

WHEN RECORDED, RETURN TO:

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

Tax Parcel Nos. _____

**DECLARATION OF RESTRICTIVE COVENANTS
(Ski Resort Operations)**

7 This Declaration of Restrictive Covenants ("Declaration") is made and entered into this day of April, 2006, by SUNDANCE DEVELOPMENT CORPORATION, a Utah corporation, and its successors or assigns ("SDC").

RECITALS:

A. SDC is the owner of certain real property commonly known as the Sundance Ski Resort, situated in Utah County, State of Utah, more particularly described in Exhibit "A", which is attached hereto and incorporated herein by this reference (the "Resort Property").

B. SDC is willing to subject the Resort Property to certain restrictions, conditions, covenants for the benefit of the owners of certain lots known as The Ridge Lots at Sundance Community Preserve, more particularly described in Exhibit "B", which is attached hereto and incorporated herein by this reference (the "Ridge Lots"), located adjacent to the Resort Property, which will assure the continued use of the Resort Property as a ski resort, or as open space free from residential, commercial or industrial development.

RESTRICTIVE COVENANTS:

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SDC hereby imposes upon the Resort Property the following restrictions, conditions, and covenants:

1. Public Ski Resort. So long as this Declaration shall remain in effect, the Resort Property shall be developed and operated exclusively as a ski resort with related features, facilities and amenities, used and made available to members of the general public for year round recreational purposes (the "Ski Resort"). The facilities and amenities of the Ski Resort may include, without limitation, ski hills and runs, one or more ski lodges, ski lifts, maintenance buildings and facilities, facilities for equipment and vehicle storage, roads, trails, restaurants and other food service facilities, other recreational improvements and all other buildings, improvements and facilities necessary, desirable or incidental to the operation of the Ski Resort, as reasonably determined by SDC. The buildings, improvements, facilities and amenities may be changed, replaced, renovated, removed or otherwise modified at the sole discretion of SDC, and additional facilities may be added in the future as appropriate for the operation of a commercial ski area, with such commercial and support improvements necessary or customarily found at commercial alpine skiing operations, at the sole discretion of SDC.

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2. Cessation of Ski Resort Operations. If for any reason the owners of the Resort Property elect to discontinue the use of the Resort Property as a Ski Resort, some or all of the Resort Property may be converted to a park, maintained as open space, or improved for such other recreational use as SDC shall determine, including but limited to, such recreational, educational and cultural events and activities as are consistent with the maintenance and enjoyment of the Resort Property as open space. The Resort Property may not be developed with residential, commercial or industrial real estate improvements, except as may be related to the uses described above or as otherwise provided herein.

3. Development Credits. SDC hereby reserves any and all development credits or development rights that may exist with respect to the Resort Property (the "Development Rights"). This Declaration shall in no way impact or reduce SDC's Development Rights. In addition, SDC reserves the right to transfer any or all of the Development Rights to another property and this Declaration shall not preclude such a transfer.

4. Easements. Easements for drain fields on certain portions of the Resort Property have been granted to North Fork Special Service District. Notwithstanding anything to the contrary contained in this Declaration, SDC reserves the right to expand the easements granted to North Fork Special Service District in order to accommodate future drainage and water treatment facilities and operations.

5. Covenants Running with the Land. The terms and provisions of this Declaration shall constitute covenants running with the land, as a burden upon the Resort Property, and shall be binding upon all owners and occupants thereof, for the benefit of each owner of a Ridge Lot, or any interest therein.

6. Term. This Declaration shall continue for a period of ninety-nine (99) years from the date hereof, unless earlier terminated by SDC; provided that the any such termination shall 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 Ridge Lots 1-5 of the Ridge Lots at Sundance Community Preserve ("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 as a result of a default by Herrington, Inc., or its successors or assigns ("Buyer"), under the Purchase and Sale Agreement between Sundance Partners, Ltd. and Buyer dated January 24, 2006 (the "Purchase Agreement"), any such early termination shall not require Herrington's consent but shall require the vote or written approval of a majority of the voting power of the owners of the lots in the Ridge Lots at Sundance Community Preserve ("Ridge Lots"), as determined in accordance with the Neighborhood Charter For The Ridge Lots at Sundance Community Preserve and this Section ("Majority of the Ridge Lot Owners"), such consent not to be unreasonably withheld or delayed. For all purposes under this Declaration, 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. For all purposes under this Declaration, so long as Sundance Partners, Ltd. or any other entity which Sundance Partners, Ltd. owns, controls or is affiliated with (collectively, a "Sundance Entity") is the owner of record of five (5) or more Ridge Lots and Herrington or a Herrington Party is the

owner of record of two (2) or more Ridge Lots, the term "Majority of the Ridge Lot Owners" shall also require the vote or written consent of at least one Ridge Lot Owner that is not a Sundance Entity.

