

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

4143787

OF HIDDEN OAKS PLANNED UNIT DEVELOPMENT

THIS DECLARATION, made on the date hereinafter setforth by Big Willow, Inc., a Utah corporation with its principal place of business at 11613 Worthington Court, Sandy, Utah 84092, hereinafter referred to as "Declarant."

WITNESSES:

WHEREAS, Declarant is the owner of Hidden Oaks Planned Unit Development in the City of Sandy, County of Salt Lake, State of Utah, which is more particularly described as follows:

Beginning at a point which is North $0^{\circ}09'47''$ West along the center Section line 250.399 feet from the South $1/4$ corner of Section 22, Township 3 South, Range 1 East, Salt Lake Base and Meridian; thence South $77^{\circ}16'22''$ West 25.389 feet; thence South $70^{\circ}38'20''$ West 97.249 feet; thence South $77^{\circ}31'35''$ West 208.854 feet; thence North $63^{\circ}59'53''$ West 216.296 feet; thence North $81^{\circ}43'45''$ West 154.721 feet; thence North $87^{\circ}13'29''$ West 113.804 feet; thence South $73^{\circ}05'28''$ West 60.433 feet; thence West 116.683 feet; thence North 72° West 77.551 feet; thence North $52^{\circ}56'56''$ West 604.87 feet; thence North 30.00 feet; thence South $89^{\circ}43'25''$ East 408.225 feet to a point on the Southerly Right-of-Way line of 11700 South Street, said point also being on a arc of 607.655 foot radius curve, the center of which bears North $22^{\circ}00'00''$ East thence Southeasterly along said Right-of-Way line and said curve to the left through a central angle of $21^{\circ}55'57''$ a distance of 232.607 feet, thence South $89^{\circ}55'57''$ East along said Right-of-Way line 864.161 feet to said center Section line; thence South $0^{\circ}09'47''$ East along said center Section line 373.072 feet to the point of beginning.

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed, subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

BOOK 5695 PAGE 1019

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ARTICLES - DEFINITIONS

When used in this Declaration the following terms shall have the meaning indicated.

1.01 Declaration shall mean and refer to this Declarations of Covenants, Conditions and Restrictions of Hidden Oaks Planned Unit Development, as the same may hereinafter be modified, amended, supplemented or expanded in accordance with the law and the provisions hereof (and in particular, in accordance with the provisions of Article 10 hereof concerning amendments and supplements to this Declaration which are to occur in conjunction with each addition to the Project of a portion of the Additional Land).

1.02 Owner or Lot Owner shall mean and refer to the person who is the owner of record (in the office of the county recorder of Salt Lake County, Utah) of a fee or undivided fee interest in a lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.03 Association shall mean and refer to Hidden Oaks Homeowners Association, a Utah nonprofit corporation, its successors and assigns.

1.04 Property shall mean and refer to the entire tract of real property now or hereinafter covered by the plat of Hidden Oak Planned Unit Development. A description of the real property covered by the plat on the effective date of this Declaration is set forth in the witnesses paragraph above.

1.05 Lot shall mean and refer to any of the separately numbered and individually described parcels of land now or hereinafter shown on the plat.

1.06 Common Areas or Common Areas and Facilities shall mean and refer to that part of the property which is not included within the lots, including all improvements other than utility lines now or hereafter constructed or located thereon.

1.07 Living Unit shall mean and refer to a structure or portion of a structure which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on the lot concerned which are used in conjunction with such residence.

1.08 Member shall mean and refer to every person who holds membership in the Association.

1.09 Articles or Articles of Incorporation shall mean and refer to the Articles of Incorporations of the Association which are being filed with the office of the Utah Secretary of State on or about the time this Declaration is filed for record.

1.10 Mortgage shall mean and include both a mortgage on any lot or a deed of trust on any lot.

1.11 Mortgagee shall mean and include both a mortgagee under a mortgage on any lot and a beneficiary under a deed of trust on any lot.

1.12 Hidden Oaks shall mean and refer to the lots and common areas described in the subdivision plat of Hidden Oaks Planned Unit Development identified in the paragraphs above in this Declaration and additional and intended to be under the same Association.

1.13 Additional Land shall mean, referred to and consist of the following described parcel of real property situated in Salt Lake County, State of Utah:

Commencing at the SE corner of Section 21, Township 3 South, Range 1 East, Salt Lake Meridian, and running thence North 27.52 rods; thence West to culvert; thence South 42° West to Section Line; thence 16.84 East chains to beginning.

Also, Commencing at the SW Corner to Section 22, Township 3 South, Range 1 East, Salt Lake Meridian, and running thence North 40 rods; thence East 160 rods; thence South 40 rods; thence West 160 rods to beginning.

Total property consisting of 50 acres, more or less.

Subject to Draper Irrigation Company right-of-way for existing pipe line. Also subject to Utah Power & Light overhang for power line along the south side of the first above described property, eastward to the Hidden Valley Club Building.

Less the portion already included in Hidden Oaks Planned Unit Development, Phase I previously described above.

A description of the Additional Land and is set forth in this Declaration solely for the purposes of identification. This Declaration is not intended as and should not be deemed to constitute any lien, encumbrance, restriction or limitation on any portion of the Additional Land unless and until such portion is added to the existing project in accordance with the provisions of Article 10 of this Declaration.

1.14 Developer shall mean and refer to Big Willow, Inc., a Utah corporation, and/or any successor to any of said entity, either by operation of law or through a voluntary conveyance, transfer, or assignment comes to stand in the same relation to the property and/or the Additional Land (or a portion thereof) as did its predecessor,

1.15 Governing Board shall mean and refer to the Governing Board of the Association.

1.16 Project shall mean and refer to the Property and the scheme of the development and ownership of the Property created and governed by this Declaration and the Articles.

ARTICLE 2 - MEMBERSHIP AND VOTING RIGHTS

2.01 Membership. Every Owner shall be a Member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Lot in which the Owner has the necessary interest, and shall not be separated from the Lot to which it appertains.

2.02 Voting Rights. Except as limited in Section 3.03 of Article 3 of this Declaration, each Member shall be entitled to one vote for each Lot in which the interest required for membership in the Association is held. In no event, shall more than one vote exist with respect to any Lot.

