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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
IVORY CROSSING
An Expandable Planned Unit Development

This Declaration of Covenants, Conditions and Restrictions for IVORY CROSSING, P.U.D. (the "Declaration") is made and executed by IVORY HOMES, a Utah limited partnership, of 970 Woodoak Lane, Salt Lake City, Utah 84117 (hereinafter referred to as the "Declarant").

RECITALS:

A. This Declaration of Covenants, Conditions and Restrictions affects that certain real property located in Salt Lake County, Utah described with particularity in Article II below (hereinafter referred to as the "Tract").

B. Declarant is the owner of the Tract.

C. Declarant has constructed, is in the process of constructing or will construct upon the Tract a residential planned unit development which shall include certain Lots, Common Area, and other improvements. All of such construction has been, or is to be, performed in accordance with the plans contained in the Record of Plat Map to be recorded concurrently herewith.

D. Declarant intends to sell to various purchasers the fee title to the individual Lots contained in the Tract, and a corresponding membership interest in the Association of Lot Owners (which shall own the Common Area), subject to the Plat Map and the covenants, conditions and restrictions set forth herein.

E. Declarant desires, by filing this Declaration, to submit the Tract and all improvements now or hereafter constructed thereon to the terms, covenants and conditions of this Declaration. The Project is to be known as the "IVORY CROSSING, P.U.D., a Planned Unit Development".

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions and restrictions set forth below, Declarant makes the following Declaration:

I. DEFINITIONS

When used in this Declaration (including in that portion hereof entitled "Recitals"), each of the following terms shall have the meaning indicated.

1. "Accessory Building" shall mean and refer to any structure which is not the preliminary structure, containing at least 120 square feet, and requires a building permit, and shall not include any shed, shack or other out-building for which a building permit is not required.

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BY: ZJM, DEPUTY - WI 59 P.

2. Additional Charges shall mean and refer cumulatively to all collection and administrative costs, including but not limited to all attorney's fees, late charges, service fees, filing and recordation fees, accruing interest, fines, and expenditures actually incurred or assessed by the Association.

3. Additional Land shall mean and refer to any real estate subsequently added or annexed to the Project by the Declarant.

4. Articles of Incorporation shall mean and refer to the Articles of Incorporation of the IVORY CROSSING PROPERTY OWNERS ASSOCIATION on file or to be filed with the State of Utah.

5. Assessments shall mean and refer the amounts levied against a Lot or Lot Owner.

6. Association shall mean and refer to association of all of the Owners at the IVORY CROSSING acting as a class or group.

7. Building shall mean and refer to any of the structures constructed in the Project.

8. By-Laws shall mean and refer to the document attached to this Declaration entitled "By-Laws."

9. Capital Improvement shall mean and refer to all new improvements intended to add to, enhance or upgrade the nature, scope, utility, value, or beauty of the Project, as opposed to ordinary repair and maintenance.

10. City shall mean and refer to the City of South Jordan.

11. Committee shall mean and refer to the Management Committee.

12. Common Areas shall mean and refer to all real property in the Project in which the Association owns an interest for the common use and benefit of its Members, their successors, assigns, tenants, families, guests and invitees, including but not limited to the following items:

a) The real property and interests in real property submitted hereby, including the entirety of the Tract and all improvements constructed thereon, excluding the individual Lots.

b) All Common Areas and Facilities designated as such in the Plat Map or Maps;

c) All utility installations and all equipment connected with or in any way related to the furnishing of utilities to the Project and intended for the common use of all Lot Owners, such as telephone, electricity, gas, water and sewer;

d) The Project's outdoor grounds, landscaping, street lighting, perimeter and pasture

land fences, sidewalks, parking spaces and roadways;

e) All portions of the Project not specifically included within the individual Lots; and

f) All other parts of the Project normally in common use or necessary or convenient to the use, existence, maintenance, safety, operation or management of the Property owned by the Association for the common benefit of its Members.

13. Common Expense shall mean and refer to:

a) All sums lawfully assessed against the Owners;

b) Expenses of administration, maintenance, repair or replacement of the Project;

c) Expenses allocated by the Association among the Owners;

d) Expenses agreed upon as common expenses by the Management Committee; and

e) Expenses declared common expenses by the Declaration.

14. Community shall mean and refer to the Project.

15. Community Wide Standard shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing in the Community as determined by the Management Committee from time to time.

16. Declaration shall mean and refer to this Declaration of Covenants, Conditions and Restrictions of IVORY CROSSING, P.U.D., a Planned Unit Development.

17. Declarant shall mean IVORY HOMES, a Utah limited partnership, its successors and assigns.

18. Dwelling Unit shall mean and refer to the detached single family home, living unit or residential structure constructed upon a Lot.

19. Eligible Insurer shall mean and refer to an insurer or governmental guarantor or a mortgage or trust deed who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

20. Eligible Mortgagee shall mean and refer to a mortgagee, beneficiary under a trust deed, or lender who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

21. Eligible Votes shall mean and refer to those votes available to be cast on any issue

before the Association or the Committee. A vote which is for any reason suspended is not an "eligible vote".

22. Land shall mean and refer to all of the real property subject to this Declaration.

23. Lot shall mean and refer to a portion of the Property, other than the Common Area, intended for any type of independent ownership and use as may be set out in this Declaration and as shall be shown on the Plat Map filed with this Declaration or amendments thereto. Where the context indicates or requires, the term Lot includes any Dwelling Unit, physical structure or improvement constructed on the Lot.

24. Lot Number shall mean and refer to the number, letter or combination thereof designating a particular Lot.

25. 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 an undivided fee interest in a Lot. The term Lot Owner does 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.

26. Majority shall mean and refer to those eligible votes of Owners or other groups as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

27. Management Committee shall mean and refer to those Lot Owners duly elected and qualified to manage, operate and regulate the Association.

28. Managing Member shall mean and refer to the person appointed by the Declarant to unilaterally make all day-to-day business decisions for the Association and Management Committee.

29. Map shall mean and refer to the Plat Map on file in the office of the County Recorder of Salt Lake County.

30. Member shall mean and refer to an Owner obligated, by virtue of his Ownership, to be a shareholder in the Association.

31. Mortgage shall mean and refer exclusively to either a first mortgage or first deed of trust on any Lot, but shall not mean or refer to an executory contract of sale.

32. Mortgagee shall mean and refer exclusively to a mortgagee under either a first mortgage or a beneficiary under a first deed of trust on any Lot, but shall not mean or refer to a seller under an executory contract of sale.

33. Owner shall mean and refer to the Lot Owner.

34. Period of Declarant's Control shall mean and refer to the period of time when there is Class B membership and the Declarant has the unilateral, exclusive and irrevocable right to appoint the members of the Management Committee, ARC and the Managing Member.

35. Person shall mean and refer to a natural person, corporation, partnership, trust, limited liability company, or other legal entity.

36. Phase shall mean and refer to each separate step in development of the Property and Additional Land which is initiated through the submission of a tract to this Declaration. The term shall also include all improvements which are constructed and all appurtenances, rights, obligations, and legal relationships which come into existence in conjunction with the submission of any single tract.

37. Plat Map shall mean and refer to the Plat Map or Maps of IVORY CROSSING, a Planned Unit Development, on file in the office of the County Recorder of Salt Lake County, as they may be amended from time to time. The Plat Map will show the location of the Lots and Common Areas.

38. Project shall mean and refer to IVORY CROSSING, a Planned Unit Development.

39. Project Documents shall mean the Declaration, By-Laws, and Rules and Regulations, and Articles of Incorporation.

40. Property shall mean and refer to all of the land or real estate, improvements, and appurtenances submitted to this Declaration.

41. Recreational, Oversized or Commercial Vehicle shall mean and refer to any recreational, commercial or oversized vehicle, motor home, commercial vehicle, tractor, golf cart, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other recreational, oversized or commercial transportation device of any kind.

42. Repair shall mean and refer to merely correcting the damage done sometimes by accident or fire or other cause, but more often due to the ravages of time and the deterioration resulting from ordinary wear and tear, by substituting for the damage, decayed or worn-out parts, new material, usually similar to that replaced, and so restoring the structure to its original sound condition.

43. Single Family Home or Residence shall mean and refer to both the architectural style of a Dwelling Unit and the nature of the residential use permitted.

44. Trade and Business shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration,

regardless of whether : (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required therefor.

II. SUBMISSION

The land described with particularity on Exhibit "A" attached hereto and incorporated herein by this reference, is located in Salt Lake County, Utah, is hereby submitted to the terms, covenants and conditions of this Declaration, and is hereby made subject to, and shall be governed and regulated by, this Declaration of restrictive covenants. In addition:

The Land is SUBJECT TO the described easements and rights of way, 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.

ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservation and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Tract or any portion thereof, including without limitation, any mortgage or deed of trust; all visible and necessary easements and rights-of-way of record; any easements, rights-of-way, encroachments, or discrepancies shown on or revealed by the Plat Maps or otherwise existing; an easement for each and every common area improvement, equipment, pipes, lines, cables, wires, utility systems, or similar facilities which traverse or partially occupy the above-described Tract; and all easements necessary for servicing, repairing, ingress to, egress from, maintenance of, and replacement of all such common area improvements, equipment, pipes, lines, cables, wires, utility systems, and similar facilities.

III. COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission is made upon and under the following covenants, conditions, and restrictions:

1. Description of Improvements. The significant improvements in the Project include, or may include, up to three hundred sixty-two (362) Lots, a clubhouse, swimming pool, trail and open space. Phase One will contain sixty-three (63) Lots. The Common Area and Facilities will also contain guest parking areas, green space, landscaping, fences, gates, roads, utility systems, and entry way or ways. All roads within the Project shall be dedicated to the City. While the exact number of lots, physical improvements or amenities may vary from this projection, the Buildings and Dwelling Units shall be built with cement footings and foundation, wood, siding, stucco and/or brick exteriors, interior walls of wood studs, plywood and dry wall plaster, and wood, tile or composite asphalt shingles on the roof. The Project will also contain other improvements of a less significant nature.

2. Description and Legal Status of the Property. The Project will consist of up to one hundred forty-two (142) acres. The Lots shall be individually owned. The Common Areas and

Facilities shall be owned by the Association. The Maps show the Lot Number of each Lot, its location, and the Common Areas and Facilities to which it has immediate access.

3. Membership in the Association. Membership in the Association is mandatory and may not be partitioned from the ownership of a Lot. Each Lot Owner, by virtue of his accepting a deed or other document of conveyance to a Lot, is deemed to be a member of the Association.

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

All of LOT NO. _____ contained within the IVORY CROSSING, a Planned Unit Development, as the same is identified in the Record of Plat Map recorded in Salt Lake County, Utah as Entry No. _____, in Book _____, at Page (as said Record of Plat Map may have heretofore been amended or supplemented) and in the Declaration of Covenants, Conditions and Restrictions of the IVORY CROSSING, a Planned Unit Development, recorded in Salt Lake County, Utah as Entry No. _____, in Book _____, at Page _____, (as said Declaration may have heretofore been amended or supplemented), together with an undivided percentage of ownership interest in the Association.

Regardless of whether or not the description employed in any such instrument is in the above specified form, 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. Neither the membership in the Association, nor the right of non-exclusive use of a Common Area shall be separated from the Lot to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such mandatory membership in the Association and such right of exclusive use shall automatically accompany the transfer of the Lot to which they relate.

5. Architectural and Related Issues. Since aesthetics, the integrity and harmony of the original design, and the quality of construction and materials throughout the Subdivision is important, all architectural designs, plans, specifications, construction materials, and construction shall be (a) reviewed and approved by the ARC or its designee and (b) consistent with the other restrictions set forth herein.

6. Architectural Review Committee ("ARC"). While the ARC will not police architectural issues, it will address complaints made to it in writing by Owners and any construction, alteration, or other work done in violation of this Declaration shall be considered to be nonconforming. The Declarant has the power and authority to resolve all architectural issues during the Period of Declarant's Control and/or appoint all of the members of the ARC. Thereafter, the members of the ARC shall be elected by the Owners. The initial members of the ARC are Chris Gamvroulas, John Cahoon and Brian Apsley, who shall serve until such time as their successors are qualified and appointed.

a) Authority. The ARC has the power and authority to resolve architectural issues.

b) ARC Powers and Standing. Any instrument executed by the ARC or its legal representative that recites facts which, if true, would establish the power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument. The ARC shall constitute a legal entity capable of dealing in its own name or in behalf of two or more Owners. The ARC shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Section and its decisions, including without limitation:

1) Review Plans. The power and authority to review and approve or disapprove all architectural designs, plans, specifications, construction materials, and construction.

2) Respond to Complaints. While the ARC will not police the Subdivision, it shall have the power and authority, but not the obligation, to respond to written concerns of Owners about architectural issue.

3) Access. The power and authority to enter into or upon any Lot to make inspections, evaluations or repairs and to do other work necessary for the proper maintenance and operation of the Subdivision or to enforce the decisions of the ARC. Except in the case of an emergency, residents shall be given at least twenty-four (24) hours prior notice before the ARC may exercise this power.

4) Enforcement. The power and authority to issue sanctions, fine, or otherwise individually assess an Owner for a violation of the Design Guidelines or seek other more formal legal remedies, including but not limited to injunctive relief and damages.

5) All other Acts. The power and authority to perform any and all other acts, and to enter into any other transactions which may be reasonably necessary for the ARC to perform its functions for and in behalf of the Owners.

