

RHI
3/27/85

EXHIBIT "B"

~~AFTER RECORDING, PLEASE RETURN TO:~~

Robert J. Grow, Esq.
ROOKER, LARSEN, KIMBALL & PARR
185 South State Street, Suite 1300
Salt Lake City, Utah 84111

4132513

FIRST SUPPLEMENT
TO
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
OF
THE COVE ON MT. OLYMPUS,
A Planned Unit Development

Marsha Williams
Marsha Williams

SEP 4 4 29 PM '85
Paul H. Elmer
AS.00

RECORDED
SALT LAKE COUNTY,
UTAH

240 W Mountain View Dr., Park City, UT 84060

THIS SUPPLEMENT is made and executed this _____ day of _____, 1985, by MOUNTAINTOP CONSTRUCTION, INC., a Delaware corporation, and ROD IRWIN CUSTOM HOMES, INC., a Delaware corporation (hereinafter referred to collectively as "Declarant"), and The Cove on Mt. Olympus Owners Association, a Utah corporation (hereinafter "Association").

RECITALS:

A. On _____, 1985, Declarant created the Project by filing for record in the office of the Recorder of Salt Lake County, Utah: (i) an instrument entitled "Declaration of Covenants, Conditions, and Restrictions of The Cove on Mt. Olympus, a Planned Unit Development" (hereinafter, "Original Declaration") as Entry No. _____, in Book _____, at Page _____; and (ii) a plat entitled "The Cove on Mt. Olympus, A Planned Unit Development" (hereinafter, "Original Plat") as Entry No. _____. The Project, as so created, included the following-described real property located in Salt Lake County, State of Utah:

See Exhibit "A" attached hereto and incorporated herein by this reference.

[Terms used herein that are defined in the Original Declaration shall have the meanings ascribed to them therein.]

B. In Article XI of the Original Declaration, Declarant reserved the unilateral right (i.e., without the consent of the Association, any Owner, or any other person or entity) to expand the Project by addition(s) of all or any part of the Additional Land to the Project in accordance with said Article. Concurrently with recordation of this Supplement, there is being recorded in the office of the Recorder of Salt Lake County, Utah a plat entitled "The Cove on Mt. Olympus - Plat 'B'" (hereinafter, the "Phase II Plat") which, together with this Supplement, adds to the Project the following-described real property (hereinafter, "Added Parcel") located in Salt Lake County, Utah:

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See Exhibit "B" attached hereto and incorporated herein by this reference.

C. Declarants collectively hold fee title to the Property and the Added Parcel. MountainWest Savings, a Utah corporation (hereinafter "MountainWest"), is the sole Mortgagee of the Property and the Added Parcel. Gladstone Properties, Inc., a Utah corporation, and MountainWest Servcor., a Utah corporation, (hereinafter collectively "Phase III Owners") are the owners of that portion of the Additional Land described in Exhibit "C" attached hereto and incorporated herein by reference (hereinafter "Phase III Property"). In addition to adding the Added Parcel to the Project, this Supplement is recorded: (i) to amend the Original Declaration to permit Declarant to assign to the Phase III Owners, their successors and assigns, the right to add the Phase III Property to the Project; and (ii) to amend the original Declaration to provide that the Phase III Property shall be assessed and pay for only those expenses of the Project which directly and substantially benefit the Phase III Property, and to allow the Phase III Owners the flexibility of developing the Phase III Property without the limitations in Articles VI, VII and VIII of the Original Declaration.

D. Under Section 5 of Article XII of the Original Declaration, the Original Declaration may be amended by the vote of at least sixty-seven percent (67%) of the total votes in the Association and the consent of Eligible Mortgagees holding mortgages on at least fifty-one percent (51%) of the Lots which are then subject to Mortgages held by Eligible Mortgagees. Under Section 4 of Article XII, the Original Declaration can be amended without a meeting of the Association by obtaining written consent to such amendment from every Member entitled to cast a vote. Declarants currently hold one hundred percent (100%) of the total votes in the Association and by virtue of the execution of this Supplement hereby consent in writing to the provisions contained in this Supplement. MountainWest is the sole Eligible Mortgagee in the Project by virtue of the written request contained in the Consent of Mortgagee attached hereto, and by execution of such Consent hereby consents in writing to the provisions contained in this Supplement.

E. Section 5 of Article XII of the Original Declaration further provides that any authorized amendment of the Original Declaration shall be accomplished through the recordation of an instrument executed by the Association and certifying that the vote required by Section 5 of Article XII of the Original Declaration has occurred and that the required percentage of Eligible Mortgages have consented to such amendment. By execution of this Supplement, the Association certifies that Declarants hold one hundred percent (100%) of the total votes in the Association and that by virtue of the execution of this Supplement, Declarants have consented in writing to the provisions of this Supplement as required by Section 4 and 5 of the

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Original Declaration. The Association further certifies that MountainWest Savings, by virtue of the execution of the Consent of Mortgagee, attached to this Supplement and by this reference made a part hereof, is the sole Eligible Mortgagee in the Project and has approved and consented to the provisions of this Supplement.