2.03 Multiple Ownership Interest. In the event there is more than one Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Lot concerned unless an objection is immediately made by another Owner of the same Lot. In the event such as objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

ARTICLE 3 - PROPERTY RIGHTS IN COMMON AREAS

3.01 Easement of Enjoyment. Each Member shall have a right and easement of use and enjoyment in and to the Common Areas. Such right and easement shall be appurtenant to and shall pass with title to each Lot and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any family members, household guest, tenant, lessee, contract purchases, or other person who resides on such Member's Lot.

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

"Lot No. _____ contained within Hidden Oaks a Planned Unit Development, as said Lot is identified in the Plat of said Development and in the "Declaration of Covenants, Conditions and Restrictions of Hidden Oaks Planned Unit Development recorded in the Recorder's Office of Salt Lake County, State of Utah, TOGETHER WITH a right and easement of use and enjoyment in and to the Common Areas described, and as

provided for, in said Declaration of Covenants, Conditions and Restrictions."

Whether or not the description employed in any such instrument is in the above specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot.

3.03 Transfer of Title. Developer agrees that it shall convey to the Association title to the Common Areas free and clear of all liens (other than the lien of current general taxes, and the lien of any assessments, charges, or taxes imposed by governmental or quasi-governmental authorities and the temporary construction lien for street and utility improvements which shall be removed by developer within two years), on or before the expiration of thirty (30) days following the closing of the first sale of a Lot within the development.

3.04 Limitation on Easement. A Member's right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

(a) The right of the Association to suspend a Member's voting right in the Association and a Member's right to the use of any recreational facilities included in the Common Areas for any period during which an assessment on such Member's Lot remains unpaid, and for a period not exceeding ninety (90) days for any infraction by such Member of the provisions of this Declaration or of any rule or regulation promulgated by the Association;

(b) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

(c) The right of Sandy City and any other governmental or quasi-governmental body having jurisdiction over the property to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Property for purposes of providing police and fire protection, transporting school children, and providing other governmental or municipal service; and,

(d) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association. Any such dedication or transfer must, however, be assented to by two-thirds (2/3) of the votes which Members present in person or proxy are entitled to cast at a meeting and the action proposed shall be sent to all Members at least ten (10) but not more than than thirty (30) days prior to the meeting date.

ARTICLE 4 - ASSESSMENTS

4.01 Personal Obligations and Lien. Each Owner shall, by acquiring or in any way becoming vested with his interest in a Lot, be deemed to covenant and agree to pay to the Association the monthly and the special assessments on a pro rate basis described in this Article together with the hereinafter provided for interest and costs of collection. All such amounts shall be, constitute, and remain (i) a charge and continuing lien upon the Lot with respect to which such assessment is made; and (ii) the personal obligation of the person who is the Owner of such lot at the time the assessment falls due. No owner may exempt himself or his Lot from liability for payment of assessments by waiver of his rights concerning the Common Areas or by abandonment of his Lot.

4.02 Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of residents of the Property. The use made by the Association of funds obtained from assessments shall include payment of the cost of: Taxes and insurance on the Common Areas; maintenance, repair, and improvement of the Common Areas; management and supervision of the Common Areas; establishment and funding of a reserve to cover major repairs of the improvements within the Common Areas; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under this Declaration or its Articles of Incorporation.

4.03 Maximum Monthly Assessment. Each Lot shall be subject to a monthly assessment of not more than Forty-Five and no 100/Dollars (\$45.00). The maximum monthly assessment shall be increased by fifteen percent (15%) for each full year thereafter without the approval of the Members. The maximum monthly assessment may be increased by more than fifteen percent (15%) per year so long as the increase is assented to by two-thirds (2/3) of the votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose of the meeting shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date. The Board of Trustees of the Association may from time to time and in its discretion set the amount of the monthly assessment at any sum not in excess of the then applicable maximum amount.

4.04 Special Assessments. From and after the date set under this Article 6, the Association may levy special assessments for the purpose of defraying, in whole or in part: (i) any expense or expenses not reasonably capable of being fully paid with funds generated by monthly assessments; or (ii) the cost of any construction, reconstruction, or unexpectedly required repair or replacement of any improvement or of personal property upon the Common Areas. Any such special assessment must be assented to by sixty percent (60%) of the votes which Members present in person or represented by proxy are entitled to cast at a meeting duly called for the purpose. Written notice setting forth the purpose of the meeting shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date.

4.05 Quorum Requirements. The quorum required for any action authorized by Article 4.03 or 4.04 above shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of members shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth in Articles 4.03 and 4.04) at which a quorum shall be one half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

4.06 Uniform Rate of Assessment. Both monthly and special assessments shall be fixed at a uniform rate for all Lots; provided, however, that until home construction is begun on a Lot the monthly assessment applicable to such a Lot shall be sixty (60%) of the full monthly assessment. Once home construction has begun on a Lot, the monthly assessment relating to such Lot shall be increased to the full monthly assessment.

4.07 Monthly Assessment Due Dates. The monthly assessments provided for herein shall commence as to all Lots when the first Common Areas need maintenance work to keep such Common Areas functional. At least fifteen (15) days prior to the effective date of any change in amount of the monthly assessment, the Association shall give each Owner written notice of the amount and first due date of the assessment concerned.

4.08 Certificate Regarding Payment. Upon the request of any Owner or prospective purchaser or encumbrancer of a Lot the Association shall issue a certificate stating whether or not all assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons who in good faith rely thereon.

4.09 Effect of Nonpayment -- Remedies. Any assessment not paid when due shall, together with the hereinafter provided for interest and costs of collection, be, constitute, and remain: (i) a charge and continuing lien upon the Lot with respect to which such assessment is made; and (ii) the personal obligation of the person who is the Owner of such Lot at the time the assessment falls due. Such personal liability shall not pass to the Owner's successors in title unless expressly assumed by them. If the assessment is not paid within thirty (30) days after the date on which it becomes delinquent, the amount thereof shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum and the Association may bring an action either against the Owner who is personally liable or to foreclose the lien against the Lot. Any judgment obtained by the Association shall include reasonable attorneys' fees, court costs, and each and every other expense incurred by the Association in enforcing its rights.