7. Approval of Plans and Specifications. Architectural designs, Plans and Specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements, including by way of illustration but not limitation all primary Dwellings and Accessory Buildings, shall be submitted to the ARC for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable. In reviewing each submission, the ARC may consider the proposed design, harmony of external design with existing structures and the common scheme, the location in relation to surrounding structures, topography, finish grade and elevation, among other things. Decisions of the ARC may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as ARC members change over time. No Building shall be erected, placed or altered on any

Lot until the construction plans and specifications, including a plan showing the location of the structure upon the Lot have been approved by the ARC and it has been determined that the proposed quality of construction, harmony of external design, topography, landscaping, drainage, and finish grade elevation are acceptable. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line unless similarly approved. No Dwelling shall be constructed or altered unless it meets the following minimum requirements:

- a.) No Lot shall be used except for residential purposes for a single family.
- b) No Building shall be erected, altered, placed, or permitted to remain on any lot other than detached single family dwellings not to exceed two stories in height with a private garage for not less than two vehicles.
- c) No slab on grade Dwelling is permitted.
- d) Building location must conform to the requirements of South Jordan.
- e) For the purpose of this section, eaves, steps and porches shall not be considered as a part of a building, although this shall not be construed to permit any portion of a building on a Lot to encroach upon any other Lot.
- f) All exterior materials utilized on Dwellings shall consist of natural materials including by way of illustration but not limitation stone, brick, stucco, and wood. Aluminum, steel, and vinyl siding may only be used for soffit and fascia unless otherwise approved by the ARC in writing.
- g) Any detached Accessory Building must conform in design and materials with the primary residential dwelling. Any and all Accessory Building plans must be submitted, reviewed and approved in advance. The maximum height of an Accessory Building shall be 12 feet, however the ARC may grant an exception at it's sole discretion.
- h) Each Owner is responsible to install landscaping on his entire Lot prior to the closing on the transaction (the "Closing Date"), weather permitting, but in any event no later than 9 months from the Closing Date or May 30 of the calendar year following the Closing Date, whichever first occurs. Landscaping and all grading and drainage shall be designed in such a way to control water run-off so that any Lot within the Subdivision will not be adversely affected by another. Furthermore, the grades initially established by the ARC or Declarant may not be altered without the prior written consent of the ARC. All landscaping must conform to the Landscaping Guidelines adopted by the ARC. If Owner fails to install landscaping in a timely manner and fails to cure the default within thirty (30) days after written notice, Declarant, Builder or the ARC may proceed to install the landscaping without further notice. The cost shall be the debt of the Owner at the time the expense is incurred and is collectible as such. If an Owner fails to pay such debt, that amount constitutes a lien on the Owner's interest in the property, and upon recording of a notice of lien it is a lien upon such interest prior to all other

liens and encumbrances, recorded or unrecorded, except: (a) tax and special assessment liens on the property in favor of any assessing unit or special improvement district; and (b) encumbrances on the interest of the Owner recorded prior to the date such notice is recorded which by law would be a line prior to subsequently recorded encumbrances.

i) No fence or similar structure shall be built in any front yard to a height in excess of four (4) feet, nor shall any fence or similar structure be built in any side or rear yard in excess of six (6) feet. Chain link, wood or cinder block fencing is not allowed. Wrought iron and vinyl fencing is permitted. Masonry may also be permitted with the prior written consent of the Declarant or the ARC. Any fencing or similar structure using other construction materials requires the prior written approval of the ARC. If there is a dispute as to what constitutes the front, side or rear yards, the decision of the ARC shall be final, binding and conclusive.

j) For the installation of and maintenance of utilities and drainage facilities, areas are reserved as shown on the recorded plat. Within these easements, no structure, planting or other materials 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 or flow of drainage channels in the area, or which may obstruct or retard the flow of water through drainage channels in the easement. The easement area of each of the Lots 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.

k) Designs submitted for approval shall be limited to those prepared by architects or by qualified residential designers of outstanding ability whose previous work may be reviewed as a part of the approval process.

l) No owner of any Lot within the subdivision shall at any time be permitted to subdivide his Lot into two or more sublots less in square foot area than the area of the Lot at the time of its initial purchase.

8. Ivory Homes Catalogue. Any and every home design, plan or specification contained within the then current Ivory Homes Catalogue shall be considered approved and qualify for construction, and no other consent shall be required.

9. Statement of Purpose and Restrictions on Use. The purpose of the Project is to provide residential housing and parking space for Owners, residents and guests, all in accordance with this Declaration. The Lots and Common Areas and Facilities shall be used and occupied, subject to the following:

a) Nature and Restrictions on Ownership and Use in General. Each Owner shall have and enjoy the privileges of fee simple Ownership of his Lot. There shall be no requirements concerning who may own a Lot, it being intended that they may and shall be owned as any other property rights by persons. Each of the Dwelling Units shall be occupied by the Owner, his family, servants, guest or tenants as a private residence and for no other purpose.

b) Title to the Common Area. The Common Area, as shown on the Plat Map, shall be owned by the Association.

c) Mandatory Association. Each purchaser of a Lot shall automatically become a member of the Association.

d) Member's Easements and Rights of Way. Every Member of the Association shall as an Owner have the right and non-exclusive easement to use and enjoy the Common Area and Facilities. Such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following restrictions:

(1) The right of the Association to limit the number of guests and residents;

(2) The right of the Association to suspend the voting privilege;

(3) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for the purpose of providing utilities and similar or related purposes. During the Declarant's period of development of the Project, any such dedication or transfer shall be effective only if approved in writing by the Declarant; and

(4) The right of the Management Committee to adopt rules and regulations.

e) Restrictions and Limitations of Use. The use of the Lots, of whatever kind, is subject to the following guidelines, limitations and restrictions:

(1) Parties Bound. The Project Documents shall be binding upon all Owners, occupants and residents as well as their family members, guests, and invitees.

(2) Nuisance. It shall be the responsibility of each Owner, occupant and resident to prevent the creation or maintenance of a nuisance in, on or about the Project. For purposes of this section a "nuisance" includes but is not limited to the following:

a. The development of any unclean, unhealthy, unsightly, or unkept condition on, in or about a Lot or the Common Areas;

b. The storage of any item, property or thing that will cause any Lot or the Common Area to appear to be in an unclean or untidy condition or that will be noxious to the senses;

c. The storage of any substance, thing or material upon any Lot or in the Common Areas that will emit any foul, unpleasant or noxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or

serenity of the other residents at the Project;

d. The creation or maintenance of any noxious or offensive condition or activity in or about any Lot or the Common Areas;

e. Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other Owner, occupant or residents, as well as their family members, guests or invitees, particularly if the police or sheriff must be called to restore order;

f. Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community by other Owners, occupants or residents, as well as their family members, guests or invitees;

g. Unreasonable noise in, on, or about any Lot or the Common;

h. Unreasonable traffic in, on, or about any Lot or the Common Area;

and

i. Violation of U.C.A., Section 78-38-9 (e.g., party houses, drugs, prostitution, gambling, etc.)

(3) Unsightly Work, Hobbies or Unkept Condition. The pursuit of hobbies or other activities, including but not limited to the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkept conditions, shall not be pursued or undertaken on any part of the Project.

(4) Garbage, Dust & Debris. All rubbish, trash, refuse, waste, dust, debris and garbage must be cleaned up and stored in designated receptacles.

(5) Subdivision of a Lot. No Lot shall be subdivided or partitioned.

(6) Firearms, Incendiary Devices and Graffiti. The use of firearms and incendiary devices, or the painting of graffiti, within the Project is prohibited. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of size.

(7) Temporary Structures. No Owner or resident shall place upon any part of the Project any temporary structures including but not limited to tents, trailers, or sheds, without the prior written consent of the Management Committee. Anything to the contrary notwithstanding and until the occurrence of the Events described below, the Declarant may install and use temporary

structures in the development of the Property and marketing of the Lots and Dwelling Units.

(8) Trees, Shrubs and Bushes; Maintenance of Proper Sight Distance at Intersections.

All property located at or near driveways, entrances, exits, walkways, paths and street intersections or corners shall be landscaped so as to remove any obstructions and to permit safe sight. No fence, wall, hedge, shrub, bush, tree or monument, real or artificial, shall be planted or placed by an Owner, occupant or resident in, on or about the Common Areas without the prior written consent of the Management Committee. The Management Committee may alter or remove any objects planted or placed in violation of this subsection.

(9) Energy Conservation Equipment. Except in accordance with U.C.A., Section 57-13-1 et seq., no solar energy collector panels, other energy conservation equipment or attendant hardware shall be constructed or installed in, on, above or under the Property without the prior written consent of the Management Committee.

(10) Business Use. No commercial trade or business may be conducted in or from a Lot or Dwelling Unit unless (a) written approval of the proposed business activity is granted by the Management Committee prior to the commencement of operations; (b) the business activity conforms to all home occupation and zoning requirements governing the Project; (b) the operator has a city issued business license; and (c) the business activity satisfies the Home Occupation Guidelines adopted by the Management Committee, as they may be modified from time to time. No resident may operate a commercial trade or business in or from his Lot with employees of any kind. All inventory, which may not exceed 250 cubic feet, must be contained within the Dwelling Unit. Notwithstanding the foregoing, the leasing of a Lot shall not be considered a trade or business within the meaning of this subsection.

(11) Storage and Parking of Vehicles. The driving, parking, standing and storing of motor vehicles in, on, or about the Project shall be subject to the following:

a. The parking rules and regulations adopted by the Management Committee from time to time;

b. Except for purposes of loading or unloading passengers or supplies (for a period of time up to twenty-four (24) hours), no Recreational, Commercial or Oversized vehicle parking is allowed on the streets;

c. No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, or any other transportation device of any kind may be parked or stationed in such a manner so as to block access to any Lot, Building, Dwelling Unit, or parking space, or to create an obstacle or potentially dangerous situation.

e. Residents may only park their motor vehicles within their garages and driveways. Recreational, Commercial and Oversized Vehicles must be parked to the rear of a plane parallel to the front of the Dwelling Unit and on a concrete pad behind a screen, fence or gate.

f. No Owner, occupant or resident shall repair or restore any vehicle of any kind in, on, or about any Lot or the Common Area, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

g. No Dwelling Unit garage may be altered in such a manner that the number of motor vehicles which may reasonably be parked therein after the alteration is less than the number of motor vehicles that could have been reasonably parked in the garage as originally designed and constructed.

h. All parking areas shall be used solely for the parking and storage of vehicles.

i. Vehicles parked in violation of this Declaration may be impounded or towed without further notice, and at the Owner's sole risk and expense.

(12) Aerials, Antennas, and Satellite Systems. Antennas and satellite dishes shall be prohibited within the Property, except (a) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; (b) antennas or satellite dishes designed to receive video programming services via multi point distribution services which are one meter or less in diameter or diagonal measurement; or (c) antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices") shall be permitted, provided that any such Permitted Device is:

(1) located in the attic, crawl space, garage, or other interior spaces of the Dwelling Unit or another approved structure on the Lot so as not to be visible from outside the Dwelling Unit or other structure;

(2) located in the rear yard of the dwelling (i.e., the area between the plane formed by the front facade of the Dwelling Unit and the rear lot line) and setback from all lot lines at least eight (8) feet;

(3) attached to or mounted on a deck or patio and extending no higher than the eaves of the portion of the roof of the Dwelling Unit directly in front of such antenna;

(4) attached to or mounted on the rear wall of the Dwelling Unit so as to extend no higher than the eaves of the Dwelling Unit at a point directly above the position were attached or mounted to the wall.

Notwithstanding, the foregoing, should an Owner determine that a Permitted Device cannot

be located in compliance with the above guidelines without precluding reception of an acceptable quality signal, then the Owner may install the device in the least conspicuous alternative location on the Dwelling Unit or other structure where an acceptable quality signal can be obtained. The Management Committee may adopt rules establishing a preferred hierarchy of alternative locations and requiring screening of all Permitted Devices, so long as such rules do not unreasonably increase the cost of installation, maintenance, or use of the Permitted Device.

(13) Windows and Window Coverings. Only window coverings approved by the Declarant, Management Committee or the ARC are allowed. No aluminum foil, newspapers, bed sheets, reflective film coatings, or any other similar materials may be used to cover the exterior windows of any Dwelling Unit or garage. Sun shades and tinted windows are allowed.

(14) Pets. Only domestic pets are allowed. Residents with pet(s) must abide by the pet rules and regulations adopted by the Committee from time to time. No pets, animals, livestock or poultry of any kind shall be bred in, on, or about any Lot. Pets which constitute a nuisance will not be allowed in the Project. Pets outside the Dwelling Unit must be in a fenced yard or kept on a leash or in a cage and under the control of the Owner or his designee at all times. All city ordinances and regulations concerning pets will also be followed by Owners, occupants and residents of the Project. Dogs which bark, whine, howl or scratch unreasonably, or pets running loose in the Common Area and not in a cage or on a leash and under the control of the owner, or pets whose owners do not immediately clean up after them, or pets in violation of any city ordinance or regulation, or pets which threaten any Owner, resident, guest or invitee with physical harm shall be deemed to constitute a nuisance.

(15) Insurance. Nothing shall be done or kept in, on, or about any Lot or the Common Area which may result in the cancellation of the insurance on the Property or an increase in the rate of the insurance on the Project of what the Management Committee, but for such activity, would pay.

(16) Laws. Nothing shall be done or kept in, on, or about any Lot or Common Area, or any part thereof, which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

(17) Damage or Waste. No damage to, or waste of, the Common Area shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify and hold the Management Committee and the other Owners harmless against all loss resulting from any such damage or waste caused by that Owner or an invitee; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee or any other Owner.

(18) Structural Alterations. No structural alterations to any Building, Unit or the Common Area and Facilities is allowed without the prior written consent of the Management Committee.

(19) Signs. No signs shall be displayed or otherwise affixed to or placed on the

exterior walls, or on the inside or outside of windows or doors, without the prior written consent of the Management Committee. Temporary "Open House" signs may be placed subject to written approval of the Management Committee as to location, duration, size and design. If the signs are placed without approval, the Committee reserves the right to remove them. No signs "For Sale" or "For Rent" shall be placed in, on or about the Common Areas.