II. EXPANSION OF PROJECT

NOW, THEREFORE, in accordance with the procedure set forth in Section 3 of Article XI of the Original Declaration for expansion of the Project and in conjunction with addition to the Project of the Added Parcel, Declarant hereby makes the following declarations and provides the following information.

1. Identification of Documents. Data sufficient to identify the Original Declaration, the Original Plat, and the Phase II Plat is set forth in Recitals "A" and "B" above.

2. Legal Description. The legal description for the portion of the Additional Land being added to the Project (herein referred to as the "Added Parcel") is set forth in Recital "B" above.

3. Applicability of Original Declaration. The Added Parcel, and each and every portion or part thereof, shall at all times after recordation of this Supplement be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in the Original Declaration.

4. Form for Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Lot located in the Added Parcel shall describe the interest or estate involved substantially as follows:

Lot No. _____ contained within The Cove on Mt. Olympus, a Planned Unit Development, as said Lot is identified in the instrument entitled "The Cove on Mt. Olympus - Plat 'B'" recorded in Salt Lake County, Utah on _____, 1985, as Entry No. _____ and in the "Declaration of Covenants, Conditions, and Restrictions of The Cove on Mt. Olympus, a Planned Unit Development" recorded in Salt Lake County, Utah, on _____, 1985, as Entry No. _____, in Book _____, at Page _____, as supplemented by a certain "First Supplement to Declaration of Covenants, Conditions, and Restrictions

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of The Cove on Mt. Olympus, a Planned Unit Development" recorded in Salt Lake County, Utah on _____, 1985, as Entry No. _____, in Book _____, at Page _____, TOGETHER WITH a nonexclusive right and easement of use and enjoyment in and to the Common Areas described, and as provided for, in said Plat and said Declaration of Covenants, Conditions, and Restrictions, as so supplemented.

Whether or not the description employed in any such instrument is in the above-specified form, however, this Supplement and the Original Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot located in the Added Parcel. No right and easement of use and enjoyment to the Common Areas shall be separated from the Lot to which it appertains, and even though not specifically mentioned in the instrument of transfer, such nonexclusive right and easement of use and enjoyment to the Common Areas shall automatically accompany the transfer of the Lot to which it relates.

6. Transfer of Title. Declarant agrees that it shall, at or prior to the time it conveys the first Lot located within the Added Parcel to an Owner, convey by Warranty Deed to the Association good and marketable title to all Common Areas situated in the Added Parcel, free and clear of all liens and encumbrances except those restrictions, reservations, liens, encumbrances and other matters shown on Exhibit "B" hereto and the lien of current general taxes and the lien of any current assessments, charges, or taxes imposed by governmental or quasi-governmental authorities.

7. Status of Title and Reservations for Declarant. The Added Parcel is added to the Project together with the appurtenances and subject to the restrictions, reservations, and other matters set forth on Exhibit "B."

8. Description of Limited Common Areas. No Limited Common Areas are being created on the Added Parcel.

III. AMENDMENT OF ORIGINAL DECLARATION

NOW, THEREFORE, for the purpose of amending the Original Declaration, and in accordance with the procedures set forth in Sections 4 and 5 of Article XII of the Original Declaration, the Original Declaration is hereby amended as follows:

1. Notwithstanding any provision of the Original Declaration to the contrary, in the event that the Phase III Property or any portion thereof is added to the Project, such

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added portion and any Owner thereof shall be subject to the provisions of Article V of the Original Declaration relating to assessments for the maintenance, repair and/or replacement of the Common Areas only to the extent that such added portion of the Phase III Property derives a direct and substantial benefit from the Common Areas of the Project. It is expressly understood that the Phase III Property does not now nor shall it hereafter derive any benefit from the Common Areas.

2. Notwithstanding any provision in the Original Declaration to the contrary, the Phase III Property shall not be subject to Articles VI, VII and VIII of the Original Declaration.

3. Declarants hereby irrevocably assign to the Phase III Owners, their successors and assigns, the right, in such Owners' sole discretion, to add all or part of the Phase III Property to the Project by causing supplements to the Declaration to be executed and recorded by such Owners or their successors and assigns as provided in Article XI of the Original Declaration. Such Supplement shall not amend the Original Declaration or this Supplement except as provided in this Article III, and shall not require the consent, approval or signatures of Declarants, the Association or of any Lot Owner.

4. This Supplement shall take effect upon recording in the office of the Recorder of Salt Lake County, Utah. Thereupon, the Declaration for the Project shall consist of the Original Declaration, as amended and supplemented by this Supplement.

EXECUTED the day and year first above written.