ARTICLES 5 - OPERATION AND MAINTENANCE

5.01 Maintenance of Living Units. Each Living unit and Lot shall be maintained by the Owner thereof so as not to detract from the appearance of the Property and so as not to affect adversely the value or use of any

other Living Unit or Lot. The Association shall have no obligation regarding maintenance or care of Living Units or Lots except as set forth in Article 5.02.

5.02 Operation and Maintenance by Association. The Association shall provide for such maintenance and operation of the Common Areas as may be necessary or desirable to make them appropriately usable in conjunction with the Lots and to keep them clean, functional, attractive, and generally in good condition and repair. In addition, the Association, upon three (3) days notice to the Owner(s) concerned, may maintain or restore the storm runoff and drainage facilities located within any Lot, including, without limitation, the swales in Hidden Oaks Planned Unit Development in the event that any Owner fails to do so in accordance with standards for depth, grade, and other relevant characteristics established by the Association. All costs expended to do so with respect to any Lot shall constitute a lien upon the Lot concerned, which lien shall be governed by the provisions of Article 4.09 this Declaration.

5.03 Utilities. The Association shall pay for all utility services furnished to the Common Areas and each Lot except telephone and any other services which are separately billed or metered to individual Lots by the utility or other party furnishing such service.

5.04 Insurance. The Association shall at all times maintain in force insurance meeting the following requirements:

(a) Hazard Insurance. Fire and extended coverage insurance covering the insurable portions of the Common Areas and Facilities in an amount not less than one hundred percent (100%) of replacement cost of such insurable portions of the Common Areas and Facilities. The name of the insured under such policy or policies shall be in form and substance similar to: "The Hidden Oaks Homeowners Association for the use and benefit of the individual Lot Owners in Hidden Oaks Planned Unit Development."

(b) Fidelity Insurance. Fidelity coverage against dishonest acts on the part of directors, managers, trustees, employees, or volunteers responsible for handling funds collected and held for the benefit of the Owners. The fidelity bond or insurance shall name the Association as the insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one and one-half times the Association's estimated annual operating expenses and reserves. An appropriate endorsement to such policy shall be secured to cover any persons who serve without compensation if such policy would not otherwise cover volunteers.

(c) Liability Insurance. A comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such policy shall contain a "Severability of Interest" clause or endorsement which shall preclude the insurer from denying the claim of an Owner because of negligent acts of the Association or other Owners. The scope of coverage shall include all other coverage in the kinds and amounts commonly required by private institutional Mortgage investors for projects similar in construction, location, and use. The property damage shall be for at least \$1,000,000.00 per occurrence.

(d) General Requirements Concerning Insurance Each insurance policy maintained pursuant to the foregoing paragraph (a), and (b), and (c) shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a financial rating by Best's Insurance Reports of Class VI or better. No such policy shall be maintained where: (1) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against an Owner, a Mortgagee, or the Association; (2) by terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent an Owner, a Mortgagee, or the Association from collecting insurance proceeds. The provisions of this Article 5.04 shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

5.05 Manager. The Association may carry out through a Property Manager any of its functions which are properly the subject of delegation. Any manager so engaged shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the Property for the benefit of the Association and the Owners, and shall, to the extent permitted by the law and the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

ARTICLE 6 - GENERAL USE INSTRUCTIONS

6.01 Use of Common Areas. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions applicable to Lots and Living Units. No admission fees, charges for use, leases, or other income generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas.

6.02 Use of Lots and Living Units. All Lots are intended to be improved with Living Units and are restricted to such use. Each Living Unit shall be used only as a single-family residence. No Lot or Living Unit shall be used, occupied, or altered in violation of law, so as to jeopardize the support of any other Living Unit, so as to create a nuisance or interfere with the rights of any Owner, or in any way which would result in an increase in the cost of any insurance covering the Common Areas.

6.03 Dwelling, Quality and Size. All Living Units shall be of good a quality of workmanship and material complying with material guidelines of Article 3.03. The ground floor area of Living Units in Hidden Oaks Planned Unit Community Phase I, exclusive of open porches and garages, shall not be less than 1,700 square feet for a one story Living Unit or less than 1,300 square feet for a Living Unit of more than one story with the total minimum size of the two story being not less than 2400 finished square feet above ground level. The Architectural Control Committee may allow smaller plans if the circumstances so justify it.

6.04 Exception for Developer. Notwithstanding, the restrictions contained in Articles 6.01 and 6.02, for the twenty (20) year period following the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah, Developer shall have the right to use any Lot or Living Unit owned by it, and any part of the Common Areas reasonably necessary or appropriate, in furtherance of any activities designed to accomplish or facilitate improvement of the Common Areas or improvement and/or sale of all Lots owned by Developer.

6.05 Leases. Any lease agreement between an Owner and a lessee respecting a Lot or Living Unit shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Articles of Incorporation and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All such lease agreements shall be in writing. Other than the foregoing, there is no restriction on the right of the Owner to lease his Lot or Living Unit.

6.06 Easements. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible.

6.07 Nuisances. No rubbish or debris of any kind shall be placed or permitted to accumulate upon the Property and no odors shall be permitted to arise therefrom so as to render any part of the Property unsanitary or unsightly or which would be offensive or detrimental to any other part of the Property or to the occupants thereof. Without limiting the generality of any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes) shall be located, used or placed on the Property without the prior written approval of the Board.

6.08 Animals. No animals of any kind shall be raised, bred or kept except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose. Such animals as are permitted shall be strictly controlled and kept pursuant to the Sandy City ordinances. If it becomes the opinion of the Association that any of the foregoing animals or pets become an annoyance, nuisance or obnoxious to other Lot owners throughout the Property, the Association may require a reduction in the number of animals or pets permitted or elimination of any such animal or pet considered dangerous or unsafe to the neighborhood. All pets must be restrained on their owner's Lot.

