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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, AND RESERVATION OF EASEMENTS FOR

Maryland Circle, a Utah Planned Unit Development

DECLARANT Landform, LLC A Utah limited liability company

WHEN RECORDED RETURN TO: LANDFORM, LLC 1996 East 6400 South, Suite 120 Salt Lake City, UT 84121

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, AND RESERVATION OF EASEMENTS

FOR

Maryland Circle (an Expandable Utah Planned Unit Development Project)

This Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Maryland Circle, , an Expandable Utah Planned Unit Development, is made and executed by LANDFORM, LLC, a Utah limited liability company, of 1996 East 6400 South, Suite 120, Salt Lake City, UT 84121 (the "Declarant").

RECITALS:

- A. The Property is an area of unique natural beauty, featuring distinctive terrain;
- B. By subjecting the Property to this Declaration, it is the desire, intent and purpose of Declarant to create a community in which beauty shall be substantially preserved, which will enhance the desirability of living on that real estate subject to this Declaration, and which will increase and preserve the attractiveness, quality and value of the lands and improvements therein.
- C. 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").
 - D. Declarant is the owner of the Tract.
- E. 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, Private Yard Area, Common Area, and other improvements. All of such construction has been, or is to be, performed in accordance with the plans contained in the Plat Map to be recorded concurrently herewith.
- F. Declarant intends to sell to various purchasers the fee title to the individual Lots contained in the Tract, together with an appurtenant undivided ownership interest in the Common Area and a corresponding membership interest in the Association of Lot Owners, subject to the Plat Map, the covenants, conditions and restrictions set forth herein.
- G. Declarant desires, by filing this Declaration of Covenants, Conditions and Restrictions, to submit the Tract and all improvements now or hereafter constructed thereon.

H. The Project is to be known as "Maryland Circle."

AGREEMENT

NOW, THEREFORE, Declarant hereby declares that the Property is and shall henceforth be owned, held, conveyed, encumbered, leased, improved, used, occupied and enjoyed subject to the following uniform covenants, conditions, restrictions and equitable servitudes. The said covenants, conditions, restrictions and equitable servitudes are in furtherance of, and the same shall constitute a general plan for the ownership, improvement, sale, use and occupancy of the Property; they are also in furtherance of and designed to accomplish the desires, intentions, and purposes set forth above in the Recitals. The City of Holladay is intended to be a third party beneficiary of this agreement.

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. <u>Assessment</u> shall mean and refer to any amount imposed upon, assessed or charged a Lot Owner or Resident at the Project.
- 2. <u>Association</u> shall mean and refer to all of the Lot Owners at Maryland Circle taken as or acting as, a group in accordance with the Declaration.
- 3. <u>ByLaws</u> shall mean and refer to the ByLaws of the Association, a copy of which is attached to and incorporated in this Declaration by reference as Exhibit "D".
- 4. <u>Capital Improvement</u> 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.
 - 5. <u>City</u> shall mean and refer to the City of Holladay, Utah.
- 6. <u>Class B Control Period</u> shall mean and refer to the period of time during which the Class B Member is entitled to appoint all of the members of the Management Committee.
- 7. <u>Common Areas</u> shall mean and refer to all real property in the Project owned in common by the Lot Owners 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;
- c) All Private Yard Areas designated as such in the Plat Map;
- d) 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, cable tv and sewer;
- e) The Project's outdoor grounds, open space, play areas, private roads, driving lanes, parking amenities, sidewalks, entry and monument;
- f) All portions of the Project not specifically included within the individual Lots; and
- g) 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.

Provided, however, utility installations such as telephone, electricity, gas, water, and sewer may be dedicated to the City and, if so, this definition shall not be construed to allow the Association to exclude the City from the ownership and control of the utility systems so dedicated.