(20) Walls, Fences and Hedges. No fence, wall, hedge, or other similar structure (including without limitation any "topping" on such structures) shall be erected in a required front yard to a height in excess of 3 feet, nor shall any such structure be erected in any side or rear yard to a height in excess of 6 feet. No fence, wall, hedge or other similar structure shall be erected in any yard bordering a street or front yard of any adjoining Lot to a height in excess of 6 feet any nearer to any street than the minimum building setback line. Where a retaining wall protects a cut below the natural grade and is located on the line separating Lots, such retaining wall may be topped by a fence, wall or hedge or similar structure 6 feet in height. The only acceptable fencing materials are: wrought iron, masonry or earth tone colors of vinyl fence. Masonry fence must be approved in advance. Chain link fences and cinder block are not permitted under any circumstances. Walls, fences, landscaping and the like constructed or installed within a public utility or drainage easement are constructed or installed at the Owner's risk and may have to be removed, dismantled or destroyed and restored to its original condition, at said Owner's sole expense, where necessary because of the need for drainage or public utility servicing, installation, alteration or repairs by a utility company or as required by a public or private authority.

(21) Conditional Uses. The following conditional uses may also be allowed:

(a) Swimming pool, cabana, equipment building/other outdoor recreational activities (i.e., tennis courts, basketball court, soccer pitch, batting/pitching apparatus, etc.); and

(b) Accessory Buildings, permanent storage sheds, detached garage structures, workshops, detached conservatories/greenhouses etc. No tin sheds are allowed.

10. Residential Leases. No Owner shall be permitted to lease his Dwelling Unit for short term, transient, hotel, seasonal, vacation or corporate/executive use purposes, which are defined to include any use, occupancy or rental with an initial term or for an initial period of less than six (6) months. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate persons or less than his entire Dwelling Unit without the prior written consent of the Management Committee. Except as set forth above, there are no restrictions on the leasing of a Dwelling Unit.

11. Easements; Drainage, Support, Maintenance and Repair. There are hereby RESERVED and the Association is hereby GRANTED the following easements and rights of way:

a) A non-exclusive easement over, across, through, above and under the Lots and the Common Area for the operation, maintenance and regulation of the Common Area, amenities and facilities, and landscaping and maintenance.

b) A reciprocal easement on, over, under, through and across all Lots and Common Area for the drainage of surface waters on, over, under, through and across the Project. The Declarant shall establish a storm drainage system designed to serve the entire Project (the "Master Storm Drain System"). No Owner shall interfere with the Master Storm Drain System established by the Declarant, or its successors or assigns. Each Owner shall be responsible to develop his Lot in a manner consistent with the Master Storm Drain System, and so as not to detract therefrom or interfere therewith, or the Established Drainage Pattern on any other Lot in the Project. No changes to the Established Drainage Pattern on any Lot shall be permitted without the prior written consent of the Management Committee. For purposes of this Section, the term "Established Drainage Pattern" is defined as the approved drainage pattern, facilities and improvements in existence at the time such Lot is conveyed to a home purchaser by the Declarant, its successor or assign. The cost of all improvements, maintenance, repairs and replacements of the storm drainage system located within the boundaries of any Lot shall be the responsibility of the Owner. The cost of all improvements, maintenance, repairs and replacements of the storm drainage system located in the Common Area shall be the responsibility of the Association. If the Association or the Owners fail to properly manage, maintain or replace the storm drainage system, the Association shall have the right, but not the obligation, to maintain the systems and to charge the cost thereby incurred to said Owner or Owners. The Association shall not have the authority to change, by vote, alienation, alteration, transfer, sale, or otherwise, the use of the currently existing areas and structures designed to control storm water runoff unless the consent of the appropriate governmental agencies has first been obtained in writing. Salt Lake County is hereby made a party to the covenants established by this Declaration for the sole purpose of protecting and preserving the use of the common storm drainage system and structures that serve the Project; however, Salt Lake County shall not be a member of the Association and it shall have no vote in the management, operation or regulations of its affairs although Salt Lake County is hereby granted a right of enforcement.

12. Liability of Owners and Residents For Damages. Any Owner, occupant or resident who is negligent or careless and thereby causes damage to any person or property within the Project shall be strictly liable for said damage, loss or claim.

13. Encroachments. In the event that any portion of the Common Area or a Lot encroaches or comes to encroach upon other Common Area or a Lot as a result of construction, reconstruction, repair, shifting, settling, or movement, an easement for such encroachment is created hereby and shall exist so long as such encroachment exists.

14. Management Committee. The Association shall be managed by a Management Committee which shall be comprised of five (5) members. Until the termination of the Period of Declarant's Control, the Declarant shall have the unilateral, exclusive and irrevocable right to appoint all of the members of the Management Committee and the Managing Member, and their successors or replacements. Any instrument executed by the Management Committee or Managing Member that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for

value relies upon said instrument. The Association shall, in connection with its exercise of any of the powers delineated below, constitute a legal entity capable of dealing in its Committee name. The Management Committee shall have, and is hereby granted, the following authority and powers:

a) To Enter. The power and authority to enter into or upon any Lot or Dwelling Unit to make repairs and to do other work reasonably necessary for the proper maintenance and operation of the Project, Common Areas and Facilities. Except in the case of emergency, reasonable prior notice shall be given to the residents.

b) Grant Easements. The authority, without the vote or consent of the Owners, Mortgagees, insurers or guarantors of any Mortgage, or of any other person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and non-exclusive easements over, under, across, and through the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance, operation or regulation of the Project.

c) Execute Documents. The authority to execute and record, on behalf of all Owners, any amendment to the Declaration of Plat Map which has been approved by the vote or consent necessary to authorize such amendment.

d) Standing. The power to sue and be sued.

e) Enter Into Contracts. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained.

f) Transfer Interests in Real Property. The power and authority to exchange, convey or transfer any interest in real property, so long as it has been approved by at least seventy-five percent (75%) of the members in the Association.

g) To Purchase. The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property so long as it has been approved by at least seventy five percent (75%) of the members in the Association.

h) To Add Property. The power and authority to add any real property, or interest therein, obtained pursuant to subparagraph (g) above to the Project, so long as it has been approved by at least Seventy five percent (75%) of the members in the Association.

i) To Borrow Money. The power and authority to borrow money, provided that no indebtedness for borrowed funds shall exceed in the aggregate at any given time a sum greater than one percent (1.0%) of the annual operation's budget without the prior vote or approval of a majority of the members of the Association at a meeting duly called and convened at which a quorum is present.

j) Promulgate Rules. The authority to promulgate such reasonable administrative

guidelines, rules, regulations, and procedures as may be necessary or desirable to aid the committee is maintained and used in a manner consistent with this Declaration.

k) Meetings. The authority to establish procedures for the conduct of its meetings.

l) Assignment of Leasing of Open Common Area Parking Spaces. The authority to assign or lease overflow parking spaces to occupants and residents.

m) User Fees. The authority to charge a user fee.

n) All other Acts. The power and authority to perform any and all other acts, and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions on behalf of the Owners.

15. Delegation of Management Responsibilities. The Management Committee may delegate some of its management responsibilities to, during the Period of Declarant's Control, the Managing Member and thereafter to either a professional management company, an experienced on-site manager, independent contractors, through service contracts or any combination thereof. The termination provision of any such contract must not require a termination penalty or any advance notice of more than thirty (30) days, no such contract shall be for a term greater than one (1) year.

16. Classes of Membership & Voting Allocations. The Association shall have two (2) classes of membership -- Class A and Class B, described more particularly as follows:

a) Class A. Class A Members shall be all Owners with the exception of the Class B Members, if any. Class A Members shall be entitled to vote on all issues before the Association to, subject to the following:

(1) One Vote. Each Lot shall have (1) vote;

(2) Subject To Assessment. No vote shall be cast or counted for any Lot not subject to assessment;

(3) Multiple Owners. When more than one (1) person or entity holds such interest in a Lot, the vote for such Lot shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote of the Lot shall be suspended in the event more than one (1) person or entity seeks to exercise it.

b) Class B. Class B Member shall be the Declarant and any successor of Declarant who takes title for the purpose of development and sale of Lots, and who is designated as such in a recorded instrument executed by Declarant. The Class B Member shall originally be entitled to ten (10) votes per Lot owned. The Class B membership and the Class B Control Period shall terminate, and Class B membership shall convert to Class A membership one hundred and twenty (120) days

after the occurrence of the first of the following events: Certificates of occupancy have been issued for and all of the Dwelling Units constructed upon the Lots have been sold or when, in its sole discretion, Declarant so determines and records a Notice of Termination of the Period of Declarant's Control (herein referred to as the "Event").

From and after the happening of the Event, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot owned. At such time, the Declarant shall call a meeting, in the manner described in the By -Laws of the Association for special meetings, to advise the membership of the termination of Class B status and, if it has not already occurred, to schedule transition of the operation and management of the entire Project to a Management Committee elected by the members of the Association.

17. Lists of Lot Owners, Eligible Mortgagees, and Eligible Insurers or Guarantors. The Committee shall maintain up-to-date records showing: (a) the name of each person who is an Owner, the address of such person, and the Lot which is owned by him; (b) the name of each person or entity who is Eligible Mortgagee, the address of such person or entity, and the Lot which is encumbered by the Mortgage held by such person or entity; and the name of each person or entity who is an Eligible Insurer or Guarantor, the address of such person or entity, and the Lot which is encumbered by the Mortgage insured or guaranteed by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Lot, either the transferor or transferee shall furnish the Committee with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Salt Lake County, Utah. The Committee may for all purposes act and rely on the information concerning Lot ownership in its records or, at its option, the records of the county recorder. The address of any Owner shall be deemed to be the address of the Lot owned by such person unless the Committee is otherwise advised in writing.

18. Major Repair Table. The Management Committee shall prepare a Major Repair Table which shall contain a list of foreseeable expenditures for major repairs or replacements of capital assets within the Area of Common Responsibility. The Table shall be included in every annual budget, and it shall be reviewed and updated at least annually, and reasonable reserve accounts shall be established by the Committee for the replacement of capital assets as they age.

19. Operation, Maintenance and Alterations. The Lots and Common Area shall be maintained by the Owners and the Association, respectively, as follows:

a) Area of Common Responsibility. The Association shall maintain, repair and replace, as needed from time to time, the following:

1) All Common elements and facilities, including but not limited to all physical improvements constructed or installed on the Common Area;

2) All landscaping, green space, sprinkler systems, grass, sod, berms, flower and plant beds, ground cover, trees, shrubs, bushes and other plant life in the Common Area, to wit:

(a) Maintenance of the sprinkling system, including the repair and replacement of the controls, sprinkler heads and the water distribution lines as needed;

(b) Mowing, edging and trimming of all grass and lawns;

(c) Pruning of the trees, bushes and shrubs; and

(d) All planting, fertilizing, weeding and care of the plant life therein.

3) The entryways and monuments to the Project;

4) Any item not expressly and specifically included in the Area of Personal Responsibility.

b) Area of Personal Responsibility. Each Owner shall maintain, repair and replace, as needed from time to time, the following:

1) His Dwelling Unit and garage, including the roof, foundation, footings, columns, girders, beams, supports and main walls thereof;

2) All utilities servicing his Lot or Dwelling Unit, including power, light, gas, hot and cold water, heating, refrigeration and air conditioning systems;

3) All fixtures, furnishings, windows, doors, patios, balconies and decks, garage doors and garage door systems located in or on his Lot or Dwelling Unit;

4) All fences and walls on his Lot;

5) The driveway, sidewalk, steps, porch and landing at the entry on his Lot or to his Dwelling Unit;

6) All landscaping on his Lot; and

7) All of the other improvements constructed or installed in, on, under or above his Lot, unless otherwise determined in writing by the Management Committee.

c) Changing Items in the Areas of Common or Personal Responsibility. In its sole discretion, the Management Committee may change any duty or obligation in the Areas of Common or Personal Responsibility, conditional only upon thirty (30) days prior written notice.

d) Design and Landscaping Guidelines. Owners shall comply with the Design and Landscaping Guidelines adopted by Declarant and incorporated herein by this reference, and as they may be modified by the Management Committee from time to time. Because of the design of the

Project with its open and visible spaces, aesthetics are of paramount importance and the Association is hereby given permission to make decisions based purely on aesthetic considerations.

e) Standard of Care - Generally. The Property shall be maintained in a usable, clean, functional, safe, healthy, sanitary, attractive, and good condition, consistent with Community Standards. If a dispute arises between the Management Committee and an Owner, occupant, or resident as to the condition of a Lot, the decision of the Management Committee shall be binding, final and conclusive.

f) Standard of Care - Landscaping. All landscaping in the Project shall be maintained and cared for in a manner consistent with Community Standards and the quality of design and construction originally established by Declarant. Specific guidelines and restrictions on landscaping may be established by the Management Committee from time to time. All landscaping shall be maintained in a neat and orderly condition. Any weeds or diseased or dead lawn, ground cover, trees, bushes or shrubbery shall be removed and replaced. All lawn areas shall be neatly mowed and trees, shrubs and bushes shall be properly pruned and trimmed. Since aesthetics are important, all landscaping shall be tasteful, so as not to affect adversely the value or use of any other Lot, or to detract from the general attractiveness and the uniform design and appearance of the Project.

g) Neglect. If the Management Committee determines that any Owner has failed or refused to discharge properly his obligation with regard to the maintenance, repair, or replacement of items for which he is responsible hereunder, or that the need for maintenance, repair, or replacement of the Common Area and Facilities is caused through the willful or negligent act of any Owner or resident, or their family members, guests, visitors or invitees, and it is not covered or paid for by insurance, in whole or in part, then the Association may, but is not obligated to, provide such maintenance, repair or replacement at the Owner's sole cost and expense, subject to the following:

(1) Debt and Lien. Such costs as are incurred by the Association in the performance of an item included in the Area of Personal Responsibility is a debt of the Owner at the time the assessment is made and is collectible in the manner set forth in Section 20 (b) below.

(2) Notice of Intent to Repair. Except in an emergency situation, the Management Committee shall give the Owner written notice of the Association's intent to provide necessary maintenance, repair, or replacement at Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Management Committee. The Owner shall have ten (10) days after delivery of such notice within which to complete the maintenance or repair or, if the maintenance or repair is not capable of completion within such time period, to commence the maintenance or repair.

(3) Emergency Situation. If the Management Committee in its sole discretion determines that an emergency exists, then notice and the opportunity to cure the default is not necessary and is deemed to have been waived.