6.09 Temporary and Other Structures. No structures of a temporary nature, trailer, basement house, tent, shack, garage, barn or other outbuildings shall be used at any time as a residence either temporarily or permanently, nor shall said structures be permitted on the Property at any

time. No old or secondhand structures shall be moved onto any lot, it being the intention hereof that all Living Units and other buildings erected on Lots or within the Property shall be new construction of good quality, workmanship and material.

6.10 Unsightly Articles. No unsightly articles shall be permitted to remain on a Lot so as to be visible from any other Lot or the Common Areas. Without limiting the generality of the foregoing, trailers, mobile homes, trucks other than pickups, boats, tractors, vehicles other than automobiles, campers not on a truck, snowmobiles, snow removal equipment and garden or maintenance equipment shall be kept at all times, except when in actual use, in an enclosed structure or screened from view. Refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view. Service areas, storage piles, compost piles and facilities for hanging, drying or airing clothing or household fabrics shall be appropriately screened from view. No lumber, grass, shrub or tree clippings or plant waste, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any Lot except within an enclosed structure or when appropriate screened from view.

6.11 No Further Subdividing. No Lot or Common Areas may be further subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Architectural Committee; provided, however, that nothing herein shall be deemed to prevent or require the approval of the Architectural Committee for the transfer or sale of any Lot or Living Unit to more than one person to be held by them as tenants in common, joint tenants, or tenants by the entirety.

6.12 Signs. No sign of any kind shall be displayed to the public view without the approval of the Architectural Committee, except such signs as may be used by Developer in connection with the development of Hidden Oaks Planned Unit Development and the sale of Living Units and/or Lots and except such signs of customary and reasonable dimensions as may be displayed on a Lot advertising a Lot or Living Unit for sale or lease. Display of any "for sale" or "for lease" sign more than three (3) feet by two (2) feet shall require the prior written approval of the Architectural Committee. A residential identification sign is permitted but should not exceed one (1) square foot in surface area. Numbers on residences shall be located in a position clearly legible from the street, but not more than six (6) feet above main floor level, and should be lighted to insure nighttime visibility.

6.13 Overnight Parking. No vehicles of any kind, including but not limited to, automobiles, trucks, buses, tractor trailers, camping vehicles, boats, boat trailers, snowmobiles, mobile homes, two, three or four wheeled motor vehicles, or other wheeled vehicles, shall be permitted to be parked on any street within the Property between the hours of 2:00 A.M. and 6:00 A.M.

6.14 No Hazardous Activities. No activities shall be conducted on the Property and no improvements constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the

Property and no open fires nor incinerators shall be lighted or permitted on the Property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well designed interior fireplace.

6.15 Repair of Buildings. No improvement upon the Property shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof.

6.16 Improvements and Alterations. There shall be no excavation, vegetation removal, construction or alteration which in any way alters the exterior appearance of a Lot or any improvement within the Property nor removal of any improvement within the Property (other than repairs or re-buildings) without the prior approval of the Architectural Committee pursuant to Article 7 hereof.

6.17 Exemption for Developer. Nothing in this Declaration shall limit the right of Developer to complete excavation, grading and construction of improvements on or to any Lot owned by Developer, or to alter such improvements, or to construct such additional improvements on a Lot as Developer deems advisable so long as such Lot remains unsold, or to use any structure on the Property as a model home or real estate sales or leasing office.

6.18 Rooftop Antennas. No television, ham radio, citizens band or radio antenna or other similar electronic receiving or sending device shall be permitted upon the rooftop or side of any home or elsewhere if exposed to view from any other Lot without first obtaining the written approval of the Architectural Committee. Such antennas, if used, must be of the type that are installed within the natural building structure permitted by Article 8. In no case will any such receiving or sending antenna or other device be allowed to interfere with the peace and quiet enjoyment of any neighboring Lot Owner's premises or home entertainment facilities or equipment. Satellite TV dishes shall only be permitted in locations and under circumstances by the Architectural Control Committee.

6.19 Access. All travel within the Property is restricted to street rights-of-way. Anyone taking "short-cuts" between streets, whether paved or gravel, is trespassing either on a private Lot or on a dedicated green belt. Nothing herein is to be construed as prohibiting proper use of Common Areas and walkways.

6.20 Motorbikes. All motorcycles, trail bikes, three or four wheel powered devices, automobiles, two or four wheel drive recreational type vehicles are to be operated only on established roads and streets and are specifically prohibited from all Common Areas and footpaths and walkways.

ARTICLE 7 - ARCHITECTUAL CONTROL

7.01 Architectural Control Committee. The Board of Trustees of the Association shall appoint a three member Committee, the function of which

shall be to insure that all improvements and landscaping within the Property harmonize with existing surroundings and structures. The Committee need not be composed of Owners. If such a Committee is not appointed the Board itself shall perform the duties required of the Committee.

7.02 Standard. In deciding whether to approve or disapprove plans and specifications submitted to it, the Committee shall use its best judgment to insure that all improvements, construction, landscaping and alterations on Lots in a consistent manner conforming to the conceptual and specific guidelines contained in this Declaration, Covenants, and Restrictions.

7.03 Land Use and Building Type. No Lot shall be use except for residential purposes. No building shall be erected, altered, placed or permitted on any Lot other than one detached single family dwelling not to exceed two stories in height and a private garage for not more than three (3) cars. Carports are prohibited. "Family" is defined to mean persons related by blood, or marriage, by legal adoption, or by operation of law.

7.04 Approval Procedure. Any plans and specifications for building upon a Lot by an Owner and/or builder must be submitted to the Architectural Control Committee for approval prior to commencing construction. Such approval is conditioned upon compliance with the following procedure:

(a) The Owner/builder signing a notice indicating that he has read and understood this Declaration.

(b) The Owner/builder depositing a \$500.00 security deposit to insure compliance with the provisions of this Declaration. Four Hundred Dollars (\$400.00) of such deposit shall be refundable if all provisions of this Declaration are complied with through the completion of the home and yard. One Hundred Dollars (\$100.00) of said deposit shall be retained by the Architectural Control Committee to reimburse it for plan approved costs. The amount of said security deposit and the amount to be retained by the Architectural Control Committee may be increased by the Board of Trustees of the Association without a vote of the Members or amending this Declaration.