- 8. <u>Common Expense</u> shall mean and refer to: (a) The expense of all irrigation water; (b) All sums lawfully assessed against the Owners; (c) Expenses of administration, maintenance, repair or replacement of the Project; (d) Expenses allocated by the Association among the Owners; (e) Expenses agreed upon as common expenses by the Association; and (f) Expenses declared common expenses by the Declaration.
- 9. <u>County Recorder</u> shall mean and refer to the Salt Lake County Recorder in the State of Utah.
- 10. <u>Declaration</u> shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, a Planned Unit Development for Maryland Circle.
- 11. <u>Eligible Insurer</u> shall mean and refer to an insurer or governmental guarantor of a mortgage or trust deed who has requested notice in writing of certain matters from the Association in accordance with this Declaration.
- 12. <u>Eligible Mortgagee</u> 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.

- 13. <u>Eligible Votes</u> 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".
 - 14. Entry shall mean the entry way into the Project.

Entry Monument shall mean the monument, planter boxes, landscaping features and other physical improvements identifying the Project located at or near the Entry or entrance to the Project.

- 15. <u>Individual Charges</u> shall mean and refer to a charge levied by the Management Committee against an Owner or Permittee for all expenses resulting from the act or omission of such Owner or Permittee.
- 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. The term Lot includes any dwelling unit, physical structure or improvement constructed on the Lot, mechanical equipment and appurtenances located within any one Lot, or located without said Lot but designated and designed to serve only that Lot, such as appliances, electrical receptacles and outlets, air conditioning compressors, furnaces, water heaters, apparatus, systems or equipment, fixtures and the like, shall be considered part of the Lot; so shall all decorated surfaces of interior walls, floors and ceilings, including but not limited to all paint, wallpaper, wall coverings, windows and window frames, doors and door frames, trim, carpeting, tile and linoleum. All pipes, wires, conduits, or other utility lines or installations constituting a part of the Lot or serving only the Lot, and any structural members, parts, components or any other property of any kind, including fixtures or appliances within any Lot, which are removable without jeopardizing the integrity, soundness, safety or usefulness of the remainder of the Building within which the Lot is located shall be deemed to be part of the Lot.
- 17. <u>Management Committee</u> shall mean and refer to the committee of Owners elected to direct the affairs of the Association.
 - 18. Map shall mean and refer to the Plat Map.
- 19. <u>Mortgage</u> shall mean and refer to both a first mortgage or first deed of trust on any Lot, but shall not mean or refer to an executory contract of sale.
- 20. <u>Mortgagee</u> shall mean and refer to a mortgagee under 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.

- 21. 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, excluding 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.
- 22. Par Value shall mean the number of dollars or points assigned to each Lot by the Declaration in Exhibit "B" attached. The statement of value may not be considered to reflect or control the sales prices or fair market value of any Lot, and no opinion, appraisal, or fair market transaction at a different figure may affect the par value of any Lot, or any undivided interest in the Common Areas and Facilities, voting rights in the Association, liability for Common Expenses, or the rights to Common Profits, assigned on the basis thereof.
- 23. <u>Person</u> shall mean and refer to a natural person, corporation, partnership, trust, limited liability company, or other legal entity.
- 24. <u>Plat Map</u> shall mean and refer to the "Plat Map of the Maryland Circle" on file in the office of the County Recorder of Salt Lake County, as amended or supplemented from time to time.
 - 25. <u>Project</u> shall mean and refer to this the Maryland Circle Project.
- 26. <u>Project Documents</u> shall mean and refer to the Declaration, ByLaws, Rules and Regulations, and Articles of Incorporation.
- 27. <u>Property</u> shall mean and refer to all of the land or real estate, improvements and appurtenances submitted to this Declaration.
- 28. 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 or commercial transportation device of any kind.
- 29. 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.

II. SUBMISSION

The Land described with particularity on Exhibit "A" attached hereto and incorporated herein by this reference is hereby submitted to the Act.

The Land is hereby made subject to, and shall be governed by the Act, and the covenants, conditions and restrictions set forth herein. The Land is also subject to the right of the City to access the roads within the Project for emergency vehicles, service vehicles, and to all of the utility installations up to the residential meters.

The Land is SUBJECT TO the described easements and rights of way. Easements and rights-of-way in favor of the City include any dedicated roadways and public utility easements and are depicted on the Plat Map.