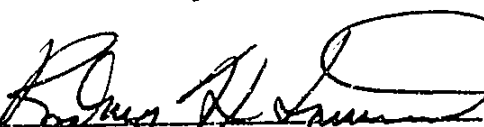
"DECLARANT"

MOUNTAIN TOP CONSTRUCTION INC.,
a Delaware corporation,

By 

Its President

ROD IRWIN CUSTOM HOMES, INC.,
a Delaware corporation

By 

Its President

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"ASSOCIATION"

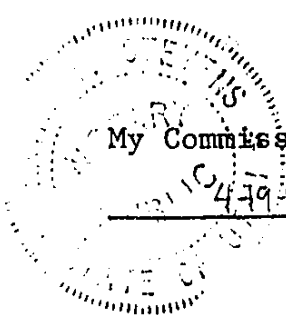
THE COVE ON MT. OLYMPUS OWNERS
ASSOCIATION, a Utah
corporation

By *Rodney H. Irwin*
Its *Pres.*

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

On this 27th day of August, 1985, personally
appeared before me Paul H. Ebbers, who being by me duly
sworn did say that he is the President of MOUNTAIN TOP CONSTRUCTION, INC., a Delaware corporation, and that the foregoing FIRST SUPPLEMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS was signed in behalf of said corporation by authority of its bylaws or of a resolution of its Board of Directors, and said Paul H. Ebbers acknowledged to me that said corporation executed the same.

Kathleen Stevens
NOTARY PUBLIC
RESIDING AT Salt Lake City Utah



My Commission Expires:
10-4-86

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

On this 27th day of August, 1985, personally
appeared before me Rodney H. Irwin, who being by me duly
sworn did say that he is the President of ROD IRWIN CUSTOM HOMES, INC., a Delaware corporation, and that the foregoing FIRST SUPPLEMENT TO DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS was signed in behalf of said corporation by authority of its bylaws or of a resolution of its Board of Directors, and said

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EXHIBIT "A"
TO
FIRST SUPPLEMENT
TO
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
OF
THE COVE ON MT. OLYMPUS

[An Expandable Planned Unit Development]

The following-described real property situated in Salt Lake County, State of Utah:

Beginning on the west corner of Oakcliff Park No. 2 Subdivision according to the official plat on file with the Salt Lake County Recorder at a point which lies 226.46 feet south and 800.40 feet east from the north quarter corner of Section 11, T. 2 S., R. 1 E., Salt Lake Base and Meridian; said point being on a 100.00 foot radius curve to the right; and running thence along the arc of said 100.00 foot radius curve to the right 79.97 feet (long chord bears S. 2°05'30" E., 77.85 feet); to the point of curvature of a 150.00 foot radius curve to the left; thence along the arc of said 150.00 foot radius curve to the left 236.45 feet (long chord bears S. 24°20'30" E., 212.72 feet); thence S. 20°30' W., 78.00 feet; thence S. 57°30' E., 66.66 feet; thence S. 7°30' E., 122.07 feet; thence S. 82°30'00" W., 117.72 feet; thence S. 88°30'00" W., 29.69 feet; thence N. 85°51'00" W., 148.69 feet; thence N. 4°09' E., 438.00 feet; thence N. 37°00' E., 131.26 feet to a point of curvature of a 20.00 foot radius curve to the right; thence along the arc of said 20.00 foot radius curve to the right 41.19 feet (long chord bears S. 84°00'00" E., 34.29 feet); thence S. 25°00' E., 34.43 feet to the point of beginning.

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RHI2
3/26/85

EXHIBIT "B"
TO
FIRST SUPPLEMENT
TO
DECLARATION OF COVENANTS,
CONDITIONS, AND RESTRICTIONS
OF
THE COVE ON MT. OLYMPUS

[An Expandable Planned Unit Development]

The following-described real property situated in Salt Lake County, State of Utah:

Beginning on the west corner of Oakcliff Park No. 2 Subdivision according to the official plat on file with the Salt Lake County Recorder at a point which lies 226.46 feet south and 800.40 feet east from the north quarter corner of Section 11, T. 2 S., R. 1 E., Salt Lake Base and Meridian; said point being on a 100.00 foot radius curve to the right; and running thence along the arc of said 100.00 foot radius curve to the right 79.97 feet (long chord bears S. 2°05'30" E., 77.85 feet); to the point of curvature of a 150.00 foot radius curve to the left; thence along the arc of said 150.00 foot radius curve to the left 236.45 feet (long chord bears S. 24°20'30" E., 212.72 feet); thence S. 20°30' W., 78.00 feet; thence S. 57°30' E., 66.66 feet; thence S. 7°30' E., 313.12 feet; thence S. 55°10' E., 218.73 feet; thence S. 24°15' E., 94.98 feet; thence N. 77°30' E., 90.88 feet to a point on a 150.00 foot radius curve to the left; thence along the arc of said 150.00 foot radius curve to the left 67.54 feet (long chord bears S. 25°23'57" E., 66.97 feet); thence S. 32°13'50" W., 23.28 feet; thence S. 20°44'50" E., 160.07 feet; thence N. 89°10'30" W., 10.00 feet; thence S. 0°09'00" E., 660.95 feet; thence N. 88°16'12" W., 886.92 feet; thence N. 10°52' E., 894.58 feet; thence N. 4°09' E., 800.22 feet; thence N. 37°00' E., 131.26 feet to a point of curvature of a 20.00 foot radius curve to the right; thence along the arc of said 20.00 foot radius curve to the right 41.19 feet (long chord bears S. 84°00'00" E., 34.29 feet); thence S. 25°00' E., 34.43 feet to the point of beginning.