(c) The Owner/builder receiving a plat map describing such Owner/builder Lot.

(d) The Owner/builder submitting a site layout plan showing the following:

- (1) The proposed home as it will be situated on the Lot;
- (2) All drives, walkways, patios, barbeques, outbuildings, etc. and all related dimensions between such;
- (3) Elevation of sewer as it relates to home elevation.

(e) The Owner/builder submitting a finish grading plan specifying the elevations of basement floors, main floors, patios, etc., indicating their relationship to the grade and contour of the particular Lot.

(f) The Owner/builder submitting a complete set of architectural plans including:

(1) A cross section of the proposed wall of the home indicating type of support, insulation, and exterior finish.

(2) One complete set of all exterior colors in the form of samples or color chips, with detailed information as to the location of the color, including brick, siding, roofing material, etc.

(g) The Owner/builder submitting a set of landscape plans for front yard (as defined herein.)

(h) The Owner/builder selecting a driveway to asphalt approach plan prepared by Developer.

Any subsequent changes, improvements, or alterations in such plans must be submitted to the Committee for written approval.

Any approval or disapproval must be made in writing within thirty (30) days after submission. In the event the Committee fails to take any action within such period, it shall be deemed to have approved the material submitted.

7.05 Construction. Once begun, any improvements, construction, landscaping, or alterations approved by the Committee shall be diligently prosecuted to completion. If reasonably necessary to enable such improvement, construction, landscaping, or alteration, the person or persons carrying out the same shall be entitled to temporarily use and occupy unimproved portions of the Common Areas and of the Lots in the vicinity of the activity.

7.06 No Liability for Damages. The Committee shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to this Article 7.

7.07 Exception for Developer. The foregoing provisions of this Article 7 shall not apply to any improvement, construction, landscaping, or alteration which is carried out by Developer on any Lot or on any part of the Common Areas and which occurs at any time during the twenty (20) year period following the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah.

7.08 Sandy Home Placement Approval. The foregoing is in addition to the submission of a grading and home placement plan requirement of Sandy City as part of §15-21-7(h) of its Hillside Overlap Zone Statute, which must also be complied with.

ARTICLE 8 - BUILDING INSTRUCTIONS

8.01 Building Location. The following minimum yard requirements shall apply to all Living Units:

(a) Front Yard. No building shall be located on any Lot nearer than twenty (20) feet to the front Lot line.

(b) Variable Side Yard. Each Lot shall have a side yard of at least (5) feet on one side with a total of both sides being not less than 20 feet. Adjacent homes must have side yards sufficient to provide at least 20 feet between homes; i.e., a side yard adjacent to a neighbor having a five (5) foot side yard must have a minimum of fifteen (15) feet for a total of twenty (20) feet between homes. The Committee must approve each side yard combination so as to avoid undue burden on any one Lot Owner.

(c) Side Yard - Corner Lots. On corner Lots the side yard contiguous to the street shall not be less than twenty (20) feet in width, and shall not be used for vehicular parking except such portion as is devoted to driveway use for access to a garage.

(d) Side Yard - Driveway. When used for access to a garage or parking area, a side yard shall be wide enough to provide an unobstructed twelve (12) foot paved driveway which shall have a maximum grade of 6%.

(e) Side Yard - Accessory Building. An accessory building may be located on a side property line if, and only if, all of the following conditions are met:

(1) The accessory building is located more than six (6) feet to the rear of any main building on the same Lot or the Lot adjacent to the property line on which said building is being placed.

(2) It has no openings on the side which is contiguous to the property line and is of one hour fire resistant construction on said side.

(3) It has facilities for the discharge of all roof drainage onto the subject Lot or parcel of land.

An accessory building which is more than six (6) feet to the rear of a main building, but which does not conform to the above conditions, shall have a side yard of at least five (5) feet. All other accessory buildings shall maintain the same side yard as a main building.

(f) Rear Yard. Each Lot or parcel of land shall have a rear yard of not less than twenty (20) feet.

(g) Rear Yard - Accessory Buildings. An accessory building may be located on the rear property line when said building:

(1) Has no opening on the side which is contiguous to the property line and is one hour fire resistant construction on said side.

(2) Provides facilities to retain all roof drainage on the property on which it is located.

An accessory building which does not meet the above requirements shall be located not less than five (5) feet or more from the rear property line.

8.02 Projections into Yard.

(a) The following structures may be erected on or project into any required yard:

- (1) Fences and walls in conformance with Article 8.07 of this document.
- (2) Landscape elements, including trees, shrubs and other plants.
- (3) Necessary appurtenances for utility services.

(b) The structures listed below may project into a minimum front or rear yard not more than four (4) feet and into a minimum side yard not more than two (2) feet:

- (1) Cornices, eaves, belt courses, sills, buttresses or other similar architectural features.
- (2) Fireplace structures and bays, provided they are not wider than eight (8) feet and are generally parallel to the wall of which they are a part.
- (3) Stairways, balconies, door stoops, fire escapes, awnings and planter boxes or masonry planters not exceeding twenty-four (24) inches in height.

8.03 Dwelling Construction. In order to promote a harmonious community development and protect the character of the neighborhood, the following guidelines are set out:

(a) Dwelling styles, design, alterations or additions will conform to standards determined by the Architectural Control Committee.

(b) Exterior construction materials will be limited to stone veneer, brick or brick veneer, rough sawn or resawn wood siding, or stucco and shall be in earth tones indigenous to the area. White brick may also be used. Siding is discouraged but allowed in limited amounts as approved by the Architectural Control Committee. Specifications regarding the color, texture, finish and quality for the above will be posted and made available by the Architectural Control Committee. All roof vent cap louvres, plumbing stacks, chimney flashing, basketball backboards, down spouts, etc. are to be painted to match the color of the field, roof or the trim.

(c) Roof designs shall be limited to a minimum of a 4/12 pitch and a maximum of 9/12 pitch. Pitch may be increased to 12/12 pitch with Architectural Control Committee approval. All roofs in the subdivision shall be of shake or bar tile construction, unless the Architectural Control

Committee specifically authorizes otherwise in writing. A limited style of asphalt shingles shall be permitted only with the written approval of the Architectural Control Committee.