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, including by way of illustration and not limitation all easements and rights-of-way in and to the detention basin, entry way, monument, and park.

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; all easements and rights-of-way of record; any easements, rights of-way, encroachments, or discrepancies shown on or revealed by the Plat Map 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, under and subject to the following covenants, conditions, and restrictions:

1. <u>Description of Improvements</u>. It is intended that the Project will consist of four lots if all of the intended improvements are made. The Common Area and Facilities will include open space, a play area, roads, walkways, entry and monument, and other improvements of a less

significant nature. The location and configuration of the improvements referred to in the foregoing sentence are depicted on the Plat Map.

- 2. <u>Description and Legal Status of the Property</u>. The Plat Map shows the Lot Number of each Lot and the Common Areas and Facilities to which it has immediate access. All Lots shall be capable of being independently owned, encumbered and conveyed; and shall have an appurtenant undivided percentage of ownership interest in the Common Areas and Facilities, subject to the rights of Declarant, the City, and all easements of record. Title to the Common Area and Facilities is hereby granted to and shall be owned by the Association for and in behalf of the Owners.
- 3. <u>Membership in the Association</u>. Membership in the Association is mandatory, membership may not be partitioned from the ownership of a Lot.
- 4. <u>Allocation of Profits, Losses and Voting Rights</u>. Profits, losses and voting rights (subject to subsection (b) below) shall be distributed among the Owners on the basis of Par Value. The undivided interest of each Lot Owner in the Common Areas and Facilities shall have a permanent character and shall not be altered without the unanimous consent of the Lot Owners expressed in an amended declaration duly recorded.
- 5. <u>Conveyancing</u>. 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 Phase Maryland Circle Planned
Unit Development, as the same is identified in the Plat Map
recorded in Salt Lake County, Utah as Entry No in Book
at Page of the official records of the County Recorder of Salt
Lake County, Utah (as said Plat Map may have heretofore been
amended or supplemented) and in the Declaration of Covenants,
Conditions and Restrictions for Maryland Circle recorded in Salt
Lake County, Utah as Entry No in Book at Page of
the official records of the County Recorder of Salt Lake County,
Utah (as said Declaration may have heretofore been
supplemented), together with an undivided percentage of
ownership interest in the Common Areas and Facilities.

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 percentage of ownership interest in the Common Areas, nor the right of exclusive use of a Private Yard 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.

6. Architectural and Design Guidelines.

The approvals required by the Architectural Review Committee shall be in addition to, and not in lieu of, any approvals or permits which may be required under any federal, state or local law, statute, ordinance, rule or regulations, the Declaration or any other governing recorded instrument. Until all of the Lots have been developed and conveyed to Owners, and homes constructed thereon, the Declarant shall have exclusive authority to administer and enforce architectural controls and to review and act upon all applications for original construction within the Project. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Declarant may assign its rights hereunder in whole or in part, at any time, to the Architectural Review Committee which shall consist of at least one (1) and not more than three (3) Persons (the "ARC"). The ARC shall have exclusive jurisdiction over modifications, additions, or alterations made on or to existing structures or on or to Lots (including, without 'imitation, the initial landscaping on a Lot), subject to the approval of the Declarant as long as it owns any of the Property. The ARC may employ architects, engineers, or other persons as deemed necessary to perform the review. The compensation of such persons shall be included in the Association's annual operating budget as a Common Expense. Subject to the written consent of the Declarant so long as it owns a Lot, the ARC may authorize variances in writing from its guidelines and procedures, but only: (a) in accordance with duly adopted rules and regulations, (b) when unique circumstances dictate, such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations, and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining Project. Inability to obtain, or the terms of; any governmental approval, or the terms of any financing shall not he considered a hardship warranting a variance. Decisions may be made on the basis of aesthetic considerations only. Any construction, alteration or other work done in violation of this Article or the Design Guidelines shall be deemed to be nonconforming. All costs incurred by the ARC on non-conforming construction, together with the interest at the rate established by the Management Committee (not to exceed the maximum rate then allowed by law), may be assessed against the interest of the Owner in the property. The Declarant shall have the exclusive right to appoint all Members of the ARC. After the termination of the Period of Declarant's Control, the Management Committee shall have the right to appoint all Members of the ARC. The initial member of the ARC is Frank Ivory, who shall hold office until such time as he has resigned or his successor has been appointed. Neither the ARC, Association, Management Committee, Manager or any member thereof shall be liable to the Association or to any owner or to any other person for any loss, damage, or injury arising out or in any way connected with the performance of the ARC's duties hereunder unless due to willful misconduct or bad faith, including negligence and liability for any injury, damages, or loss arising out of the manner or