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pg 1975

LESS AND EXCEPTING THE FOLLOWING PARCELS 1 AND 2:

PARCEL 1:

Beginning on the west corner of Oakcliff Park No. 2 Subdivision according to the official plat on file with the Salt Lake County Recorder at a point which lies 226.46 feet south and 800.40 feet east from the north quarter corner of Section 11, T. 2 S., R. 1 E., Salt Lake Base and Meridian; said point being on a 100.00 foot radius curve to the right; and running thence along the arc of said 100.00 foot radius curve to the right 79.97 feet (long chord bears S. 2°05'30" E., 77.85 feet); to the point of curvature of a 150.00 foot radius curve to the left; thence along the arc of said 150.00 foot radius curve to the left 236.45 feet (long chord bears S. 24°20'30" E., 212.72 feet); thence S. 20°30' W., 78.00 feet; thence S. 57°30' E., 66.66 feet; thence S. 7°30' E., 122.07 feet; thence S. 82°30'00" W., 117.72 feet; thence S. 88°30'00" W., 29.69 feet; thence N. 85°51'00" W., 148.69 feet; thence N. 4°09' E., 438.00 feet; thence N. 37°00' E., 131.26 feet to a point of curvature of a 20.00 foot radius curve to the right; thence along the arc of said 20.00 foot radius curve to the right 41.19 feet (long chord bears S. 84°00'00" E., 34.29 feet); thence S. 25°00' E., 34.43 feet to the point of beginning.

PARCEL 2:

Beginning 40 rods South from the Northeast corner of the Southwest Quarter of the Northeast Quarter of Section 11, T. 2 S., R. 1 E., Salt Lake Base and Meridian at a point which lies 1,999.94 feet South and 1,322.72 feet East, more or less, from the North quarter corner of said Section 11; and running thence N. 88°16'12" W., 250.00 feet; thence N. 0°09'00" W. 500.00 feet; thence S. 88°16'12" E., 250.00 feet; thence S. 0°09'00" E., 500.00 feet to the point of beginning.

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TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property.

EXCLUDING all presently existing or to be constructed or installed utility lines and related facilities which are now or hereafter owned by any governmental or quasi-governmental authority or by any public or private utility company.

ALL OF THE FOREGOING IS ALSO SUBJECT TO: all liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservations and exclusions; the reservation unto Declarant of all ores and minerals situated in, upon or under the above-described parcels, together with the right to enter upon the surface thereof to mine, remove or sell said ores and minerals and all other rights reasonably connected with or relative to such mining, removal or sale; any other mineral reservations of record and rights incident thereto; all easements and rights-of-way of record, otherwise existing, or enforceable in law or equity; and any easements, rights-of-way, encroachments, shortages in area, or discrepancies shown on or revealed by the Plat, or otherwise existing or discoverable from an inspection of the above-described parcel of real property.

RESERVING UNTO DECLARANT: (i) such perpetual easements and rights of ingress and egress over, across, through, and under all portions of the above-described parcel of real property comprising Common Areas (including, without limitation, Private Streets) and all portions of each Lot located either within ten (10) feet of the front or rear or within five (5) feet of either side of such Lot as may be necessary or convenient for Declarant (in a reasonable manner not inconsistent with this Declaration) to construct and improve the Common Areas with such roads, structures, facilities, and other improvements (including recreational improvements, utilities, and street lights) designed for the use and enjoyment of all the Members as Declarant may determine in its sole discretion to be appropriate; and (ii) such perpetual easements and rights of ingress and egress over, across, through, and under all portions of the above-described parcel of real property comprising Common Areas (including, without limitation, Private Streets) and all portions of each Lot located either within ten (10) feet of the front or rear or within five (5) feet of either side of such Lot, with no limits as to the extent of the burden which may be imposed thereon, as may be necessary or convenient to enable Declarant to develop and use any or all of the Additional Land (as determined in Declarant's sole discretion and regardless of whether or not the portion(s) of the Additional Land being so developed have been or will be added to the

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Pg 1377

Project) and to provide for such needs of and services to the Additional Land as may be determined by Declarant in its sole discretion. The easements and rights set forth in the foregoing item (ii) shall include (without limitation) the right to hook into and use any utility line, pipe, conduit, Private Street or other facility serving the Project and to utilize and/or enlarge all storm water runoff retention areas, structures and Private Streets located in the Project. Declarant shall have the right to assign, convey and/or transfer all or any portion of the easements and rights herein reserved to Salt Lake County, any other governmental or quasi-governmental body having jurisdiction over the Property, and any private or public utility company serving the Project or any part of the Additional Land (whether or not such part has been or will be added to the Project).