(4) Optional Repairs. The decision of the Association to maintain, repair or

replace any item is purely optional. If it elects to do any such work, then its agents or employees shall have a right of entry upon or into any Lot or Common Area as necessary to perform such work, and shall not be liable for trespass or invasion of privacy.

h) Alterations to the Common Area. No structural alterations of any kind shall be made to the Common Area and Facilities without the prior express written consent of the Management Committee.

i) Color Scheme. Owners and residents may not change the color scheme in the Project, including the color of the exterior surface of the home, garage or garage door, without the prior written consent of the Management Committee.

j) Snow and Ice Accumulations. The Association is responsible for removing all ice and snow accumulations from the common parking areas and jogging path. Each Owner is responsible for removing all ice and snow accumulations from his front driveways, front yard sidewalks, steps, landings, porches, all side and rear yard walkways, patios, porches, landings and steps.

k) Utilities. The Association shall provide those utility services not separately metered and billed to the individual Owners by the provider. If the Declarant elects to provide electricity to certain Common Area lamp posts from any individual Lot, the cost, nevertheless, shall be divided equally among all Owners.

20. Common Expenses. Each Owner, upon receipt of a deed or other document of conveyance or transfer to a Lot, agrees to and shall pay his share of the Common Expenses and Assessments against him or his Lot; provided, however, anything to the contrary notwithstanding, the Declarant shall not be obligated to pay Assessments until such time as either any Dwelling Unit is substantially complete and a permanent certificate of occupancy has been issued and the Dwelling Unit has been sold or rented, or in the alternative, the Declarant elects in writing to commence payment, whichever first occurs.

a) Purpose of Common Expenses. The Assessments provided for herein shall be used for the general purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners, including the maintenance of any real and personal property owned by the Association, and regulating the Community, all as may be more specifically authorized from time to time by the Committee.

b) Creation of Assessments. The Management Committee shall establish and determine the Assessments.

c) Budget. At least thirty (30) days prior to the annual meeting of the Association, the Management Committee shall prepare and deliver to the Owners a proposed Budget which:

(1) Itemization. Shall set forth an itemization of the anticipated Common

Expenses for the twelve (12) month calendar year, commencing with the following January 1.

(2) Basis. Shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas, which estimates shall include but are not limited to expenses of management, grounds maintenance, taxes and special assessments, premiums for all insurance which the Committee is required or permitted to maintain, common lighting and heating, water charges, carpeting, painting, repairs and maintenance of the Common Areas and replacement of those elements of the Common Areas that must be replaced on a periodic basis, wages for Management Committee employees, legal and accounting Assessments, any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus or sinking fund, capital improvement reserve, and other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under and by reason of this Declaration.

d) Apportionment. The common profits of the property shall be distributed among, the common expenses shall be charged and voting rights shall be allocated to the Owners equally. The percentages of ownership interest in the Association are set forth in Exhibit "B" attached.

e) Approval of Budget and Assessments. The proposed Budget and the Assessments shall become effective unless disapproved at the annual meeting of the Association by a vote of at least a majority of the Owners. Notwithstanding the foregoing, however, if the membership disapproves the proposed budget and Assessments or the Management Committee fails for any reason to establish the Budget and Assessments for the succeeding year, then and until such time as a new Budget and Assessment schedule shall have been established, the Budget and the Assessments in affect for the then current year shall continue for the succeeding year.

f) Personal Obligation of Owner. Each Owner is liable to pay his portion of the Common Expenses and all Assessments against him or his Lot, accruing interest, late fees, and collection costs, including attorneys Assessments. Provided, however, no first mortgagee or beneficiary under a first deed of trust (but not the Seller under an executory contract of sale such as a uniform real estate contract, land sales contract, or other similar instrument), who obtains title to a Lot pursuant to the remedies provided in the mortgage or trust deed shall be liable for unpaid Assessments which accrued prior to the acquisition of title. For purposes of this Section, the term "Owner" shall mean and refer jointly and severally to: (I) the Owner of both the legal and equitable interest in any Lot, (ii) the owner of record in the offices of the County Recorder of Salt Lake County, Utah, and (iii) both the Buyer and Seller under any executory sales contract or other similar instrument.

g) Equitable Changes. If the aggregate of all monthly payments on all of the Lots is too large or too small as a result of unanticipated income or expenses, the Committee may from time to time effect an equitable change in the amount of said payments. Owners shall be given at least thirty (30) days written notice of any changes.

h) Dates and Manner of Payments. The dates and manner of payment shall be

determined by the Committee.

i) Reserve Accounts. The Committee shall establish and maintain a reserve account or accounts for unexpected operating expenses and capital improvements as required.

j) Analysis Report. The Management Committee shall prepare and update at least annually a written Reserve Account Analysis, and make the report(s) available to the Owners at the annual meeting of the Association.

k) Statement of Assessments Due. Upon written request, the Committee shall furnish to any Owner a statement of Assessments due, if any, on his Lot. Failure to provide the certificate within ten (10) days after a written request, shall be deemed conclusive evidence that all Assessments are paid current. The Association may require the advance payment of a processing charge not to exceed \$15.00 for the issuance of such certificate.

l) Superiority of Assessments. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled, which, by acceptance of a deed or other document of conveyance or transfer of a Lot, each Owner agrees to subordinate or waive.

21. Special Assessments. The Management Committee may levy special assessments in any year, subject to the following:

a) Committee Based Assessment. So long as the special assessment does not exceed the sum of Five Hundred and 00/100ths Dollars (\$500.00) (the "Special Assessment Limit") per Lot in any one fiscal year, the Committee may impose the special assessment without any additional approval.

b) Association Approval. Any special assessment which would exceed the Special Assessment Limit shall be effective only if approved by a majority of the members of the Association.

22. Individual Assessments. Individual Assessments may be levied by the Association against an Owner or Lot for:

- a) fines levied and costs incurred in enforcing the Project Documents;
- b) costs associated with the maintenance, repair or replacement of Common Area for which the Lot Owner is responsible;
- c) any other charge, fee, due, expense, or cost designated as an Individual Assessment in the Project Documents; and
- d) attorneys' fees, interest, and other charges relating thereto as provided in this

Declaration.

23. Collection of Assessments. Assessments shall be collectible as follows:

a) Time is of the Essence. Time is of the essence and all Assessments shall be paid promptly when due.

b) Debt and Lien. Each Owner's portion of the Common Expenses and all Assessments or fines levied against each Lot or Owner is a debt of the Owner at the time the Assessment or fine is made and is collectible as such. Suit to recover a money judgment for unpaid Common Expenses, Assessments or fines is maintainable without foreclosing or waiving the lien securing it. If any Owner fails or refuses to make any payment of his portion of the Common Expenses or an Assessment or fine when due, that amount constitutes a lien on the interest of the Owner in the Property, and upon the recording of notice of lien, it is a lien upon the Owner's interest in the Property prior to all other liens and encumbrances, recorded or unrecorded, except:

1) tax and special assessment liens on the Lot in favor of any assessing unit or special improvement district; and

2) encumbrances on the interest of the Lot Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

c) Late Fees and Default Interest. Payment of Assessments is due on the first day of each month. Payments received after the 10th day of the month shall incur a late charge of twenty five Dollars (\$25.00) or five percent (5%) of the delinquent amount, whichever is greater. Default interest at the rate of One and ½ percent (1.5%) per month shall accrue on all delinquent accounts.

d) Foreclosure of Lien and/or Collection Action. If any Assessments remain unpaid, the Association may, as determined by the Management Committee, institute suit to collect the amounts due and/or to foreclose the lien.

e) Personal Obligation. Each Owner, by acceptance of a deed or other document of conveyance or transfer, vests in the Association or its agents the right and power to bring all actions against him or her personally for the collection of the charges as a debt or to foreclose the lien in the same manner as mechanics liens, mortgages, trust deeds or encumbrances may be foreclosed.

f) No Waiver. No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein, including but not limited to the non-use of Common Areas or the abandonment of his Lot.

g) Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Committee to take some action or perform some function required to be taken or performed by the Association or committee under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making

of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

h) Foreclosure of Lien as Mortgage or Trust Deed. The lien for nonpayment of Assessments may be enforced by sale or foreclosure of the Owner's interest therein by the Committee. The sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, reasonable attorney's Assessments, and a reasonable rental for the Lot during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Committee may bid for the Lot at foreclosure or other sale and hold, lease, mortgage, or convey the same.

i) Appointment of Trustee. If the Committee elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Lot hereby irrevocably appoints the attorney of the Association, provided he is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. In addition, Owner hereby transfers in trust to said Trustee all of his right, title and interest in and to the real property for the purpose of securing his performance of the obligations set forth herein.

j) Attorney in Fact. Each Owner by accepting a deed to a Lot hereby irrevocably appoints the Association as his attorney in fact to collect rent from any person renting his Lot, if the Lot is rented and Owner is delinquent in his Assessments. Rent due shall be paid directly to the Association, upon written demand, until such time as the Owner's Assessments are current; and the Owner shall credit the Renter, against rent due, for the amount of money paid to the Association.

24. Fines. Each Owner and Resident is responsible for adhering to the Declaration, Bylaws, and Rules and Regulations adopted by the Management Committee from time to time, and a breach of these restrictive covenants and rules is subject to enforcement pursuant to the declaration and may include the imposition of a fine. Each Owner is also accountable and responsible for the behavior of his or her residents, tenants and/or guests. Fines levied against residents, tenants, and guests are the responsibility of the Owner. The Management Committee shall react to each material violation in the following manner:

a. Fines imposed are final unless appealed in writing to the Management Committee within thirty (30) days of written notification of the violation. If a request for a hearing is not submitted to the Management Committee within thirty (30) days, the right to a hearing is waived, and the fine imposed will stand. A request for a hearing to appeal should be sent in writing to the Manager or Secretary of the Association.

b. Before assessing a fine under Subsection (a), the Management Committee shall

give notice to the homeowner of the violation and inform the owner that the fine will be imposed if the violation is not cured within the time provided in the declaration, bylaws, or rules, which shall be at least forty-eight (48) hours.

c. A fine assessed under Subsection (a) shall:

- (1) be made only for a violation of a restrictive covenant, rule or regulation;
- (2) be in the amount specifically provided for in the declaration, bylaws, or association rules for that specific type of violation, not to exceed \$500.00; and
- (3) accrue interest and late fees as provided in the declaration, bylaws, or association rules.

d. Cumulative fines for a continuing violation may not exceed \$500.00 per month.

e. An Owner who is assessed a fine under Subsection (a) may request an informal hearing to protest or dispute the fine within thirty (30) days from the date the fine is assessed. The hearing shall be conducted in accordance with standards of due process adopted by the Management Committee. No finance charge, default interest, or late fees may accrue until after the hearing has been conducted and a final decision has been rendered.

f. An Owner may appeal a fine issued under Subsection (a) by initiating a civil action within one hundred and eighty (180) days after:

- (1) A hearing has been held and a final decision has been rendered by the management committee under Subsection (e); or
- (2) The time to request an informal hearing under Subsection (e) has expired without Owner making such a request.

g. A fine assessed under Subsection (a) which remains unpaid after the time for appeal has expired becomes a lien against the Owner's interest in the property in accordance with the same standards as a lien for the nonpayment of common expenses.

25. Termination of Utilities and Right to Use Amenities. If an owner fails or refuses to pay any assessment when due, the management committee may terminate the owner's right to receive utility services paid as a common expense; and terminate the owner's right of access and use of recreational facilities., after giving notice and an opportunity to be heard.

a. Before terminating utility services or right of access and use of recreational facilities, the manager or management committee shall give written notice to the owner in the manner provided in the declaration, bylaws, or association rules. The notice shall state:

1. utility services or right of access and use of recreational facilities will be terminated if payment of the assessment is not received within the time provided in the declaration, bylaws, or association rules, which time shall be stated and be at least 48 hours;

2. the amount of the assessment due, including any interest or late payment fee; and

3. the right to request a hearing.

b. An owner who is given such notice may request an informal hearing to dispute the assessment by submitting a written request to the management committee within 14 days from the date the notice is received. A notice shall be considered received on the date (i) it is hand delivered, ii) it is delivered by certified mail, return receipt requested, or (iii) five (5) days after it is deposited in the U.S. Mail, postage prepaid, addressed to the owner's last known address on the books and records of the Association

c. The hearing shall be conducted in accordance with the standards provided in the declaration, bylaws, or association rules.

d. If a hearing is requested, utility services or right of access and use of recreational facilities may not be terminated until after the hearing has been conducted and a final decision has been entered.

e. Upon payment of the assessment due, including any interest or late payment fee, the manager or management committee shall immediately take action to reinstate the terminated utility services to the unit and right to use of recreational facilities.

26. Collection of Rents. If the owner of a unit who is leasing the unit fails to pay any assessment for a period of more than 60 days after it is due and payable, the management committee may demand the tenant to pay to the association all future lease payments due the owner, commencing with the next monthly or other periodic payment, until the amount due to the association is paid; provided, however, the manager or management committee must give the owner written notice, in accordance with the declaration, bylaws, or association rules, of its intent to demand full payment from the tenant. This notice shall:

(i) provide notice to the tenant that full payment of remaining lease payments will commence with the next monthly or other periodic payment unless the assessment is received within the time period provided in the declaration, bylaws, or association rules;

(ii) state the amount of the assessment due, including any interest or late payment fee;

(iii) state that any costs of collection, not to exceed \$150, and other assessments that become due may be added to the total amount due; and

(iv) provide the requirements and rights described herein.

a. If the owner fails to pay the amount of the assessment due by the date specified in the notice, the manager or management committee may deliver written notice to the tenant, in accordance with the declaration, bylaws, or association rules, that demands future payments due to the owner be paid to the association pursuant hereto. A copy of the notice must be mailed to the owner at his last known address as shown on the books and records of the Association. The notice provided to the tenant must state:

(i) that due to the owner's failure to pay the assessment within the time period allowed, the owner has been notified of the management committee's intent to collect all lease payments due to the association pursuant hereto.