(d) Location of all storage or utility buildings, garbage and refuse containers, air conditioning equipment, clothes drying lines and utility pipes, etc., must be placed at the rear of the dwelling and located on the site in such a manner as not to be conspicuous from the frontage street.

(e) Any light used to illuminate garages, patios, parking areas or for any other purpose shall be so arranged as to reflect light away from adjacent residences and away from the vision of passing motorists.

(f) Each residence constructed on the property must include a garage large enough for at least two (2) cars, which garage shall be fully enclosed.

(g) Evaporative coolers shall not be allowed without the prior written approval of the Architectural Control Committee.

8.07 Fences.

(a) Materials. Fences or walls shall be of wood or brick. No fence or walls of chain link, wire mesh, slump block or unpainted concrete block shall be allowed.

(b) Height. Fences, walls or hedges shall not exceed six (6) feet and shall not extend beyond the front yard set back at any point.

(c) Dimensions. No wall, fence or opaque hedge or screening materials higher than thirty-six (36) inches shall be maintained within a required front yard, except that a masonry privacy wall may be erected upon approval, if said wall does not extend more than eighteen (18) feet into the required front yard, does not exceed more than six (6) feet in height, and does not extend closer to a side property line than the forward extension of the line of the required side yard. In no case shall such a privacy wall extend into the clear vision area of a corner Lot as defined by the Architectural Control Committee, nor shall it be a sight distance hazard to vehicular or pedestrian traffic.

8.08 Landscaping. All open areas between the front Lot line and the rear line of the main buildings, except driveways, parking areas, walkways, utility areas, improved decks, patios, porches, etc., shall be maintained with suitable landscaping of plants, shrubs, trees, grass and similar landscaping materials. Within nine (9) months of occupancy of any home, the homeowner must have substantially completed the landscaping of his Lot. Such landscaping shall include, but not be limited to the preparation for and planting of lawn, grass or other appropriate ground cover, appropriate shrubbery and trees. Should any homeowner fail to comply with the provisions of this Article, the Architectural Control Committee shall have power to obtain an order from a court of proper jurisdiction requiring specific performance or alternatively may complete the landscaping and require the homeowner to pay a reasonable amount for each completion. The amount

owing shall constitute a lien on the homeowner's Lot and home until such payment is made.

Upon approval and/or completion of the landscaping plan pursuant to this Article, no healthy tree shall be removed, nor other major changes be made without approval of the Architectural Control Committee. However, notwithstanding this Article all diseased trees must be removed by the homeowner within a reasonable time after the diseased condition is discovered.

8.09 Drainage. There shall be no interference with the established drainage pattern over any property unless adequate provision is made for property drainage and is approved by the Architectural Control Committee. For the purposes hereof, "established" drainage is defined as the drainage which exists at the time of the overall grading of the Association property, tract or Lot, as the case may be, is completed, or which is shown on any plans approved by the Architectural Control Committee.

8.10 Exterior Lamp Posts. If desired, any free-standing light fixture located in a front yard shall be of such uniform and standardized design that has been selected and approved by the Architectural Control Committee.

8.11 Exposed Concrete. Any exposed concrete which, in the discretion of the Architectural Control Committee, does not harmonize with the existing surroundings and structures shall be painted the color of such surroundings and structures shall be covered with approved siding, or hidden from view with appropriate landscaping of the Owner's choice.

8.12 Mail Boxes. Mail boxes are to be of the uniform standardized design picked by the Architectural Control Committee.

8.13 Compliance with Sandy Hillside Overlap Zone. As a condition to construction, Lot Owners shall comply with Sandy City's HILLSIDE OVERLAY ZONE STANDARDS, which are basically outlined in Exhibit "A" attached hereto and incorporated herein by this reference. Enforcement and clarification of this city ordinance shall be by Sandy City.

ARTICLE 9 - LOT CLEAN UP AND TRASH DISPOSAL

In order to prevent any building site from becoming an eyesore during the construction phase, the following must be complied with:

9.01 All garbage and waste material must be kept in a sufficiently large container to prevent blowing debris and unhealthy open accumulation. Containers should be emptied frequently.

9.02 Careful attention must be given not to pile dirt and/or material on adjacent Lots or green belts. All vehicles and equipment must be kept off adjacent Lots and green belts. Lot owners and/or contractors will be held responsible for all damages to adjacent Lots and green belts and charges for repair of the damage. The contractor and/or Lot owner will have

72 hours after notification to repair the damage or accomplish the cleanup. After that period of time, the Architectural Control Committee will make arrangements to have the damage repair and/or the cleanup done and the bill the responsible party or parties. The responsible party shall be responsible for any costs, including reasonable attorneys' fees, involved in legal proceedings required to collect for the damage. The Lot Owner shall ultimately be responsible for such costs if the responsible party is working for the Lot Owner.

9.03 Cement trucks should be cleaned on the building site after delivery of concrete, not on the road, right-of-way or adjacent Lots.

9.04 Care should be taken to avoid damage to asphalt pavement by cement trucks or other heavy equipment and to keep such equipment from interfering with the proper drainage of the area. Builders and Lot Owners will be held responsible for road damage due to negligence in this area.

ARTICLE 10 - EXPANSION OF PROJECT

10.01 Right to Expand and State of Title to New Lots. There is hereby granted unto Developer, and Developer hereby reserves, the absolute right and option to expand the Project at any time (within the limits herein prescribed) and from time to time by adding to the Project the Additional Land or a portion or portions thereof. Notwithstanding any provision of this Declaration which might be construed to the contrary, such right and option may be exercised without obtaining the vote or consent of any other person (including any Lot Owner) and shall be limited only as specifically provided in this Declaration. Any given portion of the Additional Land shall be deemed added to the Project at such time as a duly approved subdivision plat and a supplement to this Declaration containing the information required by Article 3 below have been recorded with respect to the portion of the Additional Land concerned. After the recordation of such supplement, title to each Lot thereby created within the portion of the Additional Land concerned and its appurtenant right and easement of use and enjoyment in and to the Common Areas shall be vested in and held by Developer, and none of the other Lot Owners or the Association shall have any claim or title to or interest in such Lot or its appurtenant right and easement of use and enjoyment to the common Areas.