quality of approved construction on or modifications to any Lot. The ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. In all matters, the ARC shall be defended and indemnified by the Association.

- b) The Declarant has prepared Design Guidelines for the Project, which have been approved by the City. The City shall assume no responsibility for enforcement of the Design Guidelines, but reserves the right to and may enforce any Design Guideline at any time and in its sole discretion. The approved Design Guidelines shall apply to all construction activities within the Project. The Declarant shall have sole and full authority to change, amend, and supplement the Design Guidelines as long as it owns any of the Property; provided, however, the approved Design Guidelines may not be at any time changed, amended, or supplemented without the express written consent of the City. The Declarant or, after transition of the Project, the Association must stamp all proposed plans and specifications to construct or remodel a Building or Lot "approved and in compliance with the Declaration and Design Guidelines" before presenting such plans and specifications to the City for the issuance of a building permit. The following minimum standards shall apply:
- 1) <u>Driveways</u>. Driveways shall conform to the existing topography as closely as possible. Retaining walls, dug-out garages, large on-site paved parking areas, or other driveway features that call attention to the driveway itself are discouraged. Driveway widths at the approach (as it meets street) must be no wider than 20 feet to prevent large portions of hard surfaces in the visible front yard portion of the lot.
- 2) Garages. Each home must have at least three enclosed garage spaces. Attached garages can be up to 4-cars. No more than 5 cars may be contained within garages on each lot. A 5-car garage will be allowed only if the 3-car garage is attached and a 2-car garage is detached. Garages shall conform to the same material and design standards as the rest of the exterior of the house. No more than 4 garage doors may occupy a continuous exterior wall. Garage doors in excess of 8 feet in height and/or 18 feet in width are prohibited. Vinyl and stamped metal doors are not permitted. Garages that face Maryland Circle must be set back at least 12 feet from the street face of any adjoining structure. Shielding garages from direct view from Maryland Circle, either by locating them in the back yard or by rotating them short-wall to the street, is strongly encouraged. In no case may the front of the garage constitute more than 40% of the width of the front of the house
- 3) <u>Entry</u>. The main entry shall face the street and be clearly defined by means of exterior material, symmetry, window pattern, roof form, or other architectural means.
- 4) <u>Front Porch</u>. A porch shall cover at least 10% of the ground level of the front of the house. Front porches may be either roofed or covered with a trellis or pergola shade structure. Front porches that are part of the front entry sequence are encouraged. Porches

shall be amply scaled so as to integrate with and enhance the design of the front of the house.