(ii) that until notification by the association that the assessment due, including any interest or late payment fee, has been paid, all future lease payments due to the owner are to be paid to the association; and

(iii) payment by the tenant to the association in compliance herewith will not constitute a default under the terms of the lease agreement. If payment is in compliance with this subsection, suit or other action may not be initiated by the owner against the tenant for failure to pay.

b. All funds paid to the association pursuant hereto shall be deposited in a separate account and disbursed to the association until the assessment due, together with any cost of administration which may not exceed \$25, is paid in full. Any remaining balance must be paid to the owner within five business days of payment in full to the association.

c. Within five business days of payment in full of the assessment, including any interest or late payment fee, the manager or management committee must notify the tenant in writing that future lease payments are no longer due to the association. A copy of this notification must be mailed to the owner.

d. As used in this section, the terms "lease" or "leasing" shall mean and refer to regular, exclusive occupancy of a unit by any person or persons, other than the owner, for which the owner receives any consideration or benefit, including a fee, service, gratuity, or emolument.

27. Liability of Management Committee. The Association shall indemnify every officer, member, managing member and member of the Committee against any and all expenses, including but not limited to attorney's Assessments reasonably incurred by or imposed upon any officer or member of the Committee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Committee) to which he may be a party by reason of being or having been an officer or member of the Committee. The officers and members of the Committee shall not be liable for any mistake of judgement, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The

officers and members of the Committee shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or members of the Committee may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and member of the Committee free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be exclusive of any other rights to which any officer or member of the Committee, or former officer or member of the Committee, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officer's and director's insurance coverage to fund this obligation, if such insurance is reasonably available.

28. Insurance. If reasonably available, the Management Committee shall purchase and maintain the following insurance coverage:

a) Property Insurance. A blanket property insurance using the standard "Special" or "All Risk" building form covering the Common Area and Facilities.

b) Flood Insurance. Flood insurance if any part of the Project's improvements are in a Special Flood Hazard Area.

c) Liability Insurance. A liability insurance policy protecting the Association from liability for bodily injury and property damage.

d) Director's and Officers's Insurance. A policy of insurance protecting the officers and directors of the Association.

e) Fidelity Bond. A fidelity bond protecting the Association from acts of fraud or dishonesty by those persons handling common funds.

Each Owner and resident shall purchase and maintain adequate liability and property insurance on his Lot, Dwelling Unit, personal property and contents; provided, however, no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Association, on behalf of all the Owners and their mortgagees, may realize under any insurance policy which the Association may have in force on the Property at any particular time. The insurance coverage of an Owner shall, in the event the Association also has insurance covering the loss, be primary and the insurance of the Association shall be secondary.

The foregoing provisions shall not be construed to limit the power or authority of the Association, Committee or Owners to obtain and maintain insurance coverage, in amounts and in such forms as the Management Committee or Association may deem appropriate from time to time.

29. Disposition of Property Where Insurance Proceeds Are Insufficient for Reconstruction. If the insurance proceeds are insufficient to reconstruct the Common Areas and Facilities, damage to or destruction of the Common Areas and Facilities shall be promptly repaired and restored by the manager or management committee, using proceeds of insurance, if any, on the Common Areas and

Facilities for that purpose, and the Owners shall be liable for assessment for any deficiency. However, if three-fourths or more of the Common Areas and Facilities are destroyed or substantially damaged and if the Owners, by a vote of at least three-fourths of such Owners, do not voluntarily, within one hundred days after such destruction or damage, make provision for reconstruction, the manager or management committee shall record, with the county recorder, a notice setting forth such facts and upon the recording of such notice:

- a) The property shall be deemed to be owned in common by the Owners;
- b) the undivided interest in the property owned in common which shall appertain to each Owner shall be the percentage of undivided interest previously owned by such owner in the common elements.
- c) Any liens affecting any of the units shall be deemed to be transferred in accordance with the existing priorities to the undivided interest of the Owner in the property; and
- d) The property shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the Owners in a percentage equal to the percentage of undivided interest owned by each owner in the property, after first paying out of the respective shares of the Owners, to the extent sufficient for the purposes, all liens on the undivided interest in the property owned by each Owner.

30. Sale of Property. The owners may, by an affirmative vote of at least three-fourths of such Owners, at a meeting of Owners duly called for such purpose, elect to sell or otherwise dispose of the property. Such action shall be binding upon all unit owners and it shall thereupon become the duty of every Owner to execute and deliver such instruments and to perform all acts as in manner and form may be necessary to affect the sale.

31. Property taken by eminent domain -- Allocation of award -- Reallocation of interests.

- a) If any portion of the Common Areas and Facilities is taken by eminent domain, the award for it shall be allocated to the Owners in proportion to their respective undivided interests in the Common Areas and Facilities.
- b) If any Lots are taken by eminent domain, the undivided interest in the Common Areas and Facilities appertaining to these Lots shall thenceforth appertain to the remaining Lots, being allocated to them in proportion to their respective undivided interests in the Common Areas and Facilities. The court shall enter a decree reflecting the reallocation of undivided interests so produced, and the award shall include, without limitation, just compensation to the Owner of any Lot taken for his undivided interest in the Common Areas and Facilities as well as for his Lot.

c) If portions of any Lot are taken by eminent domain, the court shall determine the fair market value of the portions of the Lot not taken, and the undivided interest in the Common Areas and Facilities appertaining to any such Lots shall be reduced, in the case of each Lot, in proportion to the diminution in the fair market value of the Lot resulting from the taking. The portions of undivided interest in the Common Areas and Facilities thus divested from the Owners of these Lots shall be reallocated among these Lots and the other Lots in the condominium project in proportion to their respective undivided interests in the Common Areas and Facilities, with any Lot partially taken participating in the reallocation on the basis of their undivided interests as reduced in accordance with the preceding sentence. The court shall enter a decree reflecting the reallocation of undivided interests produced by this, and the award shall include, without limitation, just compensation to the Owner of any Lot partially taken for that portion of his undivided interest in the Common Areas and Facilities divested from him by operation of the first sentence of this Subsection (3), and not revested in him by operation of the following sentence, as well as for that portion of his Lot taken by eminent domain.

d) The court shall enter a decree reflecting the reallocation of undivided interests produced this, and the award shall include, without limitation, just compensation to the Owner of any Lot partially taken for that portion of his undivided interest in the Common Areas and Facilities divested from him and also not revested in him under this Subsection(4), as well as for that portion of his Lot taken by eminent domain.

e) If, however, the taking of a portion of any Lot makes it impractical to use the remaining portion of that Lot for any lawful purpose permitted by the declaration, then the entire undivided interest in the Common Areas and Facilities appertaining to that unit shall thenceforth appertain to the remaining Lots, being allocated to them in proportion to their respective undivided interest in the Common Areas and Facilities, and the remaining portion of that Lot shall thenceforth be a common area and facility. The court shall enter a decree reflecting the reallocation of undivided interests produced by this, and the award shall include, without limitation, just compensation to the unit owner of the unit for his entire undivided interest in the Common Areas and Facilities and for his entire Lot.

32. Consent in Lieu of Vote. In any case in which this Declaration requires the vote of an Owner for authorization or approval, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing from Owners who collectively hold the required percentages.

33. Mortgagee Protection. The lien or claim against a Lot for unpaid Assessments levied by the Management Committee or by the Association pursuant to this Declaration shall be subordinate to any Mortgage recorded on or before the date such Assessments become due, subject to the following:

a) Effects of Voluntary and Involuntary Sale. The lien or claim against a Lot for such unpaid Assessments shall not be affected by any sale or transfer of such Lot, except that a sale or transfer pursuant to a foreclosure of the Mortgage affecting such Lot or the exercise of a power of sale available thereunder shall extinguish any debt payable prior to such sale or transfer.

Nevertheless, any such unpaid Assessments which are extinguished in accordance with the foreclosure or power of sale shall not relieve the purchaser or transferee of such Lot from liability for, nor such Lot the lien of any Assessments becoming due thereafter.

b) Books and Records Available for Inspection. The Committee or the Association shall make available to the Owners, to Mortgagees, lenders, and to holders, insurers, or guarantors of any Mortgage current copies of the Declaration, By-Laws, Articles of Incorporation, and administrative rules and regulations concerning the Project, as well as the books, records, and financial statements of the Committee and the Association. The term "Available", as used in the Paragraph, shall mean available for reasonable inspection upon request during normal business hours or under other reasonable circumstances. The Association shall have the right to recover its photocopying and service charges incurred in making the inspection and photocopying available.

c) Right to Financial Statement. The holder, insurer or guarantor of any Mortgage shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year. Any financial statement requested pursuant hereto shall be furnished to the requesting party within a reasonable time following such request.

d) Management Contracts. Any agreement for professional management of the Project, and any contract for goods or services, or any lease which is entered into by the Management Committee or the Association shall provide or be deemed to provide hereby that either party may terminate the contract with or without cause upon at least sixty (60) days prior written notice to the other party thereto.

e) Eligible Mortgagee Designation. Upon written request to the Committee or the Association by the holder, insurer, or guarantor of a Mortgage (which request identifies the name and address of such holder, insurer or guarantor and the Lot Number or address of the property encumbered by the Mortgage held or insured by such holder, insurer, or guarantor), such holder, insurer, or guarantor shall be deemed thereafter to be an "Eligible Mortgagee" or "Eligible Insurer" or "Eligible Guarantor", as the case may be, shall be included on the appropriate lists maintained by the Association, and shall be entitled to timely written notice of any of the following:

(1) Condemnation Loss or Award. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Lot on which there is a Mortgage held, insured, or guaranteed by such Eligible Insurer or Guarantor.

(2) Delinquency. Any delinquency in the payment of Assessments owed by an Owner of a Lot subject to a Mortgage held, insured or guaranteed by such Eligible Insurer or Guarantor, which delinquency remains uncured for a period of sixty days.

(3) Lapse of Insurance. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Committee or the Association.

(4) Consent Required. Any proposed action which would require the consent

of a specified percentage of Eligible Mortgagees.

f) No Right of First Refusal. The right of an Owner to sell, transfer, or otherwise convey his Lot shall not be subject to any right of first refusal or similar restriction.

34. Amendment. This Declaration may be amended as follows:

a) Declarant. Until the end of Class B membership, the Declarant may unilaterally amend this Declaration by recording a written instrument executed by the Declarant, without any additional approval required.

b) Consent of the Owners. The affirmative vote of at least sixty seven percent (67%) of the Owners shall be required and shall be sufficient to amend the Declaration or the Plat Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Management Committee. In such instrument the Secretary of the Association shall certify that the vote required by this Section for amendment has occurred, and if the approval of a specified percentage of Eligible Mortgagees is required and/or has been obtained. Provided, however, no such amendment shall be valid or enforceable without the prior written consent of the Declarant until the end of Class B membership; and

c) Consent of Eligible Mortgagee. The consent of at least sixty-seven percent (67%) of the Eligible Mortgagees shall be required to any amendment which would terminate the legal status of the Project; and the consent of Eligible Mortgagees holding at least fifty-one percent (51%) of the undivided Ownership interest in the Common Areas shall be required to add to or amend any material provision of this Declaration or the Plat Map which establishes, provides for, governs, or regulates any of the following: (1) voting rights; (2) increases in assessments that raise the previously assessed amount by more than twenty-five (25%), assessment liens, or the priority of assessment liens; (3) reductions in reserves for maintenance, repair, and replacement of the Common elements; (4) insurance or fidelity bonds; (5) limitations and restrictions on the right to use of the Common Areas; (6) responsibility for maintenance and repairs; (7) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Project; (8) the boundaries of any Lot; (9) the percentages of Ownership interest in the Common Areas; (10) convertibility of a Lot into Common Areas or Common Area into a Lot; (11) the imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his Lot; (12) express benefits or rights of Mortgagees, Eligible Mortgagees, or Eligible Guarantors; and (13) the requirement that the Project be professionally managed rather than self managed. Any addition or amendment shall not be considered material for purposes of this Paragraph b) if it is for the clarification only or to correct a clerical error. Notice of any proposed amendment to any Eligible Mortgagee to whom a written request to approve an addition or amendment to this Declaration or the Plat Map is required shall be mailed postage prepaid to the address for such Mortgagee shown on the list maintained by the Association. Any Eligible Mortgagee who does not deliver to the Committee or the Association a negative response to the notice of the proposed amendment within thirty (30) days from the date of such mailing shall be deemed to have approved the proposal. The foregoing consent requirements shall not be applicable

to amendments to this Declaration and the Plat Map or the termination of the legal status of the Project as a Planned Unit Development if such amendments or such termination are made or accomplished in accordance with the provisions of this Declaration regarding Condemnation or Substantial Obsolescence.

35. Notice and Hearing. In the event an Owner or resident is charged with a material violation of the Project Documents, he shall be entitled to written notice of the claim and the opportunity to be heard by the Management Committee before any sanction, citation, fine or decision becomes final; provided, however, after notice and hearing, the decision of the Committee shall be conclusive, final and binding.

36. Declarant's Sales Program. Notwithstanding anything to the contrary, until the occurrence of the Events, neither the Owners, the Association nor the Committee shall interfere with the Declarant or its completion of improvements and sale of all remaining Lots or Dwelling Units, and Declarant shall have the following rights in furtherance of any sales, promotions or other activities designed to accomplish or facilitate the sale of all Lots or Dwelling Units owned by Declarant:

a) Sales Office and Model Lots. Declarant shall have the right to maintain one (1) or more sales offices and one (1) or more model Lots or Dwelling Units at any one time. Such offices and/or models may be one or more of the Lots owned by it, or one or more of any separate structures or facilities placed on the Property for the purpose of aiding Declarant's sales effort, or any combination of the foregoing;

b) Promotional. Declarant shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Property.

c) Common Area Use. Without any other additional approval required, the Declarant shall have the exclusive, unconditional, and irrevocable right to (a) convert the use of a lot or lots to accommodate a swimming pool and/or other recreational amenities; and (b) use the Common Areas and Facilities to facilitate sales

d) Relocation and Removal. Declarant shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility which was placed on the Property for the purpose of aiding Declarant's sales effort.