7. Amendments. This Declaration shall not be modified or amended without the express written consent of Herrington, which consent shall not be unreasonably withheld or delayed, so long as Herrington or Herrington Party owns any interest in any of Lots 1-5. However, 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 Sundance Partners, Ltd. as a result of a default by Buyer under the Purchase Agreement, any such modification or amendment shall not require Herrington's consent but shall require the vote or written approval of a Majority of the Ridge Lot Owners, such consent not to be unreasonably withheld or delayed.

8. Effect of Waiver or Breach or Failure to Enforce. No waiver of a breach of any of the covenants, conditions, or restrictions herein shall be construed to be a waiver of any other breach of the same or other covenants, conditions or restrictions; nor shall failure to enforce any one of such restrictions, either by forfeiture or otherwise, be construed as a waiver of any other restriction or condition.

9. Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

10. Captions and Titles. All captions, titles or headings in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the meaning or intent thereof.

11. Governing Law. This Declaration shall be construed, interpreted and applied in accordance with the laws of the State of Utah, without giving effect to principles of conflicts of laws.

[Signature page follows.]

**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 foregoing Declaration of Restrictive Covenants (the "Declaration"). U.S. Bank National Association, hereby subordinates the liens and encumbrances of the Deeds of Trust to the Declaration recorded in the official records of Utah County, Utah, and consents to the recordation of such Declaration.

U.S. Bank National Association

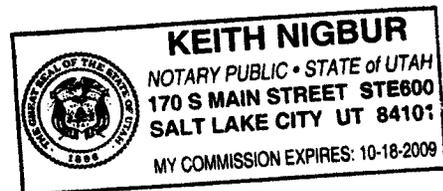
By: *John Seastrand*
Its: Vice President

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

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

Keith Nigbur
NOTARY PUBLIC
Residing at: *SLL*

My Commission Expires:
10-18-2009



**CONSENT TO RECORD AND SUBORDINATION
(Sundance Partners, Ltd.)**

The undersigned, Sundance Partners, Ltd. ("Sundance Partners"), is the tenant under that certain Ski Mountain Lease dated April 19, 1995 between Sundance Development Corporation ("SDC"), as landlord, and Sundance Partners, as amended by Amendment Number One to Ski Mountain Lease dated October 25, 1996 between SDC and Sundance Partners, and as further amended by Second Amendment to Ski Mountain Lease dated July 15, 2004 between SDC and Sundance Partners (as so amended, the "Ski Mountain Lease"), which covers the property subject to the foregoing Declaration of Restrictive Covenants. Sundance Partners, Ltd. hereby subordinates the Ski Mountain Lease to the foregoing Declaration of Restrictive Covenants recorded in the official records of Utah County, Utah, and consents to the recordation of such Declaration of Restrictive Covenants.