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RHI
3/20/85

EXHIBIT "C"
TO
FIRST SUPPLEMENT
TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
THE COVE ON MT. OLYMPUS
[An Expandable Planned Unit Development]

The following-described real property situated in Salt
lake County, State of Utah:

BEGINNING 40 RODS SOUTH FROM THE NORTHEAST
CORNER OF THE SOUTHWEST QUARTER OF THE
NORTHEAST QUARTER OF SECTION 11, T. 2 S., R.
1 E., SALT LAKE BASE AND MERIDIAN AT A POINT
WHICH LIES 1,999.94 FEET SOUTH AND 1,322.72
FEET EAST, MORE OR LESS, FROM THE NORTH
QUARTER CORNER OF SAID SECTION 11; AND
RUNNING THENCE N. 88°16'12" W., 250.00 FEET;
THENCE N. 0°09'00" W. 500.00 FEET; THENCE S.
88°16'12" E., 250.00 FEET; THENCE S. 0°09'00"
E., 500.00 FEET TO THE POINT OF BEGINNING.

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pg 1979

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3/26/85

EXHIBIT "C"

WAIVER

THIS WAIVER is made and entered into this _____ day of _____, 19____, by GLADSTONE PROPERTIES, INC., a Utah corporation, and MOUNTAINWEST SERVCOR, a Utah corporation, (hereinafter collectively referred to as "Gladstone").

RECITALS:

A. Gladstone are the owners of certain real property (hereinafter "Gladstone Property") located in Salt Lake County, Utah, and more particularly described as follows:

[See Exhibit "1" attached]

B. Rod Irwin Custom Homes, Inc., a Delaware corporation, and Mountaintop Construction, Inc., a Delaware corporation (hereinafter collectively referred to as "Declarants"), are the owners of certain real property located in Salt Lake County, Utah and more particularly described as follows:

[See Exhibit "2" attached]

C. Pursuant to an Agreement dated March _____, 1985 (hereinafter the "Agreement"), by and between Declarants and Gladstone, Gladstone agreed to execute this Waiver upon the occurrence of certain events.

D. Pursuant to the Agreement, Gladstone has been notified by Declarants of the occurrence of certain events and desires to waive certain of Gladstone's rights under a document known as the First Supplement to Declaration of Covenants, Conditions, and Restrictions of The Cove on Mt. Olympus, a Planned Unit Development, dated March ____, 1985, and recorded on the official records of the Recorder of Salt Lake County, Utah, as Entry No. _____, in Book _____, at Page _____, (hereinafter the "Supplement").

E. Terms used herein that are defined in the Declaration of Covenants, Conditions, and Restrictions of The Cove on Mt. Olympus, a Planned Unit Development (hereinafter "Declaration"), shall have the meanings ascribed to them in said Declaration.

NOW, THEREFORE, in accordance with the procedure set forth in the Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Gladstone hereby makes the following Waiver:

1. Gladstone hereby forever waives, relinquishes and abandons their rights under Paragraph 1 of Article III of the Supplement and agrees that in the event the Gladstone Property or any portion thereof shall be added to the Project, such portion

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said Jeffrey T. Jonas acknowledged to me that said corporation executed the same.

Paul A. Quice
NOTARY PUBLIC
RESIDING AT Salt Lake City, Utah

My Commission Expires:

11-9-86

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

On this 27th day of August, 1985, personally appeared before me M. LeRoy Mechem, the signer of the foregoing Agreement, who being by me duly sworn, did say that s/he is the Vice President of MOUNTAINWEST SERVCOR, a Utah corporation, and that the foregoing instrument was signed on behalf of said corporation by authority of its bylaws or a resolution of its board of directors, as the case may be, and said M. LeRoy Mechem acknowledged to me that said corporation executed the same.

NOTARY PUBLIC
RESIDING AT Salt Lake City, Utah

My Commission Expires:

11-9-86

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RHI2
3/27/85

EXHIBIT "1"
TO
WAIVER

The following-described real property situated in Salt Lake County, State of Utah:

BEGINNING 40 RODS SOUTH FROM THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 11, T. 2 S., R. 1 E., SALT LAKE BASE AND MERIDIAN AT A POINT WHICH LIES 1,999.94 FEET SOUTH AND 1,322.72 FEET EAST, MORE OR LESS, FROM THE NORTH QUARTER CORNER OF SAID SECTION 11; AND RUNNING THENCE N. 88°16'12" W., 250.00 FEET; THENCE N. 0°09'00" W. 500.00 FEET; THENCE S. 88°16'12" E., 250.00 FEET; THENCE S. 0°09'00" E., 500.00 FEET TO THE POINT OF BEGINNING.

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3/27/85

EXHIBIT "2"
TO
WAIVER

The following-described real property situated in Salt Lake County, State of Utah:

Beginning on the west corner of Oakcliff Park No. 2 Subdivision according to the official plat on file with the Salt Lake County Recorder at a point which lies 226.46 feet south and 800.40 feet east from the north quarter corner of Section 11, T. 2 S., R. 1 E., Salt Lake Base and Meridian; said point being on a 100.00 foot radius curve to the right; and running thence along the arc of said 100.00 foot radius curve to the right 79.97 feet (long chord bears S. 2°05'30" E., 77.85 feet); to the point of curvature of a 150.00 foot radius curve to the left; thence along the arc of said 150.00 foot radius curve to the left 236.45 feet (long chord bears S. 24°20'30" E., 212.72 feet); thence S. 20°30' W., 78.00 feet; thence S. 57°30' E., 66.66 feet; thence S. 7°30' E., 313.12 feet; thence S. 55°10' E., 218.73 feet; thence S. 24°15' E., 94.98 feet; thence N. 77°30' E., 90.88 feet to a point on a 150.00 foot radius curve to the left; thence along the arc of said 150.00 foot radius curve to the left 67.54 feet (long chord bears S. 25°23'57" E., 66.97 feet); thence S. 32°13'50" W., 23.28 feet; thence S. 20°44'50" E., 160.07 feet; thence N. 89°10'30" W., 10.00 feet; thence S. 0°09'00" E., 660.95 feet; thence N. 88°16'12" W., 886.92 feet; thence N. 10°52' E., 894.58 feet; thence N. 4°09' E., 800.22 feet; thence N. 37°00' E., 131.26 feet to a point of curvature of a 20.00 foot radius curve to the right; thence along the arc of said 20.00 foot radius curve to the right 41.19 feet (long chord bears S. 84°00'00" E., 34.29 feet); thence S. 25°00' E., 34.43 feet to the point of beginning.

LESS AND EXCEPTING THE FOLLOWING PARCEL:

Beginning 40 rods South from the Northeast corner of the Southwest Quarter of the Northeast Quarter of Section 11, T. 2 S., R. 1 E., Salt Lake Base and Meridian at a point which lies 1,999.94 feet South and 1,322.72 feet East, more or less, from the North quarter corner of said Section 11; and running thence N. 88°16'12" W., 250.00 feet; thence N. 0°09'00" W. 500.00 feet; thence S. 88°16'12" E., 250.00 feet; thence S. 0°09'00" E., 500.00 feet to the point of beginning.

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UPCM
3/5/85

MANAGEMENT AGREEMENT

(The Cove on Mt. Olympus, a Planned Unit Development)

THIS MANAGEMENT AGREEMENT, made and entered into this day of _____, 1985, by and between THE COVE ON MT. OLYMPUS OWNERS ASSOCIATION, a Utah nonprofit corporation (hereinafter the "Association") and I-M DEVELOPMENT, INC., a Utah corporation (hereinafter the "Manager").

RECITALS:

A. The Cove on Mt. Olympus, a planned unit development (hereinafter the "Development"), was recently created by the recordation, in the official records of Salt Lake County, Utah, of a Plat entitled "The Cove on Mt. Olympus, a Planned Unit Development," and of an instrument entitled "Declaration of Covenants, Conditions, and Restrictions of The Cove on Mt. Olympus, a Planned Unit Development" (hereinafter the "Declaration").

B. Under the Declaration and its Articles of Incorporation (hereinafter the "Articles") the Association is responsible for the maintenance, control, operation, and management of the Common Areas and for preservation of the values and amenities in the Development. Under the Declaration and its Articles, the Association is authorized to carry out through a property manager all of its functions which are properly the subject of delegation.

C. Manager is one of the Developers of the Development. It is anticipated that construction, development, marketing and related activities concerning the Development will be underway for some time. Because of this fact and so as to facilitate operation of the Development during its formative and marketing stages, the Association deems it advisable to retain the Manager for management of the Development upon the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises set forth below, the parties agree as follows:

1. Term. The Association hereby retains Manager to be responsible and provide for the maintenance, control, operation, and management of the Common Areas and preservation of the values and amenities in the Development. The initial term of this Management Agreement shall be the one-year period which begins on the date of this Agreement. This Agreement may be

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terminated as follows (without being subject to any penalty or fee for termination):

(i) In the event any party is in default hereunder, and the default is not cured within thirty (30) days after written notice of default is received by such party, this Agreement may be terminated by either party furnishing the other party with written notice of termination.

(ii) In the event neither party is in default hereunder, this Agreement may be terminated by either party furnishing the other party with written notice of termination at least ninety (90) days prior to the effective date of such termination. Any such termination pursuant to this Paragraph (ii) may be with or without cause.

Unless and until so terminated, this Agreement shall automatically be extended for additional consecutive one-year terms.

2. Compensation. Manager shall not be entitled to compensation from the Association for services Manager may render under this Agreement prior to the Transfer Date. After the Transfer Date the Association shall pay to Manager for its services hereunder the monthly sum of \$_____. Said sum shall be payable on the last day of the month for which payment is made. In the event Manager renders services hereunder or is entitled to receive compensation hereunder for only a portion of a month, the above-stated sum shall be prorated and Manager shall receive only that portion of such monthly sum as is attributable to the number of days during which it rendered services or was entitled to compensation in the month concerned.

3. Duties of Association. The Association shall, at the request of Manager, furnish the latter with copies of any and all documents connected with the Development which may aid Manager in carrying out its duties hereunder, including the Declaration, the Plat, any rules and regulations promulgated by the Association, and any written instruments executed by the Association. The Association shall timely provide Manager with any information not known to Manager which may be relevant to its performance under this Agreement. After the Transfer Date the Association shall establish and maintain a checking account in which Manager shall deposit all sums received in connection with operation and management of the Development and on which Manager shall be entitled to write checks in satisfaction of the

obligations incurred by it under this Agreement which are attributable to the period following the Transfer Date. The Association shall fully cooperate with Manager in connection with the latter's performance hereunder.