37. Limitation on Improvements by Association. Until the happening of the Occurrence described above, neither the Association nor the Committee shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas and Facilities

created or constructed by Declarant, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant.

38. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Lots, Dwelling Units or Buildings in the Project title to which is vested in Declarant shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protection and controls which are accorded to Declarant (in its capacity as Declarant) herein.

39. Transfer of Management. Anything to the contrary notwithstanding, Declarant may at any time relinquish its reserved right to select members of the Management Committee, and to transfer management of the Project to the Association. If and when Declarant elects to do so, Declarant shall send written notification to each Owner of the effective date of the transfer (the "transfer or Transition Date") at least forty five (45) days prior thereto. Thereupon, the Owners shall call a meeting of the Association to elect the members of their own Management Committee to take office as of the Transfer Date. Declarant covenants to cooperate with the Owners in effecting an orderly transition of management. Moreover, Declarant shall cause all obligations for Common Area expenses of the Committee incurred prior to the Transfer Date to be paid in full on or before such date.

40. Certain Provisions Applicable to Declarant. Notwithstanding any other provision herein contained, for so long as Declarant continues to own any of the Lots or Dwelling Units, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations of an Owner to pay Assessments, except as herein otherwise provided, as to each Lot owned by Declarant in accordance with the Declaration.

a) Declarant's Rights. Declarant reserves for itself and its assigns the right to vary the timing, style, and number of Units, the materials and other such details of construction in adding phases to this Declaration.

b) Disclaimer. Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Project or the Declaration except as specifically set forth herein or in any agreement for sale of a Lot, and no person shall rely upon any warranty or representation not so specifically made therein.

c) Declarant's Consent to Amendment. No amendment may be made to the Declaration without the written consent of Declarant so long as Declarant retains the Ownership of five (5) or more Lots or Dwelling Units.

41. Expansion of the Project. This is an expandable Project.

(a) Application and Reservation of Option to Expand. This Declaration shall apply to all of the Property. Without any other additional approval required, the Developer hereby reserves and shall have the exclusive, unilateral, unconditional, and irrevocable right to (i) convert the use of a lot or lots to accommodate a swimming pool and/or other recreational amenities; and (ii) expand the application of this Declaration to other real property by written supplements to this Declaration duly recorded. This option to expand may be exercised from time to time, at different times and in any order, without limitation, and such right may be exercised without first obtaining the consent or vote of Owners.

(b) Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarant in the office of the County Recorder of Salt Lake County, Utah, a Supplement or Supplements to this Declaration containing a legal description of the site or sites for new Lots, together with supplemental Map or Maps containing the same information with respect to the new Lots as was required on the Map with respect to the Phase I Lots. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

(c) Expansion of Definitions. In the event of such expansion the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Project as so expanded. The term "Property" shall mean the real property initially submitted under the Declaration, plus any Additional Land added to the Project by a Supplemental Declaration or by Supplemental Declarations, and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of Lots after such expansion shall be effective to transfer rights in the Project, as expanded, with additional references to the original and supplemental declarations and the maps. The recordation in the office of the Salt Lake County Recorder of a Supplemental Map incident to any expansion shall operate automatically to grant, transfer, and convey to then Owners in the Project as it existed before such expansion the respective undivided interests in the new Common Areas added to the Project as a result of such expansion. Such recordation shall also operate to vest in any then mortgagee of any Lot in the Project as it existed, a security interest in the Common Areas of the Project, as expanded.

(d) Declaration Operative on New Lots. The new Lots shall be subject to all the terms and conditions of this Declaration and of a Supplemental Declaration, and the Lots therein shall be subject to common ownership with all the incidents pertaining thereto as specified herein, upon recording the Supplemental Map and Supplemental Declaration in the said office of the Salt Lake County Recorder.

(e) Right of Declarant to Adjust Ownership Interest in Common Areas. Each deed of a Lot shall be deemed to irrevocably reserve to the Declarant the power to appoint to Owners, from time to time, the percentages in the Common Areas set forth in Supplemental or Amended Declaration. The proportionate interest of each Owner in the Common Areas after any expansion of the Project shall be an undivided interest of the Project as expanded. A power coupled with an interest is hereby granted to the Declarant, its successors and assigns, as attorney in fact to shift percentages of the Common Areas in accordance with Supplemental or Amended Declarations

recorded pursuant hereto and each deed of a Lot in the Project shall be deemed a grant of such power to the Declarant. Various provisions of this Declaration and deeds and mortgages of the Lots may contain clauses designed to accomplish a shifting of the Common Areas. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Areas can be accomplished. Notwithstanding anything to the contrary herein, no change in the percentage of undivided interest in the Common Areas may be effected more than seven (7) years after the effective date of the Declaration.

Accordingly, upon the recordation of a Supplemental Declaration and Supplemental Map incident to any expansion, the revised schedule of undivided interests in the Common Areas contained therein shall automatically become effective for all purposes and shall fully supersede any similar schedule which was contained in any declaration associated with any prior phase. In the event the provisions of the separate instruments relating to the Project conflict irreconcilably, the terms of that instrument which was recorded most recently shall control.

(f) Other Provisions Concerning Expansion. If the Project is expanded as hereinbefore contained, then it is further provided that:

(1) All or any part of the Additional Land may be added to the Project without any limitations whatsoever save and except that all additional Lots designated on the Map for the development of Dwelling Units in a residential area must be restricted to multi family residential housing limited to one family per Dwelling Unit.

(2) Portions of the Additional Land may be added to the Project at different times without any limitations.

(3) Declarant shall have the right without further conveyance or documentation to build roads and access ways to the Additional Property through the easement areas as shown on the Map. The Association of Unit Owners shall not allow anything to be built upon or interfere with said easement areas.

(4) No assurances are made concerning:

(a) The locations of any improvement that may be made on any portion of the Additional Land that may be added to the Project.

(b) Type, kind or nature of improvement which may be created on any portion of the Additional Land, except that the common facilities, Buildings, Lots and Dwelling Units will be comparable to the similar improvements in Phase I and will be of a similar quality of materials and construction to Phase I and will be substantially completed prior to annexation.

(c) Whether any Lots or Dwelling Units, or amenities created on any portion of the Additional Land will be substantially identical to those within the initial Project, except that they will be constructed of an equal or better quality of materials and construction than

the Lots and Dwelling Units in Phase I.

(d) Type, size, or maximum number of limited common areas as private yard areas which may be created within any portion of the Additional Land added to the Project.

(5) Notwithstanding anything to the contrary which may be contained herein, the Declaration is not intended, and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (a) the submission of any portion of the Additional Land to the provisions of the Act as Land under this Declaration; (b) the creation, construction, or addition to the Project of any additional property; (c) the carrying out in any particular way or within any particular time of any development which may be undertaken except as herein mentioned; or (d) the taking of any particular action with respect to the Additional Land, the Project, or any Land.

(6) Assuming that only Phase I of the Project is completed, the minimum number of Lots would be sixty-three (63) and the maximum percentage of ownership interest of each Lot would be 1.5873%. Assuming all Phases are completed and all Additional Land is added to the Project the maximum number of Lots shall be four hundred (400), the maximum number of Lots per acre will be 4.0. The minimum percentage of ownership interest of each Lot would be .268%. Provided, however, the number of Lots actually created and the actual undivided percentage of ownership interest of each Lot may actually be somewhere in between the numbers and percentages set forth above.

42. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to make the Project safer than it otherwise might be. However, neither the Association nor the Committee shall in any way be considered insurers or guarantors of security within the Project. Neither the Association nor the Management Committee shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness or security measures undertaken. All Owners, occupants and residents, their family members, guests and invitees, as applicable, acknowledge (a) that neither the Association nor the Committee represent or warrant that any security measures undertaken will ensure their safety; (b) that the Association and Committee are not insurers of their safety, (c) they hereby assume all risks for loss or damage to their person or property, and (d) further acknowledge that neither the Association nor the Committee have made any representations or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose, relative to any security measures undertaken within the Project.

43. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitude, as the case may be, and shall be binding upon and shall inure to the benefit of Association, all other signatories hereto, all parties who hereafter acquire any interest in a Lot or in the Project, and their respective grantees, transferees, heirs, devisee, personal representative, successors, and assigns. Each Owner or resident of a Lot shall comply with, and all interests in all Lots shall be subject to, the terms of this

Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Lot in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

44. Enforcement and Right to Recover Attorneys Fees. Should the Association or Committee be required to take action to enforce the Declaration, By-Laws or any administrative rules and regulations adopted from time to time, or to pursue any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise, they may recover all Additional Charges, including a reasonable attorneys fee, which may arise or accrue. In addition, the Management Committee may impose the following sanctions after proper notice and the opportunity to be heard:

- a) imposing reasonable monetary fines which shall constitute a lien upon the violator's Unit;
- b) suspending an Owner's right to vote;
- c) suspending any Person's right to use any of the recreational facilities; provided, however, nothing herein contained shall authorize the Management Committee to limit ingress or egress to or from a Unit;
- d) exercising self-help or taking action to abate any violation of the Project Documents in a non-emergency situation;
- e) exercising self-help in any emergency situation (specifically including but not limited to the towing of vehicles that are in violation of the parking rules);
- f) requiring an Owner at his sole expense to remove any structure or improvement in the Common Area, and upon the failure of the Owner to do so, the Management Committee or its designee shall have the right to enter the property and remove the violation and restore the property to its original condition, and such action shall not be deemed a trespass;
- g) without liability to any Person, precluding any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the Project Documents; and
- h) levying Individual Assessments or Additional Charges to cover costs incurred by the Association to bring a Lot or Lot Owner into compliance.

45. Agent for Service of Process. The initial Registered Agent shall be Christopher P. Gamvroulas and the initial office of the Registered Agent shall be 970 Woodoak Lane, Salt Lake City, Utah 84117. After the occurrence of the Event, the President of the Association shall be the person to receive service of process in the cases authorized by the Act and the office.

46. Duration. This Declaration shall continue for a period of thirty (30) years. Then, it shall be automatically renewed for ten (10) year periods, unless sooner terminated by the affirmative vote of seventy-five percent (75%) of the Owners.

47. Waiver. No restriction, condition, obligation, or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

48. Captions. The captions and headings contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.


49. Interpretation. Whenever in these By-Laws the context so requires, the singular number shall refer to the plural and the converse; and the use of any gender shall be deemed to include both masculine and feminine; and the term "shall" is mandatory while the term "may" is permissive.

50. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this document should be invalid or should operate to render this document invalid, this document shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections, or section or sections had not been inserted.

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

Dated the 27th day of AUGUST, 2003.

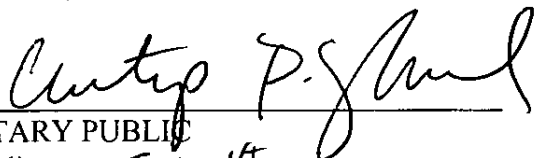
DECLARANT:
IVORY HOMES, LTD.
By: VALUE, L.C.
Its: General Partner

By: 
Name: Clark D. Ivory
Title: Manager

ACKNOWLEDGMENT

STATE OF UTAH)
 ss:
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 27th day AUGUST 2003 by Clark D. Ivory, the Manager of VALUE, L.C., the General Partner of IVORY HOMES, LTD., a Utah limited partnership, and said Clark D. Ivory duly acknowledged to me that said IVORY HOMES, LTD. executed the same.


NOTARY PUBLIC
Residing at: Suc, UT
My Commission Expires: 7/20/2007

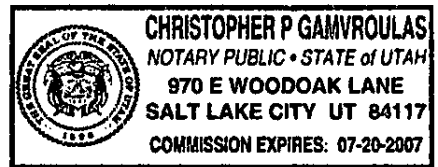


EXHIBIT "A"
LEGAL DESCRIPTION

The Land referred to in the foregoing document is located in Salt Lake County, Utah and is described more particularly as follows:

LEGAL DESCRIPTION

BEGINNING AT A POINT ON THE EASTERLY LINE OF THE UTAH AND SALT LAKE DISTRIBUTION CANAL, SAID POINT BEING S89°57'38"E, 294.57 FEET ALONG THE QUARTER SECTION LINE AND N0°02'23"E, 39.89 FEET FROM THE WEST QUARTER CORNER OF SECTION 21, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE ALONG THE EASTERLY LINE OF SAID UTAH LAKE DISTRIBUTION CANAL THE FOLLOWING FOURTEEN (14) COURSES: N13°28'51"E, 100.47 FEET; THENCE N20°40'09"E, 109.39 FEET; THENCE N28°39'58"E, 196.23 FEET; THENCE N28°47'23"E, 52.51 FEET; THENCE N29°37'52"E, 100.84 FEET; THENCE N32°38'40"E, 150.64 FEET; THENCE N34°02'23"E, 139.63 FEET; THENCE N31°43'48"E, 176.66 FEET; THENCE N26°26'00"E, 238.45 FEET; THENCE N25°38'19"E, 621.64 FEET; THENCE N21°01'53"E, 116.69 FEET; THENCE N18°06'59"E, 215.09 FEET; THENCE N15°10'16"E, 104.79 FEET; THENCE N10°43'12"E, 170.53 FEET; THENCE S0°00'27"W, 2254.85 FEET; THENCE N89°56'26"W, 1026.16 FEET TO THE POINT OF BEGINNING.

CONTAINS: 24.0618 ACRES - 63 LOTS

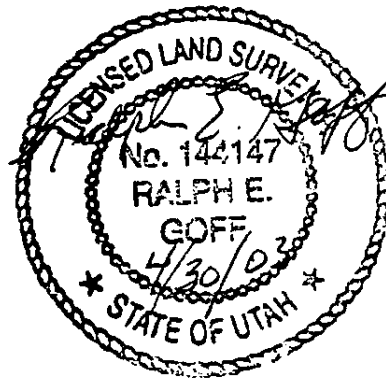


EXHIBIT "B"

<u>Lot No.</u>	<u>Percentage of Ownership Inter</u>
1	1.5873%
2	1.5873%
3	1.5873%
4	1.5873%
5	1.5873%
6	1.5873%
7	1.5873%
8	1.5873%
9	1.5873%
10	1.5873%
11	1.5873%
12	1.5873%
13	1.5873%
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52	1.5873%
53	1.5873%
54	1.5873%
55	1.5873%
56	1.5873%
57	1.5873%
58	1.5873%
59	1.5873%
60	1.5873%
61	1.5873%
62	1.5873%
63	1.5873%
Total:	100.00%

EXHIBIT "C"
BY-LAWS OF IVORY CROSSING
A Planned Unit Development

The following are the By Laws of the IVORY CROSSING PROPERTY OWNERS ASSOCIATION.