- 5) Roofs. The dominant roofs shall be symmetrically gabled with a pitch of at least 6:12, but not to exceed 12:12, rise:run. Secondary roofs, such as porch and one-story wing roofs, may have a pitch equal to that of the dominant roofs, or equal to one half the pitch of the dominant roofs.
- 6) Windows and Exterior Doors. All windows and exterior doors except the front entry door and the garage doors shall be of aluminum-clad wood, unclad wood, or wood clad in copper or bronze. Simple rectangular double-hung and casement windows are encouraged, especially 36"-wide by 60" tall double hungs with each light divided vertically by a single muntin. Large picture windows are discouraged except in the principal rooms of the house. Large banks of smaller windows are encouraged rather than very large picture windows.
- ship-lap or clapboard siding, stucco, brick or stone. Artificial or cultured stone will NOT be allowed on any portion of the exterior. Chimneys shall be clad with brick and/or stone. An exterior wainscot of stone veneer shall be permitted, though occasional walls of full-height stone are preferred to continuous horizontal bands of stone. Caps shall be of cut stone or of metal-flashed wood. River rock and vertically-bedded flagstones shall not be permitted. Closed-soffit eaves are encouraged. In no event shall an eave overhang exceed 24" as measured horizontally from the dripline to the face of the wall. Standing-seam copper or galvanized roofing and natural slate roofing are encouraged. Asphalt or wood shake shingles are permitted. Exterior guardrails shall integrate visually with the rest of the house. Steel or iron guardrails are discouraged. Natural wood or artificial picket rails are encouraged. Complete exterior material sample boards must be submitted to the design committee for approval prior to beginning construction of any exterior component of the house.
- 8) Fencing. Vinyl will not be allowed. Chain link will only be allowed surrounding a tennis court. Swimming Pools must be enclosed and locked at all times to keep neighboring children from entry. Wrought iron fencing is encouraged. High-quality wood fencing is allowed. Pillars between fencing are allowed only if they are made of brick or real stone (not cultured). Pre-cast columns are not allowed. Fencing may not exceed six feet in height without approval from the ARC and the City of Holladay. Perimeter fencing and retaining walls comgined must be limited in height to existing fencing in each location.
- 9) <u>Parking.</u> Street parking will only be allowed on the north side of Maryland Circle. Each Lot must provide at least one off-street visitor parking space which does NOT obstruct the passage into two of the garage spaces.
- 10) <u>Landscape Plan</u>. Each Lot Owner must comply with the landscape plan approved by the City which includes the installation and maintenance of 4-inch caliper

London Plane Trees along Maryland Circle, and the cost of the purchase, planting and replacement of all trees is the responsibility of each Owner. If owner of Lot 4 must remove the large existing spruce tree, they must plant 4-inch caliper London Plane Trees along Cumberland Road with spacing similar to that along Maryland Circle.

- 11) <u>Drainage System</u>. 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 Declarant may not be altered without the prior written consent of the Management Committee.
- manner or interferes with the established drainage system and fails to cure the default within thirty (30) days after written notice, Declarant or the Association may proceed to complete the landscaping or repair the system without further notice and the cost thereof 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.
- 13) <u>Retention Ponds</u>. By virtue of their acceptance of a deed or other document of conveyance, the Owners of Lots No. 1 and 2 consent and agree that a retention pond or facilities to hold or retain water will be constructed and maintained on the rear of said Lots and the Common Area, since there is no connecting storm drain system.
- 7. Ownership and Use Restrictions. Each Owner, of whatever kind, shall be entitled to the exclusive ownership and possession of his Lot, subject to the following use restrictions:
- a) <u>Member's Easements and Rights of Way</u>. Every Member of the Association shall as an Owner have the right and non-exclusive easement to use and enjoy the Common Area.
- b) <u>Rules and Regulations</u>. The Management Committee shall have the power and authority to adopt, amend and repeal rules and regulations, which shall be binding upon all Owners, residents, visitors, guests and invitees.
- c) <u>Nuisances</u>. Nuisances are prohibited, including the creation or maintenance of a condition which bothers, annoys, disturbs or embarrasses other residents, or interferes with their right to the peaceful and quiet enjoyment of the premises.