4. Duties of Manager. Manager shall diligently and conscientiously maintain, control, operate, and manage the Common Areas and preserve the values and amenities in the Development, all in accordance with the terms of the Declaration, the Articles, this Agreement, all rules and regulations properly promulgated by the Association, and all agreements lawfully entered into by the Association. Manager shall perform all of its duties hereunder as an independent contractor and in the best interest of the Association. Manager's obligations and duties under this Agreement shall be as follows:

(a) Maintenance. Manager shall maintain all parts of the Development which the Association is required to maintain. Maintenance shall be such as is reasonably necessary to keep said parts clean, functional, attractive, and generally in good condition and repair. Unless the written approval of the Association is first obtained, after the Transfer Date Manager shall not incur liabilities in excess of FIVE HUNDRED DOLLARS (\$500.00) in connection with any single item of repair or replacement, shall not incur liabilities, direct or contingent, which at any time exceed in the aggregate ONE THOUSAND DOLLARS (\$1000.00), and shall not incur any liability which will mature more than one year from the time of its creation. Provided, however, that the limitations contained in the preceding sentence shall not apply with respect to liabilities which are incurred in connection with repairs or replacements: (i) of an emergency nature which involve manifest danger to life or property; (ii) which are immediately necessary for the preservation or safety of property located within the Development; or (iii) which are required to avoid the suspension or interruption of necessary services to the Development.

(b) Utility, Equipment, and Service Contracts. Manager shall enter into such contracts and shall place such orders as may

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be necessary to provide the Development with the utility and other services required by it and as may be necessary to obtain the equipment, tools, appliances, materials, and supplies which are required for proper maintenance. Manager's authority with respect to such contracts and orders shall be subject to the limitation set forth in Paragraph 4(a) above.

(c) Insurance. Manager shall cause to be secured and maintained all insurance required by the Declaration, by law, and by the Association. Said insurance shall be placed with such companies, shall be in such amounts, shall be in such forms, and shall contain such provisions, as comply with the requirements of the Declaration and as are reasonably acceptable to the Association and to mortgagees of the individual Lots. Manager shall promptly investigate, and shall make a full written report to the Association concerning, any damage to the Common Areas and all accidents or claims for damage relating to the Development's management, operation, or maintenance. Manager shall cooperate with and make all reports required by the insurer concerned.

(d) Governmental Orders. Subject to the limitation described in Paragraph 4(a) above, Manager shall promptly take such action with respect to the Common Areas as may be necessary to comply with all lawful orders or requirements of any federal, state, county, municipal, or other authority. Manager shall not, however, take any such action so long as the Association is contesting or affirms its intention to contest any such order or requirement. Upon learning of any such order or requirement Manager shall promptly notify the Association thereof in writing.

(e) Tax and Other Reports. Manager shall prepare and file all forms, reports, and returns required by law to be filed in connection with any unemployment insurance, workmen's compensation insurance, disability

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benefits, social security, and other similar taxes and benefits applicable to personnel involved in the management, maintenance, or operation of the Common Areas.

(f) Necessary Personnel. Manager shall hire, supervise, and fire such supervisory, legal, accounting, custodial, and maintenance personnel as may be required for Manager to perform its obligations under this Agreement.

(g) Annual Budget. On or before each March 1 following the Transfer Date Manager shall prepare: (i) a budget which sets forth an itemization of the expenses and receipts of the Association which are anticipated for the 12-month period commencing with the following April 1; and (ii) a written plan of operation for such fiscal year which justifies in every important particular the estimates contained in the budget. The Association may modify said budget and plan of operation or approve them in the form submitted. During the year to which it relates, the budget as approved shall serve as a supporting document for assessments levied against the Lots contained in the Development. The budget shall also constitute the major guideline under which the Development shall be operated during the period covered and liabilities incurred by Manager shall not vary substantially therefrom unless the consent of the Association has first been secured; provided, however, that the Manager may incur liabilities or make commitments substantially over those provided for in the budget if such liabilities or commitments are immediately necessary due to emergency conditions. Manager shall promptly notify the Association of any such emergency commitments.

(h) Ownership List. Manager shall, in accordance with Article IV, Section 4, of the Articles, maintain up-to-date records showing the name of each person who is a Member, the address of such person, and the Lot to which the membership of such person is appurtenant.

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(i) Collection of Assessments. Manager shall notify each Lot Owner of the monthly and special assessments which are due from him, shall collect all assessments due from the Owners, and shall take such action, whether through legal process or otherwise, as may be necessary to collect delinquent assessments.

(j) Financial Records. After the Transfer Date, Manager shall establish and maintain a comprehensive system of records showing all receipts and disbursements connected with the operation and management of the Common Areas. All such records may be examined by the Association or its authorized agents at any reasonable time. On or before the 15th day of each month after the Transfer Date, Manager shall render a statement to the Association showing all receipts, disbursements, and delinquent assessments which occurred during the preceding calendar month in connection with operation of the Development.