ARTICLE I

PLAN OF LOT OWNERSHIP AND INCORPORATION

1. Submission. These are the By-Laws referred to in the foregoing Declaration of Covenants, Conditions and Restrictions of IVORY CROSSING, a Planned Unit Development (the "Declaration"), which is located in Salt Lake County, Utah. These By-Laws shall govern the administration of the Project and Association.

2. Organizational Form. If the Association is incorporated under the laws of the State of Utah, then these By-Laws shall also function and operate as the by-laws of the corporation.

3. Office and Registered Agent. The initial Registered Agent shall be CHRISTOPHER P. GAMVROULAS and the initial office of the Registered Agent shall be 970 Woodoak Lane, Salt Lake City, Utah 84117. However, after transfer of management and control of the Association is made by the Declarant to the members of the Association, the Registered Agent shall be the President of the Association and the Registered Office shall be the home of the President or such other place as shall be designated by him.

ARTICLE II

ASSOCIATION

1. Composition. The association of lot owners is a mandatory association consisting of all Owners.

2. Annual Meeting. The annual meeting of the Association shall be held on the third Monday in September, unless otherwise determined by the Management Committee.

3. Special Meetings. Special meetings of the Association may be called by the President of the Association, any two (2) members of the Management Committee, or by the written petition of at least twenty-five percent (25%) of the Owners.

4. Place of Meeting. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place as may be designated by the Management Committee from time to time and stated in the notice of meeting.

5. Notice of Meeting. It shall be the duty of the Secretary to hand deliver or mail to each owner at his last known address, by regular U.S. mail postage prepaid, a notice of (a) each annual meeting of the Association not less than ten (10) and not more than thirty (30) days in advance of such meeting; and each special meeting not less than three (3) nor more than fourteen (14) days in advance of such meeting. The notice shall state the purpose, day, date, time and place of the meetings. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

6. Qualified Voters. An Owner shall be deemed to be in "good standing" and "entitled to vote" at any meeting of the Association if, and only if, he shall be in full compliance with all of the terms, covenants, and conditions of the Project Documents, and shall have fully paid his share of the Common Expenses and all Assessments and/or Additional Charges due.

7. Proxies. The votes appertaining to any Lot may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Lot Owner, or in cases where the Owner is more than one person, by or on behalf of all such persons. Any proxy shall be void if it is not dated, if it purports to be revocable without notice, or if it is not signed by a person having authority, at the time of the execution thereof, to execute deeds on behalf of that person. Unless it expressly states otherwise, a proxy shall terminate automatically (a) if the Owner attends the meeting in person, (b) it is revoked in writing and written notice of the revocation is given to the Secretary of the Association prior to the meeting, and (c) upon the adjournment of the first meeting held on or after the date of that proxy. Each proxy must be filed with the Secretary of the Association prior to the meeting. Only individual Owners or the legal representative of an institutional Owner may be proxies.

8. Quorum Voting. A majority of the members of the Association shall constitute a quorum for the adoption of decisions. If however, such quorum shall not be present or represented at any meeting, the Owners entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting and reschedule for a time no earlier than two days after the set time for the original meeting. No notice of such rescheduled meeting shall be required except an oral announcement at the meeting to be rescheduled. Those Owners present, either in person or by proxy, at the rescheduled meeting shall constitute a quorum for the adoption of decisions. When a quorum is present at any meeting, the vote of the Owners representing a majority of the members of the Association in person or by proxy, shall decide any question brought before the meeting. If the Declaration requires a fixed percentage of Owners to approve any action, however, that percentage shall be required anything to the contrary notwithstanding.

9. Order of Business. The order of business at all meetings of the Association shall be as follows:

- a. roll call;
- b. proof of notice of meeting;
- c. reading of minutes of preceding meeting;
- d. reports of officers;

- e. report of special committees, if any;
- f. election of inspectors of election, if applicable;
- g. election of Committee Members, if applicable;
- h. unfinished business; and
- i. new business.

10. Conduct of Meeting. The President shall, or in his absence the Vice-President, preside over all meetings of the Association; and the Secretary shall keep the minutes of the meeting as well as record of all transactions occurring thereat.

ARTICLE III

MANAGEMENT COMMITTEE

1. Powers and Duties. The affairs and business of the Association shall be managed by the Management Committee. The Management Committee shall have all of the powers and duties necessary for the administration of the affairs of the Association in accordance with the provisions of the Declaration and may do all such acts and things necessary to operate and maintain the Project. The Committee shall have the power from time to time to adopt any Rules and Regulations deemed proper for the exercise of its management powers. The Committee may delegate its authority to a manager or managers. Subject to any limitations or provisions contained in the Declaration, the Committee shall be responsible for at least the following:

- a) Preparation of an annual budget;
- b) Establishing the Assessment of each Owner;
- c) Providing for the operation, care, upkeep, replacement, maintenance, and regulation of all the Common Areas and Facilities.
- d) Hiring, a professional manager and the personnel necessary to operate and maintain the Project.
- e) Collecting the Assessments.
- f) Enforcing the Project Documents.
- g) Establishing bank accounts.
- h) Obtaining insurance.
- i) Keeping books and records with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Project, specifying the maintenance and repair expenses of the Common Areas and any other expenses incurred. Said documents, books, financial

statements, and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices.

j) Providing, common utilities.

k) Doing such other things and acts necessary to accomplish the foregoing and not inconsistent with the Declaration or By-Laws, or to do anything required by a proper resolution of the Management Committee or Association

2. Composition of Management Committee. The Management Committee shall be composed of at least three (3) but no more than five (5) members.

3. Election and Term of Office of the Committee. The term of office of membership on the Management Committee shall be two (2) years. At the expiration of the member's term, a successor shall be elected.

4. First Meeting. The first meeting of the members of the Management Committee shall be immediately following the annual meeting of the Association or at such other time and place designated by the Committee.

5. Regular Meetings. Regular meetings of the Management Committee shall be held from time to time and at such time and place as shall be determined by a majority of the members of the Committee, but no less often than semi-annually.

6. Special Meetings. Special meetings of the Management Committee may be called by the President, Vice President or a majority of the members on at least forty-eight (48) hours prior notice to each member. Such notice shall be given personally, by regular U.S. Mail postage prepaid, or by telephone, and such notice shall state the time, place and purpose of the meeting. Any meeting attended by all members of the Committee shall be valid for any and all purposes.

7. Waiver of Notice. Before or at any meeting of the Management Committee, any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member at any meeting of the Committee shall constitute a waiver of notice. If all the members are present at any meeting of the Committee, no notice shall be required and any business may be transacted at such meeting.

8. Committee's Quorum. At all meetings of the Management Committee, a majority of the members then in office shall constitute a quorum for the transaction of business, and the acts of the majority of all the Committee members present at a meeting at which a quorum is present shall be deemed to be the acts of the Committee. If, at any meeting of the Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time but for no

longer than two days. At any such rescheduled meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. Vacancies. Vacancies in the Management Committee caused by any reason other than removal of a member by a vote of the Association shall be filled by vote of the majority of the remaining members of the Committee at a special meeting of the Committee held for that purpose promptly after the occurrence of any such vacancy, even though the total members remaining may constitute less than a quorum of the committee; and each person so elected shall be a member for the remainder of the term of the member so replaced and until a successor is elected at the next annual meeting of the Association. A vacancy created by the removal of a member by a vote of the Association shall be filled by the election and vote of the Association.

10. Removal of Committee Member. A member of the Management Committee may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Association at which a quorum of the Association is present, by an affirmative vote of a majority of the members of the Association. Any member whose removal has been proposed by the Owners shall be given at least thirty days notice of the calling of the meeting and the purpose thereof and an opportunity to be heard at the meeting. Any Committee Member who misses twenty-five percent (25%) or more of the Committee Meetings or who misses three (3) consecutive meetings, in any calendar year, shall be automatically removed from the Committee.

11. Conduct of Meetings. The President shall preside over all meetings of the Committee and the Secretary shall keep a Minute Book of the Committee recording therein all resolutions adopted by the Committee and a record of all transactions and proceedings occurring at such meetings.

a) Open Meetings Policy. A portion of each meeting of the Management Committee shall be open to all members of the Association, but Owners other than members of the Committee may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Committee.

b) Executive Session. The Management Committee may, with approval of a majority of a quorum, adjourn a meeting and reconvene in an Executive Session to discuss and vote upon private, confidential, sensitive or personnel matters, litigation, and orders of business of a similar nature. The nature of any and all business to be considered in an Executive Session shall first be announced in open session.

c. Action Without A Formal Meeting. Any action to be taken at a meeting of the Management Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all members of the Committee.

12. Report of Committee. The Committee shall present at each annual meeting, and when called for by vote of the Association at any special meeting of the Association, a full and clear statement of the business and condition of the Association.

13. Compensation. Committee members shall not be compensated for their services as such, but shall be reimbursed for all expenses reasonably incurred in connection with Committee business and approved by the Committee. Remuneration may be paid to members of the Management Committee for services provided by them in any other capacity.

ARTICLE IV

OFFICERS

1. Designation. The principal officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Committee. The Committee may appoint assistant secretaries and such other officers as in its judgment may be necessary. All officers shall also be members of the Committee. Two or more offices may be held by the same person, except that the President shall not hold any other office.

2. Election of Officers. The officers of the Association shall be elected annually by the Committee at the Corporation meeting of each Committee and shall hold office at the pleasure of the Committee. Any vacancy in an office shall be filled by the Committee at a regular meeting or special meeting called for such purpose.

3. Removal of Officers. The officers shall hold office until their respective successors are chosen and qualify in their stead. Any officer elected or appointed by the Committee may be removed at any time by the affirmative vote of a majority of the Committee, and his successor may be elected at any regular meeting of the Committee, or at any special meeting of the Committee called for such purposes.

4. President. The President shall be the chief executive officer; he shall preside at meetings of the Association and the Committee shall be an ex officio member of all committees; he shall have general and active management of the business of the Committee and shall see that all orders and resolutions of the Committee are carried into effect. He shall have all of the general powers and duties which are usually vested in or incident to the use of president of a stock corporation organized under the laws of the State of Utah.

5. Vice-President. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Committee or the President shall prescribe. If neither the President nor the Vice President is able to act, the Committee shall appoint a member of the Committee to do so on an interim basis.

6. Secretary. The secretary shall attend all meetings of the Committee and all meetings of the Association and record all votes and the minutes of all proceedings in a book to be kept by him or her for that purpose and shall perform like duties for committees when required. He shall give, or cause to be given, notices for all meetings of the Association and the Committee and shall perform such other duties as may be prescribed by the Committee. The Secretary shall compile and keep

current at the principal office of the Association, a complete list of the Owners and their last known post office addresses. This list shall be open to inspection by all Owners and other persons lawfully entitled to inspect the same, at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the Minute Book of the Association, containing the minutes of all annual and special meetings of the Association and all sessions of the Committee including resolutions.

7. Treasurer. The Treasurer shall have custody of all funds and securities that are not under the control of the Managing Member, and with the assistance of the Managing Member, shall keep full and accurate records of receipts and disbursements, shall prepare all required financial data, and shall deposit all monies and other valuable effects in such depositories as may be designated by the Committee. He shall disburse funds as ordered by the Committee, taking proper vouchers for such disbursements, and shall render to the President and members, at the regular meetings of the Committee, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Project.

8. Compensation. Officers shall not be compensated for their services as such, but shall be reimbursed for all expenses reasonably incurred in connection with Committee business and approved by the Committee. Remuneration may be paid to officers for services provided by them in any other capacity.

ARTICLE V

FISCAL YEAR

The fiscal year of the Association shall be the calendar year consisting of the twelve (12) month period commencing on January 1 of each year terminating on December 31 of the same year. The fiscal year herein established shall be subject to change by the Committee should it be deemed advisable or in the best interests of the Association.

ARTICLE VI

AMENDMENT TO BY-LAWS

1. Amendments. These By-Laws may be modified or amended unilaterally by the Declararant and in addition either (a) by the affirmative vote of a majority of the members of the Association or (b) pursuant to a written instrument of consent duly executed by a majority of the members of the Association provided all of the written consents are obtained within a ninety day period.

2. Recording. An amendment to these By-Laws shall become effective immediately upon recordation in the Office of the County Recorder of Salt Lake County, Sate of Utah.

ARTICLE VII

NOTICE

1. Manner of Notice. All notices, demands, bills, statements, or other communications provided for or required under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or sent by regular U.S. Mail postage pre-paid, a) if to an Owner, at the address of his Lot and at such other address as the Owner may have designated by notice in writing to the Secretary; or b) if to the Committee or the Manager, at the principal office of the Manager or at such other address as shall be designated by notice in writing to the Owners pursuant to this Section.

2. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes, the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent thereto, unless such waiver is ineffective under the provisions of the Declaration.

ARTICLE VIII

COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Conflict. These By-Laws are subordinate and subject to all provisions of the Declaration. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provision of the Declaration shall control.

2. Waiver. No restriction, condition, obligation, or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.


3. Captions. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

4. Interpretation. Whenever in these By-Laws the context so requires, the singular number shall refer to the plural and the converse; and the use of any gender shall be deemed to include both masculine and feminine; and the term "shall" is mandatory while the term "may" is permissive.

5. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this document should be invalid or should operate to render this document invalid, this document shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections, or section or sections had not been inserted.

Dated the 27th day of AUGUST, 2003.