- d) Subdivision of a Lot. No Lot may be subdivided except by the Declarant.
- e) <u>Business Use.</u> No Business Use and Trade may be conducted in or from any Lot unless: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (b) the business activity conforms to all home occupation ordinances and zoning requirements for the Project; (c) the business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and (d) the business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Management committee. Notwithstanding the above, the leasing of a residence shall not be considered a trade or business within the meaning of this sub-section.
- f) <u>Insurance</u>. Nothing shall be done or kept in, on or about any Lot or in the Common Areas or Private Yard Areas which may result in the cancellation of the insurance on the Property or an increase in the rate of the insurance on the Property, over what the Management Committee, but for such activity, would pay.
- g) <u>Laws</u>. Nothing shall be done or kept in, on or about any Lot or Common Areas, 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.
- h) <u>Damage or Waste</u>. No damage to, or waste of, the Common Areas or Private Yard Areas shall be committed by any Owner or Resident, their guests or invitees; and each Owner and Resident shall indemnify and hold the Management Committee and the other Owners in the Project harmless against all loss resulting from any such damage or waste caused by that Owner or Resident, their guests or invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee or any other Owner.
- i) <u>Short-Cuts</u>. Owners may not allow traffic, access, cutting-through or passage to any neighboring street without the express consent of three fourths (3/4) of the neighboring lot owners.
- j) <u>Chimes and Musical Sound Makers</u>. Chimes, dream catchers, bells, tubes or other objects hung vertically outside the Dwelling Unit which ring, strike or otherwise produce musical sounds or harmony heard by other residents are prohibited.
- 8. <u>Leases</u>. Any agreement for the leasing, rental, or occupancy of a Lot (hereinafter in this Section referred to as a "lease") shall be in writing and a copy thereof shall be delivered to the Management Committee upon request. By virtue of taking possession of a Lot, each lessee agrees to be subject to and abide by these restrictive covenants, and that any covenant violation

shall be deemed to constitute a default under the lease. No Owner shall be permitted to lease his Lot for transient, hotel, seasonal, rental pool or corporate/executive use purposes, which by way of illustration and not limitation includes any rental with an initial term of less than one (1) year. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate persons or less than his entire Lot without the express written consent of the Management Committee. Within ten (10) days after delivery of written notice of the creation of a nuisance or material violation of these restrictive covenants, the Owner shall proceed promptly to abate the nuisance or cure the default, and notify the Management Committee in writing of his intentions. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Lot.

- 9. <u>Easements -- Support, Maintenance and Repair</u>. There is hereby RESERVED to the City and the Association, and the City and the Association are hereby GRANTED a non-exclusive easement over, across, through, above and under the Lots and the Common Area for the operation, maintenance, and repair of the Common Area and Facilities, and regulation of the Design Guidelines. The City shall assume no responsibility for enforcement of the Design Guidelines, but reserves the right to and may enforce any Design Guideline at any time and in its sole discretion.
- 10. <u>Liability of Owners and Residents For Damages and Waste</u>. Each Owner or Resident shall be liable to the Association, or other Owners or Residents, for damages to person or property and waste in the Community caused by his negligence.
- 11. <u>Encroachments</u>. If any portion of Common Area, Private Yard Area, or a Lot encroaches or comes to encroach upon other Common Area, Private Yard 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.
- 12. <u>Management Committee</u>. The Association shall be managed by a Management Committee. Any instrument executed by the Management Committee 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 in subparagraphs (a) through (j) 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) Access. The right, power and authority to have access to each Lot without being guilty of a trespass.
- b) <u>Grant Easements</u>. 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.

- c) <u>Execute Documents</u>. The authority to execute and record, any amendment to the Declaration or Plat Map.
 - d) Standing. The power to sue and be sued.
- e) <u>Enter Into Contracts</u>. 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) <u>Promulgate Rules</u>. The authority to promulgate such reasonable administrative guidelines, rules, regulations, policies and procedures as may be necessary or desirable to aid the Management Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the Act and this Declaration.
- g) 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. Anything to the contrary notwithstanding, while Declarant controls the Association and before the end of the Period of Declarant's Control, any amendments to the Declaration or mergers must (where appropriate) be approved in writing and in advance by Federal Housing Administration of the United States Department of Housing and Urban Development (FHA), the Federal Home Loan Mortgage Corporation or the Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) or the Department of Veterans Affairs (VA).
- 13. <u>Delegation of Management Responsibilities</u>: The Management Committee may delegate some of its management responsibilities to either a professional management company, an experienced on-site manager, an independent contractor, through service contracts, or any combination thereof.
 - 14. Owners Meetings. The Association shall meet at least annually.
- 15. <u>Lists of Owners, Renters, Eligible Mortgagees, Insurers and Guarantors</u>. The Management Committee shall maintain up to date lists of the name, address and phone number of all Owners, Renters, Eligible Mortgagees, Insurers and Guarantors. The Owners, Mortgagees, Insurers and Guarantors have a duty to provide this information to the Committee.
- 16. <u>Operation, Maintenance and Alterations</u>. Each Owner shall maintain his Lot. The Association shall maintain the Common Area. The Property shall be maintained in a usable,

clean, functional, safe, sanitary, attractive and good condition. All landscaping on a Lot shall be completed within nine (9) months of closing. No Lot Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety of the Property, reduce its value or impair any easement or hereditament, without in every such case the unanimous written consent of all the other Lot Owners being first had and obtained. A home shall be constructed on a Lot within eighteen (18) months of closing.

