of this Section.

7. Transfer Fee. Section 7.13 is amended and restated as follows:

7.13 Transfer Fee. Each Purchaser of a Lot shall pay to the Neighborhood Association immediately upon becoming the Owner of the Lot a transfer fee in such amount as is established from time to time by the

Neighborhood Board; provided, however, that in no event shall the transfer fee exceed 1.0% of the gross sales price of any Lot, Residence or Improvement thereon without the vote or written consent of 67% of the total amount of votes of the Class A Neighborhood Association Members other than the Neighborhood Developer.

8. Amendments. Section 10.3.3 is amended and restated as follows:

10.3.3 Notwithstanding the provisions of Section 10.3.1, so long as the Neighborhood Developer or any Neighborhood Developer Affiliate owns any Lot, the Neighborhood Developer may amend this Neighborhood Charter without the consent or approval of any other Owner; except that, other than amendments made pursuant to Section 10.3.2, any amendment to this Neighborhood Charter during the Period of Neighborhood Developer Control shall also require the express written consent of Phil Herrington ("Herrington"), which consent shall not be unreasonably withheld or delayed, so long as Herrington or an entity in which Herrington directly or indirectly owns 51% or more interest ("Herrington Party") owns any interest in any of Lots 1-5. However, with respect to the consent of Herrington mentioned in the preceding sentence, in the event that either Herrington or Herrington Party purchases less than all of Lots 1-5 or Herrington or Herrington Party's interest in Lots 1-5 is sold or terminated by Neighborhood Developer as a result of a default by Herrington, Inc., or its successors or assigns ("Buyer"), under the Purchase and Sale Agreement between Neighborhood Developer and Buyer dated January 24, 2006 (the "Purchase Agreement"), any such proposed amendment shall not require Herrington's consent but shall require the vote or written approval of a majority of the voting power of the Neighborhood Association, as determined herein ("Majority of the Lot Owners"), such consent not to be unreasonably withheld or delayed. So long as the Purchase Agreement remains in effect and Buyer is not in default under the Purchase Agreement, Herrington is deemed to have an interest in Lots 1-5. So long as Neighborhood Developer or a Neighborhood Developer Affiliate (collectively, a "Sundance Entity") is the owner of record of five (5) or more Lots and Herrington or a Herrington Party is the owner of record of two (2) or more Lots, the term "Majority of the Lot Owners" shall also require the vote or written consent of at least one Owner that is not a Sundance Entity.

9. Neighborhood Charter Remains in Effect. Except as expressly amended by the foregoing, the Neighborhood Charter shall remain in full force and effect and shall not be canceled, suspended or otherwise abrogated by the recording of this First Amendment.

10. Authority. The Neighborhood Developer hereby certifies that the Neighborhood Developer may execute this First Amendment without the consent or signature of any other Person or Owner as provided in Section 10.3.3 of the Neighborhood Charter.

IN WITNESS WHEREOF, this First Amendment is hereby executed as of the day and year first above written.

NEIGHBORHOOD DEVELOPER:

SUNDANCE PARTNERS, LTD.,
a Utah limited partnership

By: SUNDANCE HOLDINGS, L.L.C.,
a Utah limited liability company,
General Partner

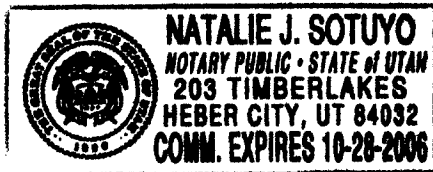
By: SUNDANCE ENTERPRISES, INC.,
a Utah corporation,
Its Managing Member

By: *M. Thomas Jolley*
Its: *Senior VP & General Counsel*

STATE OF *Utah*)
)
:ss.
COUNTY OF *Utah*)

The foregoing instrument was acknowledged before me this *7th* day of April, 2006, by *M. Thomas Jolley*, the *Senior VP & General Counsel* of Sundance Enterprises, Inc., a Utah corporation, which is the Managing Member of Sundance Holdings, L.L.C., a Utah limited liability company, which is the General Partner of Sundance Partners, Ltd., a Utah limited partnership.

Natalie J. Sotuyo
Notary Public



**CONSENT TO RECORD AND SUBORDINATION
(U.S. Bank National Association)**

The undersigned U.S. Bank National Association, is the holder of that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of July 28, 2004, recorded July 28, 2004, as Entry No. 86507:2004 of the official records of Utah County, Utah, that certain Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of July 28, 2004, recorded July 28, 2004, as Entry No. 86506:2004 of the official records of Utah County, Utah, and that certain Development Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of July 28, 2004, recorded July 28, 2004, as Entry No. 86505:2004 of the official records of Utah County, Utah, together with related loan documents (collectively the "Deeds of Trust") which constitute liens of record against the property subject to the Neighborhood Charter for The Ridge Lots At Sundance Community Preserve, Sundance Recreation Resort, Plat K (the "Neighborhood Charter"), as amended by the foregoing First Amendment to the Neighborhood Charter for The Ridge Lots At Sundance Community Preserve, Sundance Recreation Resort, Plat K (the "First Amendment"). U.S. Bank National Association, hereby subordinates the liens and encumbrances of the Deeds of Trust to the Neighborhood Charter, as amended by the First Amendment recorded in the official records of Utah County, Utah, and consents to the recordation of such First Amendment.

U.S. Bank National Association

By: [Signature]
Its: Vice President

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

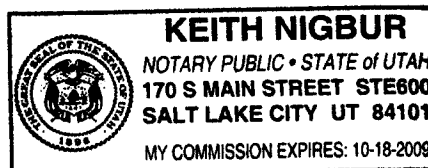
The foregoing instrument was acknowledged before me this 30 day of March, 2006, by John Seustrom, the VP of U.S. Bank National Association.

[Signature]
NOTARY PUBLIC
Residing at: SLE

My Commission Expires:
10-18-2009

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3/24/2006

EXHIBIT "A"

**THE RIDGE LOTS AT SUNDANCE COMMUNITY PRESERVE
SUNDANCE RECREATION RESORT, PLAT K
LEGAL DESCRIPTION**

Lot Nos. 1-9, inclusive, THE RIDGE LOTS AT SUNDANCE COMMUNITY PRESERVE, SUNDANCE RECREATION RESORT, PLAT K according to the official plat thereof on file and of record in the Office of the Utah County Recorder.