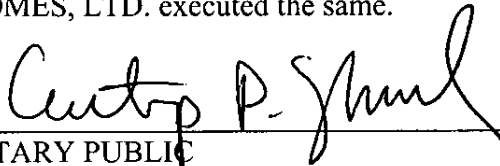
DECLARANT:
IVORY HOMES, LTD.
By: VALUE, L.C.
Its: General Partner

By: 
Name: Clark D. Ivory
Title: Manager

ACKNOWLEDGMENT

STATE OF UTAH)
 SS:
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 27th day AUGUST 2003 by Clark D. Ivory, the Manager of VALUE, L.C., the General Partner of IVORY HOMES, LTD., a Utah limited partnership, and said Clark D. Ivory duly acknowledged to me that said IVORY HOMES, LTD. executed the same.


NOTARY PUBLIC
Residing at: Succ, UT
My Commission Expires: 7/20/2007

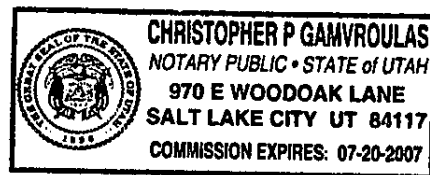


EXHIBIT "D"
LEGAL DESCRIPTION OF
ADDITIONAL LAND

LEGAL DESCRIPTION

BEGINNING AT THE NORTHWEST CORNER OF SECTION 21, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE S89°59'53"E, 1320.00 FEET TO THE WESTERLY LINE OF THE UTAH LAKE DISTRIBUTION CANAL; THENCE ALONG SAID CANAL THE FOLLOWING FOURTEEN (14) COURSE: S00°00'27"W, 89.29 FEET; THENCE S10°43'12"W, 430.26 FEET; THENCE S15°10'16"W, 101.60 FEET; THENCE S18°06'59"W, 212.55 FEET; THENCE S21°01'53"W, 113.44 FEET; THENCE S25°38'19"W, 619.31 FEET; THENCE S26°26'00"W, 235.82 FEET; THENCE S31°43'48"W, 173.37 FEET; THENCE S34°02'23"W, 139.23 FEET; THENCE S32°38'40"W, 152.54 FEET; THENCE S29°37'52"W, 102.51 FEET; THENCE S28°47'23"W, 52.99 FEET; THENCE S28°39'58"W, 199.74 FEET; THENCE S20°40'09"W, 88.92 FEET THENCE LEAVING SAID WESTERLY LINE OF THE UTAH LAKE DISTRIBUTION CANAL RIGHT OF WAY AND RUNNING 52.68 FEET ALONG THE ARC OF A 464.50 FOOT RADIUS CURVE TO THE LEFT (CHORD BEARS N15°28'42"W, 52.65 FEET); THENCE WEST, 265.85 FEET; THENCE N00°01'33"E, 300.91 FEET; THENCE N89°46'32"W, 660.00 FEET; THENCE S00°01'33"W, 318.00 FEET; THENCE N89°46'32"W, 134.09 FEET; THENCE SOUTH, 170.00 FEET; THENCE N89°46'32"W, 60.00 FEET; THENCE NORTH, 250.00 FEET; THENCE N89°46'32"W, 467.78 FEET; THENCE N00°01'37"E, 2360.10 FEET TO THE SECTION LINE; THENCE S89°44'06"E, 1321.86 FEET ALONG THE SECTION LINE TO THE POINT OF BEGINNING.

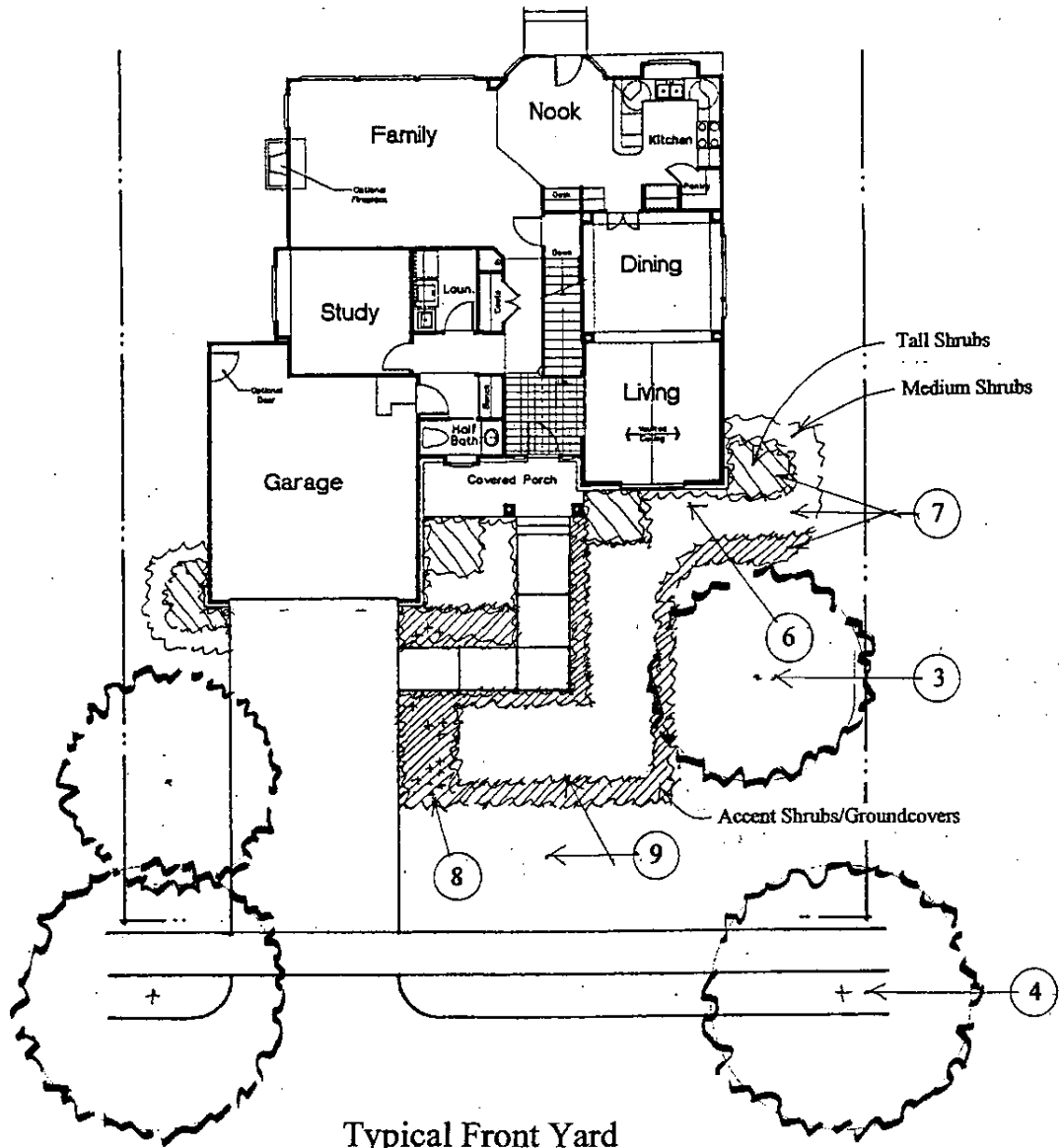
CONTAINS 119.5382 ACRES - 296 LOTS

EXHIBIT "E"
LEGAL DESCRIPTION OF
COMMON AREA

BEGINNING AT A POINT WHICH IS WEST, 927.21 FEET AND NORTH, 1354.93 FEET FROM THE WEST QUARTER CORNER OF SECTION 21, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE N64°21'41"W, 73.21 FEET; THENCE 181.23 FEET ALONG THE ARC OF A 405.00 FOOT RADIUS CURVE TO THE LEFT (CHORD BEARS N77°10'51"W, 179.72 FEET); THENCE WEST, 44.10 FEET; THENCE 25.67 FEET ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE RIGHT (CHORD BEARS N40°58'12"W, 22.65 FEET); THENCE 91.32 FEET ALONG THE ARC OF A 470.00 FOOT RADIUS CURVE TO THE RIGHT (CHORD BEARS N13°37'34"E, 91.18 FEET); THENCE N19°11'33"E, 243.25 FEET; THENCE S69°02'04"E, 356.47 FEET; THENCE S25°38'19"W, 309.97 FEET TO THE POINT OF BEGINNING.

CONTAINS: 106294.5819 SQUARE FEET OR 2.4402 ACRES

EXHIBIT "F"



Typical Front Yard
Landscape Plan
1" = 10'

LANDSCAPE
GUIDELINES

These Guidelines are intended to guide the development of front yard landscaping within Ivory Crossing. Every front yard shall include:

1. Irrigation system;
2. Sod;
3. At least two trees besides street trees. A variety of deciduous and evergreen trees is encouraged. Deciduous trees should be minimum 2" caliper selected from the "Accent trees" list; and evergreen trees should be minimum 7 ft. tall;
4. Street trees planted in the parkstrip as shown. Refer to the Street Tree Planting Plan for the correct species and spacing of street tree. All street trees shall be kept in place and maintained by the homeowner.

All other front yard landscaping shall be consistent with the following:

5. Plant materials should be selected from the recommended plant lists.
6. Landscaping should include foundation plantings. Foundation walls exposed three (3) feet high or more should be planted with at least one row of "tall shrubs".
7. Plantings should be "layered", i.e., taller shrubs planted behind lower shrubs and groundcovers.
8. The use of perennial flowers is encouraged.
9. Front yards should consist of a variety of lawn, shrubs, and groundcovers.
10. Grass lawns should be used. No substitution of alternate groundcover materials, such as gravel, shall be permitted.

RECOMMENDED
PLANT LIST

EXHIBIT "F"

SHADE TREES

<i>Acer platanoides</i>	Norway Maple
<i>Acer platanoides</i> 'Schwedleri'	Schwedler Maple
<i>Fraxinus pennsylvanica</i>	Green Ash
<i>Gleditsia triacanthos inermis</i>	Thornless Honeylocust
<i>Platanus acerifolia</i>	London Planetree
<i>Tilia cordata</i>	Littleleaf Linden

ACCENT TREES

<i>Albizia julibrissin</i>	Silk Tree
<i>Cercis canadensis</i>	Eastern Redbud
<i>Crataegus lavaliei</i>	Carriere Hawthorn
<i>Crataegus phaenopyrum</i>	Washington Thorn
<i>Populus tremuloides</i>	Quaking Aspen
<i>Prunus cerasifera</i>	Flowering Plum
<i>Prunus serrulata</i>	Flowering Cherry
<i>Pyrus calleryana</i>	Flowering Pear
<i>Robinia idahoensis</i>	Idaho Locust

EVERGREEN TREES

<i>Abies concolor</i>	White Fir
<i>Picea pungens</i>	Colorado Spruce
<i>Pinus nigra</i>	Austrian Pine

TALL SHRUBS

<i>Cornus stolonifera</i>	Red Osier Dogwood
<i>Cotoneaster acutifolia</i>	Peking Cotoneaster
<i>Cotoneaster diviracata</i>	Spreading Cotoneaster
<i>Euonymus japonica</i> 'Grandiflora'	Grand Euonymus
<i>Forsythia suspensa</i>	Weeping Forsythia
<i>Ilex aquifolium</i> 'Boulder Creek'	Boulder Creek Holly
<i>Photinia fraseri</i>	Fraser Photinia
<i>Syringa</i> spp.	Lilac
<i>Viburnum burkwoodi</i>	Burkwood Viburnum
<i>Viburnum rhytidophyllum</i>	Leatherleaf Viburnum

MEDIUM SHRUBS

<i>Berberis buxifolia nana</i>	Dwarf Magellan Barberry
<i>Berberis thunbergia</i> 'Atropurpurea'	Red Japanese Barberry
<i>Buxus microphylla japonica</i> 'Compacta'	Compact Japanese Boxwood
<i>Cotoneaster apiculata</i>	Cranberry Cotoneaster
<i>Euonymus alatus compacta</i>	Dwarf Burning Bush
<i>Euonymus japonica</i> 'microphylla'	Boxleaf Euonymus
<i>Juniperus</i> spp.	Juniper
<i>Ligustrum vulgare</i> 'Lodense'	Lodense privet
<i>Mahonia aquifolium</i> 'compacta'	Compact Oregon Grape
<i>Pinus mugo mughus</i>	Dwarf Mugo Pine
<i>Prunus laurocerus</i> 'Otto Luyken'	Otto Luyken Laurel
<i>Taxus baccata repandens</i>	Spreading English Yew
<i>Viburnum opulus nana</i>	Cranberry Bush

ACCENT SHRUBS

<i>Bergenia crassifolia</i>	Leatherleaf Bergenia
<i>Daphne cneorum</i>	Garland Daphne
<i>Erica carnea</i>	Spring Heath
<i>Festuca ovina</i> 'glauca'	Blue Fescue
<i>Hemerocallis</i> spp.	Daylily
<i>Hosta undulata</i>	Wavy-leaved Plantain Lily
<i>Matteuccia struthiopteris</i>	Ostrich Fern
<i>Pennisetum setaceum</i>	Fountain Grass
<i>Spiraea bumalda</i> 'Anthony Waterer'	Dwarf Red Spiraea
<i>Teucrium chamaedrys</i>	Germander

GROUNDCOVERS

<i>Ajuga reptans</i>	Carpet Bangle
<i>Asperula odorata</i>	Sweet Woodruff
<i>Cerastium tomentosum</i>	Snow-in-summer
<i>Cotoneaster salicifolia</i> 'repens'	Willowleaf Cotoneaster
<i>Euonymus fortunei</i> 'Colorata'	Purpleleaf Wintercreeper
<i>Hypericum calycinum</i>	Creeping St. Johnswort
<i>Mahonia repens</i>	Creeping Oregon Grape
<i>Pachysandra terminalis</i>	Japanese Spurge
<i>Sedum spurium</i> 'Dragon's Blood'	Dragon's Blood Sedum
<i>Thymus praecox arcticus</i>	Creeping Thyme
<i>Vinca minor</i>	Dwarf Periwinkle