- 17. Common Expenses. Each Owner, by virtue of his acceptance of a deed to a Lot or other document of conveyance, agrees to and shall pay his share of the Common Expenses and all of the Assessments charged by the Association. Anything to the contrary notwithstanding, the Declarant shall not be obligated to pay Assessments on any Lots owned by it until such time as: (1) the physical structures are substantially completed; (2) certificates of permanent occupancy are issued and the Lots are sold or rented; or (3) Declarant elects in writing to pay the Assessments, whichever first occurs. 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 and residents, 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 Management Committee.
 - a) <u>Budget</u>. At least thirty (30) days prior to the Annual Homeowners Meeting, the Management Committee shall prepare and deliver to the Owners a proposed Budget which shall set forth an itemization of the anticipated Common Expenses for the twelve (12) month calendar year, commencing with the following January 1 and 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 and regulation of the Association.
 - b) <u>Apportionment</u>. The common profits, losses and voting rights of the Project shall be distributed among and the common expenses shall be charged equally to the Lot Owners.
 - c) <u>Personal Obligation of Owner</u>. Owners are liable to pay all Assessments assessed and Additional Charges; provided, however, no first mortgagee or beneficiary under a first deed of trust (but not the Seller under 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.
 - d) <u>No Waiver</u>. No Owner may waive or otherwise exempt himself or herself 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.

- e) <u>Duty to Pay Independent</u>. 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 ByLaws, 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.
- f) 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.
- g) <u>Reserve Account</u>. The Committee shall establish and maintain a reserve account or accounts to pay for unexpected operating expenses, major Repairs, and Capital Improvements.
- 18. <u>Special Assessments</u>. In addition to the other Assessments authorized herein, the Association may levy special assessments in any year.
- 19. <u>Individual Charges</u>. Individual Charges may be levied by the Management Committee against a Lot and its Owner and shall be due not earlier than thirty (30) days after written notice.
- Committee, all Assessments are due in advance on the first day of the month. Payments are late if received after the 10th day of the month in which they were due. Any Assessment not paid when due shall be deemed delinquent and a lien securing the obligation shall automatically attach to the Lot, regardless of whether a written notice is recorded. A late fee of twenty-five dollars (\$25.00) or five percent (5%) of the delinquent amount, whichever is greater, shall be assessed on all late payments. A payment received by the Management Committee ten (10) days or more after its due date shall be considered late for purposes of this subsection. Default interest at the rate of one and one-half percent (1.0%) per month or eighteen percent (18%) per annum shall accrue on all delinquent accounts.
- a) <u>Lien</u>. If any Lot Owner fails or refuses to make any payment of any Assessment or his portion of the Common Expenses when due, that amount shall constitute a lien on the interest of the Owner in the Property, and upon the recording of notice of lien by the Manager, Management Committee or their designee 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 Lot or special improvement district; and (2) encumbrances on the interest of the Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