(k) Depository for Funds. All sums received by Manager in connection with operation and management of the Development which belong to the Association shall be deposited by Manager in the checking account established by the Association pursuant to Paragraph 3 of this Agreement. After the Transfer Date, Manager shall write checks on said account covering payment for: (i) All salaries, other compensation, or expenses due and payable to the officers, directors, agent, and employees of the Association; (ii) All compensation due and payable to all personnel employed by Manager in carrying out its obligations under this Agreement; (iii) All premiums for insurance which is maintained in connection with the Common Areas; (iv) Any taxes on the Common Areas; (v) The amounts which this Agreement requires to be paid to Manager for its services; (vi) All other sums due and payable as liabilities authorized to be incurred by this Agreement; and (vii) All liabilities incurred by the Association on behalf of the Lot Owners.

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(l) Relations with Owners. Manager shall make available to all Lot Owners and occupants copies of any rules, regulations, and agreements which currently affect the Common Areas. Manager shall take such action, whether by legal process or otherwise, as may be necessary to insure that all Lots and the Common Areas are used and occupied in a manner consistent with law, with the terms of the Declaration, and with any rules and regulations promulgated by the Association. Manager shall maintain businesslike relations with all Lot Owners and occupants and shall receive, consider, and, if proper, act upon, all requests or complaints of the Owners and occupants. Requests or complaints of a serious nature shall, after thorough investigation, be reported in writing to the Association with appropriate recommendations.

(m) Aid to Association. An appropriate officer or agent of Manager shall be in attendance at all meetings of the Association's Members or Board of Trustees. Manager shall freely confer with the Association in connection with performance under this Agreement and at all times shall furnish the Association with any assistance or suggestions which might aid in the proper management and operation of the Development.

(n) General. In addition to those duties which are specifically mentioned herein, Manager shall at all times do all things necessary to operate and manage the Development according to the highest achievable standards consistent with the overall policies of the Association and the interests of the Lot Owners.

5. Party Obligated for Expenses. All obligations or expenses incurred by Manager under Paragraph 4 above which are attributable to the period preceding the Transfer Date shall, as between Manager and the Association, be borne by Manager as part of its costs attributable to creation of the Development. All of such obligations or expenses which are attributable to any period following the Transfer Date shall be for the account and at the expense of the Association. Manager shall not be required to

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incur any obligation which is attributable to a period following the Transfer Date without assurance that funds for the discharge thereof will be timely provided by the Association. Any obligation or expense (such as property taxes and premiums for insurance covering the Common Areas) incurred by Manager prior to the Transfer Date which is attributable to a period beginning prior to and ending after the Transfer Date shall, as soon as reasonably possible after the Transfer Date, be prorated and the Association shall thereupon reimburse Manager for such funds, if any, expended by it as relate to the period following the Transfer Date.

6. Contracts with Lot Owners. This Agreement is not intended, and shall not be construed so as, to preclude Manager from contracting with individual Owners of Lots within the Development for payment by such Owners to Manager of monthly or other sums intended to compensate Manager for services rendered by it hereunder prior to the Transfer Date and to reimburse Manager for obligations or expenses incurred by it under Paragraph 4 above prior to the Transfer Date. Any sums received by Manager pursuant to any such contracts shall be the property of Manager and the Association shall have no claim thereto.

7. Interpretation. This Agreement shall be read in conjunction with the Declaration and the Articles. Any term used herein which is defined in the Declaration or Articles shall, to the extent permitted by the context hereof, have the meaning ascribed therein. The captions which precede the Paragraphs and subparagraphs of this Agreement are for convenience only and shall in no way affect the manner in which any provision hereof is construed. The invalidity or unenforceability of any provision contained in this Agreement shall not affect the validity or enforceability of the remainder hereof.

8. Assignability. Manager shall not assign either its rights or its obligations under this Agreement except with the prior written consent of the Association.

9. Notices. Any notice required or permitted to be given hereunder shall either be personally delivered or mailed postage prepaid by certified mail, return receipt requested, addressed as follows:

To the Association:

The Cove on Mt. Olympus Owners
Association
c/o Rodney H. Irwin
10287 South 2505 East
Sandy, Utah 84092

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To the Manager:

I-M Development, Inc.
c/o Rodney H. Irwin
10287 South 2505 East
Sandy, Utah 84092

Either party may, by notice to the other given as prescribed in this Paragraph 9, change the above address for any future notices which are mailed under this Agreement. Any notice which is given hereunder by mail shall be considered to have been received by the addressee on the day following the date on which such notice was properly deposited in the United States mail. Any other notice shall be deemed to have been received by the party to whom directed on the day such notice is personally delivered to said party.

10. Miscellaneous. Time is the essence of this Agreement. This Agreement may not be modified or supplemented except through a writing signed by both parties.

EXECUTED the day and year first above written.

"ASSOCIATION:"

THE COVE ON MT. OLYMPUS OWNERS
ASSOCIATION, a Utah nonprofit
corporation,

ATTEST:

R. Irwin
Secretary

By *Rodney H. Irwin*
Its *President*

"MANAGER:"

I-M DEVELOPMENT, INC., a Utah
corporation,

ATTEST:

R. Irwin
Secretary

By *R. Irwin*
Its *President*

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