10.02 Rights and Statements Respecting Additional Land. Developer hereby furnishes the following information and statements respecting the Additional Land and Developer's right and option concerning expansion of the Project by the addition thereto of the Additional Land or a portion or portions thereof:

(a) All of the Additional Land need not be added to the Project if any of such Land is added. Rather, a portion or portions of the Additional Land may be added to the Project at any time (within the limits herein prescribed) and from time to time.

BOOK 5695 PAGE 1037

(b) There are no limitations or requirements relative to the size, location, density, use or configuration of any given portion of the Additional Land which can be added to the Project or relative to the order in which particular portions of the Additional Land can be added to the Project.

10.03 Procedure for Expansion. The supplements to this Declaration by which addition to the Project of any portion of the Additional Land is accomplished shall be executed by Developer, shall be consented to by the mortgagee under each mortgage and the beneficiary under each deed of trust which by their terms encumber all or any part of that portion of the Additional Land being added to the Project, shall be recordable form must be filed for record in the office of the County Recorder of Salt Lake County, Utah on or before seven (7) years from the date that this Declaration is recorded, and shall contain the following information for that portion of the Additional Land which is being added to the Project:

(a) Data sufficient to identify this Declaration and the subdivision plat respecting that portion of the Additional Land being added to the Project.

(b) The legal description of the portion of the Additional Land being added to the Project.

(c) A statement that such portion of the Additional Land shall thereafter be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens set forth in this Declaration.

(d) A form for conveyancing the Lots situated in that portion of the Additional Land being added to the Project similar to the forms for conveyancing set forth in Section 3.02 or Article 3 of this Declaration.

(e) A conveyance to the Association of good and marketable title, free and clear of all liens and encumbrances, to all Common Areas situated in that portion of the Additional Land being added to the Project.

(f) A statement that the Lots situated on that portion of the Additional Land shall be subject to the Building Restrictions for Hidden Oaks set forth in Article 8 of this Declaration.

(g) Such other matters as may be necessary, desirable, or appropriate and as are not inconsistent with any limitation imposed by this Declaration.

Upon the recordation of any supplement contemplated above, it shall automatically supplement this Declaration and any supplements previously records. At any point in time, the Declaration for the Project shall consist of this Declaration, as amended and expanded by all supplements theretofore recorded pursuant to the terms hereof.

10.04 No Obligation to Expand. Except to the extent specifically indicated herein, this Declaration is not intended, and shall not be construed so as, to impose upon Developer any obligation respecting, or to restrict Developer in any way with regard to: (1) The addition to the Project of any

or all of the Additional Land; (ii) The creation or construction of any Lot, living unit or other improvement; (iii) The carrying out in any particular way or within any particular time of any development or addition to the Project which may be undertaken; or (iv) The taking of any particular action with respect to any portion of the Additional Land. Except to the extent specifically indicated herein, no covenant, restriction, limitation, representation, or commitment in this Declaration concerning anything that is or is not to occur, apply, or be done on or relative to the Additional Land or any portion thereof shall be binding as to such of the Additional Land as if never added to the Project.

ARTICLE 11 - MISCELLANEOUS

11.01 Notices. Any notice required or permitted to be given to any Owner or Member under the provisions of this Declaration shall be deemed to have been properly furnished if mailed postage prepaid to the person who appears as a Member or Owner, at the latest address for such person, appearing in the records of the Association at the time of mailing.

11.02 Rules and Regulations. The Association shall have authority to promulgate and enforce such reasonable rules, regulations and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions or to insure that the Property is maintained and used in a manner consistent with the interest of the Owners.

11.03 Amendment. Any amendment to this Declaration shall require the affirmative vote of at least two-thirds (2/3) of all votes which Members present in person or represented by proxy are entitled to cast at a meeting fully called for such purpose. Written notice setting forth the purpose of the meeting and the substance of the amendment proposed shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date. The quorum required for any such meeting shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all membership votes shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirement set forth in the foregoing portion of this Article 11.03) at which time a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting. Any amendment authorized pursuant to this Section shall be accomplished through the recording in the office of the Salt Lake County Recorder of an instrument executed by the Association. In such instrument an officer or Trustee of the Association shall certify that the vote required by this Section for amendment has occurred.

11.04 Mortgagee Protection. No "right of first refusal" contained in this Declaration or the Articles shall impair the rights of a Mortgagee to: (i) obtain title to the Lot encumbered by its Mortgage pursuant to the remedies provided for in said Mortgage, pursuant to foreclosure of said Mortgage, pursuant to exercise of a power of sale available under said

BOOK 5695 PAGE 1039

Mortgage, or pursuant to a deed or assignment in lieu of foreclosure; or (ii) sell or lease such Lot after title thereto is obtained by such Mortgagee.

The lien or claim against a Lot for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the Mortgage affecting such Lot, and the Mortgagee thereunder which comes into possession of or which obtains title to the Lot shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not to burden a Mortgage which comes into possession or which obtains title shall be collected or enforced by the Association from or against a Mortgagee, a successor in title to a Mortgagee, or the Lot affected or previously affected by the Mortgage concerned.

Unless at least two-thirds (2/3) of the Mortgagees (based upon one vote for each Mortgage), or Owners (other than Developer) of the individual Lots have given their prior written approval, the Association shall not be entitled, by act, omission, or otherwise:

(a) To abandon, partition, subdivide, encumber, sell, or transfer all or any part of the common Areas and Facilities (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas);

(b) To change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

(c) To waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Living Units, the exterior maintenance of Living Units, or the maintenance of the Common Areas and Facilities (including maintenance of walks, fences and driveways and the upkeep of lawns and plantings);

(d) To fail to maintain the insurance coverage required by paragraph (i) of Article 5.04 of this Declaration;

(e) To use hazard insurance proceeds resulting from damage to any part of the Common Areas and Facilities for purposes other than the repair, replacement, or reconstruction of the Common Areas and Facilities so damaged.