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

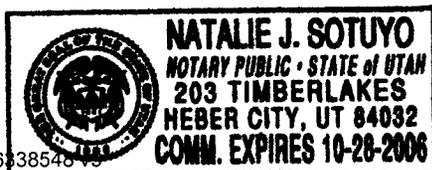


Exhibit ADescription of Resort Property

Beginning at a point on the northerly line of Plat "A" AMENDED (11), SUNDANCE RECREATIONAL RESORT located S0°07'50"E 168.25 feet from the Northwest Corner of Section 14, Township 5 South, Range 3 East, Salt Lake Base and Meridian (Basis of Bearing: N0°07'50"W along the Section line from the Northwest Corner of Section 14 to the West 1/4 Corner of Section 11, T5S, R3E, S.L.B.&M.); thence N49°01'00"E 296.51 feet; thence S0°08'00"E 159.40 feet; thence N75°00'25"E 425.58 feet; thence S56°51'01"E 40.44 feet; thence N80°00'00"E 273.74 feet; thence S52°31'15"E 363.63 feet; thence S61°55'20"E 608.16 feet to the Northeast Corner of Plat "K", THE RIDGE LOTS AT SUNDANCE PRESERVE SUBDIVISION; thence along said Plat "K" the following (11) courses: S83°44'16"W 675.14 feet; thence S63°48'15"W 201.70 feet; thence S45°58'30"W 206.36 feet; thence S19°26'26"W 160.00 feet; thence S70°21'46"W 169.03 feet; thence S36°58'51"W 392.09 feet; thence South 204.89 feet; thence East 73.07 feet; thence N45°00'00"E 32.03 feet; thence S48°24'09"E 62.83 feet; thence East 704.81 feet; thence S26°38'00"W 1,535.00 feet; thence S6°30'00"W 143.00 feet; thence S20°00'00"E 1,058.95 feet; thence South 2,043.57 feet; thence S33°00'00"W 1,000.00 feet; thence S82°00'00"W 1,000.00 feet; thence S64°00'00"W 1,500.00 feet; thence S26°00'00"W 1,000.00 feet; thence N64°00'00"W 800.00 feet; thence S88°00'00"W 680.00 feet; thence N42°00'00"W 600.00 feet; thence N19°20'00"E 500.00 feet; thence N40°56'00"E 1,430.00 feet; thence N7°02'30"E 2,180.00 feet; thence N17°23'00"E 725.00 feet; thence N52°18'00"E 1,345.00 feet; thence S76°44'00"E 200.00 feet; thence N45°06'00"E 163.00 feet to the North Line of said Plat "A"; thence along said Plat "A" the following (17) courses: N45°06'00"E 77.00 feet; thence N28°05'00"E 126.01 feet; thence N40°33'00"W 28.00 feet; thence N49°27'00"E 266.03 feet; thence S81°56'00"E 120.71 feet; thence N13°59'01"E 85.00 feet; thence N45°00'00"E 445.00 feet; thence N40°00'00"E 167.27 feet; thence North 129.10 feet; thence N84°47'00"W 134.36 feet; thence N12°13'00"E 129.35 feet; thence S80°27'34"W 102.48 feet; thence N11°13'00"E 28.93 feet; thence N51°10'00"E 730.22 feet; thence N17°04'09"W 346.38 feet; thence N61°40'00"E 250.14 feet; thence N28°20'00"W 125.50 feet; thence N12°56'02"E 243.61 feet to the point of beginning.

Less and Excepting the following:

(Townhouses)

Beginning at the Southwest of Lot 12, The Ridge Lots At Sundance Preserve, Plat "K" also being located South 1,537.05 feet and East 315.49 feet from the Northwest Corner of Section 14, Township 5 South, Range 3 East, Salt Lake Base and Meridian (Basis of Bearing: N0°07'50"W along the Section line from the

Northwest Corner of Section 14 to the West 1/4 Corner of Section 11, T5S, R3E, S.L.B.&.M.); thence along said Plat "K" the following (3) courses: East 73.07 feet; thence N45°00'00"E 32.03 feet; thence S48°24'09"E 62.83 feet; thence S60°00'00"E 575.21 feet; thence S27°18'17"W 462.17 feet; thence N50°00'00"W 485.46 feet; thence N8°00'00"W 409.28 feet to the point of beginning.

Also Less and Excepting the following:

(Flathead)

Beginning at a point located South 4,243.27 feet and East 607.58 feet from the Northwest Corner of Section 14, Township 5 South, Range 3 East, Salt Lake Base and Meridian (Basis of Bearing: N0°07'50"W along the Section line from the Northwest Corner of Section 14 to the West 1/4 Corner of Section 11, T5S, R3E, S.L.B.&.M.); thence South 598.29 feet; thence S33°00'00"W 575.00 feet; thence N67°00'00"W 1,000.00 feet; thence N20°00'00"W 652.35 feet; thence N45°00'00"E 108.60 feet; thence East 1,380.00 feet to the point of beginning.

Also Less and Excepting the following:

(Amphitheater)

Beginning at a point located South 483.89 feet and East 147.53 feet from the Northwest Corner of Section 14, Township 5 South, Range 3 East, Salt Lake Base and Meridian (Basis of Bearing: N0°07'50"W along the Section line from the Northwest Corner of Section 14 to the West 1/4 Corner of Section 11, T5S, R3E, S.L.B.&.M.); thence East 240.00 feet; thence S0°31'00"W 237.39 feet; thence S54°42'09"W 128.66 feet; thence S79°37'52"W 49.84 feet; thence N60°43'34"W 76.53 feet; thence N11°21'27"E 107.44 feet; thence N20°45'14"W 7.50 feet; thence N4°26'50"E 2.00 feet; thence N8°06'14"W 3.10 feet; thence N85°56'35"W 58.75 feet; thence N38°40'41"W 41.38 feet; thence N11°07'12"E 24.29 feet; thence N69°33'14"E 8.00 feet; thence S86°09'47"E 13.94 feet; thence N5°22'44"W 11.58 feet; thence N48°32'34"E 4.70 feet; thence N45°27'27"W 33.50 feet; thence N39°55'24"E 69.38 feet; thence North 12.37 feet to the point of beginning.

Exhibit B

Description of Ridge Lots

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.