In the event any taxes or other charges which may or have become a lien on the Common Areas are not timely paid, or in the event the required hazard insurance described in paragraph (i) of Article 5.04 of lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may, jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefore from the Association.

No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Common Areas and Facilities.

The Association shall establish an adequate reserve to cover the cost of reasonably predictable and necessary major repairs and replacements of the Common Areas and Facilities and shall cause such reserve to be funded by regular monthly or other periodic assessments against the Lots rather than by special assessments.

From and after the time a Mortgagee makes written request to the Association therefore, the Association shall notify such Mortgagee in writing in the event that the Owner of the Lot encumbered by the Mortgage held by such Mortgagee neglects for a period of sixty (60) or more days to cure any failure on his part to perform any of his obligations under this Declaration or the Articles.

Any agreement for professional management of the Project which may be entered into by the Association and any other contract (to which the Association is a part) providing for services by Developer, shall call for a term not exceeding three (3) years and shall provide that either party, without cause and without payment of any termination fee, may terminate the same upon not in excess of ninety (90) days written notice.

Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Association.

In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Section, the provision or clause which results in the greatest protection and security for a Mortgage shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Association with respect to the subject concerned.

No amendment to this Section which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effective unless all of the Mortgagees of the individual Lots have given their prior written approval to such amendment. Any amendment to this Section shall be accomplished by an instrument executed by the Association and filed for record in the office of the Salt Lake County Recorder. In any such instrument an officer of the Association shall certify that any prior written approval of Mortgagees required by this Section as a condition to amendment has been obtained.

11.05 Developer's Rights Assignable. The rights of Developer under this Declaration or in any way relating to the Property may be assigned.

11.06 Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and in no way affect the manner in which any provision hereof is construed. Whenever the context so

requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder thereof. This Declaration shall be liberally construed to effect all of its purposes.

11.07 Covenants to Run With Land. This Declaration and all of the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Developer, all parties who hereafter acquire any interest in a Lot or in the Common Areas, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Lot or Living Unit shall comply with, and all interests in all Lots or in the Common Areas shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments and determinations contemplated by this Declaration. By acquiring any interest in a Lot or in the common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and ever provision of this Declaration.

11.08 Effective Date. This Declaration and any amendment or supplement hereto shall take effect upon its being filed for record in the office of the County Recorder of Salt Lake County, Utah.

HIDDEN OAKS HOMEOWNERS ASSOCIATION,
A Utah nonprofit corporation

ATTEST:

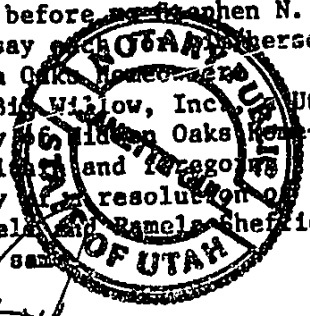
Pamela Sheffield By: Stephen N. Sheffield
Its Secretary Its President

Consented to by: BIG WILLOW, INC.
A Utah corporation

By: Stephen N. Sheffield
Its President

STATE OF UTAH)
COUNTY OF SALT LAKE)s.

On the 27th day of September, 1985, A.D., personally appeared before me Stephen N. Sheffield, and Pamela Sheffield, who being by me duly sworn did say each for himself, that he, the said Stephen N. Sheffield is the President of Hidden Oaks Homeowners Association, A Utah nonprofit corporation, and the President of Big Willow, Inc. Utah Corporation, and she, the said Pamela Sheffield, is the secretary of Hidden Oaks Homeowners Association, A Utah nonprofit corporation, and that the within and foregoing instrument was signed in behalf of said corporations by authority of resolution of their respective boards of directors, and said Stephen N. Sheffield and Pamela Sheffield each duly acknowledged to me that said corporations executed the same.



Commission Expires: 1-03-88
Residing At: Salt Lake City, Utah

Notary Public

BOOK 5695 PAGE 1042

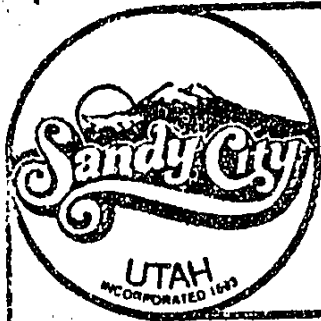


EXHIBIT "A"

Sandy City
Community Development

800 East 100 North
Sandy, Utah 84070
(801) 588-1581

BASIC STANDARDS OF THE HILLSIDE
OVERLAY ZONE

- 15-21-3(i) Hillside with a slope of 30% or more are unbuildable by definition.
- 15-21-5(5)A An approved building lot must have at least 5,000 square feet of usable land (contiguous buildable area of less than 30% slope).
- 15-21-5(5)B The structure must be no greater than 250 feet from a street.
- 15-21-6(b)(2) No structures are allowed within the 100 year floodplain of a drainage channel (as determined by the Engineering Department).
- 15-21-6(c)(6) No vegetation to be removed on slopes over 30%.
- 15-21-6(g)(2) Maximum driveway grade is 12% and must be built to allow adequate access for fire protection.
- 15-21-6(d) No structures are allowed in any zone of deformation with respect to known fault lines, or in a rockfall area.
- 15-21-6(f) The maximum vertical height of all cuts or fills is 10 feet.
- 15-21-7(f) Various Environmental Reports may be required depending on existing hazards in the area.

All Sandy City Subdivision Regulations and procedures apply.

A grading and home placement plan (15-21-7(h)) is required along with the building permit application showing compliance with the above. The plan must also include the following:

1. Scale of at least 1 inch=10 feet.
2. Lot lines and setbacks.
3. Existing and proposed topographic contours at 2 foot intervals.
4. Location of structures, walks, driveways, retaining walls, etc.
5. Proposed vegetative, drainage, and erosion controls.

KATIE L. BRADON
RECORDER
SALT LAKE COUNTY,
UTAH

SEP 30 12:26 PM '85

WESTMANLY TITLE
-REP-

Penny Koroligos
Penny Koroligos

11/19/84