- b) <u>Foreclosure of Lien and/or Collection Action</u>. If the Assessments remain unpaid, the Association may, as determined by the Committee, institute suit to collect the amounts due and/or to foreclose the lien.
- c) 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 fees, 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.
- d) Lenders, Foreclosures and Unpaid Assessments. Anything to the contrary notwithstanding, any first mortgagee who obtains title to a Lot pursuant to the remedies in the mortgage or trust deed or through foreclosure will not be liable for more than six (6) months of the unpaid regularly budgeted assessments, dues or charges accrued before acquisition of the title to the property by the mortgage, although the first mortgagee will also be liable for any reasonable attorneys fees or costs related to the collection of the unpaid dues. All other grantees who obtain title to a Lot in a voluntary conveyance or pursuant to the remedies in a mortgage or trust deed or through foreclosure shall be jointly and severally liable with the trustor or mortgagor for all unpaid assessments, late fees, default interest and collection costs, including a reasonable attorneys fee, against the Lot for its share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the trustor or mortgagor the amounts paid by the grantee.
- e) Assignment of Rents. If the owner of a Lot who is leasing the Lot 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.
- 21. <u>Liability of Management Committee</u>. The Association shall indemnify every officer and member of the Management Committee against any and all expenses, including but not limited to attorney's fees reasonably incurred by or imposed upon any officer or member of

the Management Committee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Management Committee) to which he or she may be a party by reason of being or having been an officer or member of the Management Committee. The officers and members of the Management Committee shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and members of the Management 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 Management Committee may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and member of the Management 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 Management Committee, or former officer or member of the Management 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.

- 22. <u>Insurance</u>. The Manager, Management Committee or Association, will obtain insurance against loss or damage by fire and other hazards for: (a) all Common Elements and Facilities; and (b) all Buildings that contain more than one Lot, including any improvement which is a permanent part of a Building. The insurance coverage shall be written on the property in the name of the Manager, Management Committee or Association, as trustee for each of the Lot Owners in the percentages established in this Declaration. The insurance premiums shall be a Common Expense. This Section is without prejudice to the right of each Lot Owner to insure his own Lot for his benefit. The Management Committee has the authority to adjust claims.
- 23. <u>Termination</u>. After the termination of the Period of Developer's Control, the Project may be terminated only by the unanimous written agreement of all Owners of Lots and Units in the Project. Following termination, Mortgagees holding Mortgages on the Lots or Units which were recorded before termination may enforce those liens in the same manner as any lienholder. In the event of the dissolution of the Master Association, the Common Area and Facilities shall be transferred to a nonprofit corporation, trust, or other entity to be used for such similar purposes, and each owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Common Areas and Facilities and improvements on a pro rata basis which conforms substantially with the assessment procedure, terms and conditions set forth herein. To the extent the foregoing is not possible, the Common Areas and Facilities shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners as tenants in common.
- 24. <u>Condemnation and Eminent Domain</u>: If the state or a municipality, private person, corporation or other legal entity authorized to exercise functions of public character exercises its power of eminent domain to acquire private property for public use by

condemnation, it shall do so in accordance with Utah law and in return for just compensation. For use herein the term "condemnation" shall mean the process of taking private property, without the consent of the owner, for public use through the power of eminent domain.

- 25. Consent in Lieu of Vote. In any case in which this Declaration requires the vote of an Owner for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners who collectively hold the required percentages, subject to the following conditions: All necessary consents must be obtained prior to the expiration of sixty (60) days from the time the first written consent is obtained. Any change in Ownership of a Lot which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose. If approved, written notice of the approval must be given to all Lot Owners at least ten (10) days before any action is required by them.
- 26. <u>Mortgagee Protection</u>. Nothing herein contained, and no violation of these covenants, conditions and restrictions, shall invalidate or impair the lien of any mortgage or deed of trust, given in good faith and for value. Mortgagees are excluded from any leasing or rental restrictions when obtaining or after obtaining a Lot in foreclosure.

27. <u>Amendment</u>. This Declaration may be amended as follows:

- a) General. Except as provided elsewhere in this Declaration, including by way of illustration but not limitation to sections pertaining to the addition or annexation of any land, any amendment to this Declaration shall require the affirmative written vote or consent of at least sixty-seven percent (67%) of the total undivided ownership interest in the Common Area and Facilities cast either in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such Owners without a meeting.
- b) <u>Initial Declarant Right to Amend</u>. The Declarant alone may amend or terminate this Declaration prior to the closing of a sale of the first Lot.
- c) <u>Unilateral Right to Amend Under Certain Conditions</u>. Notwithstanding anything contained in this Declaration to the contrary, this Declaration may be amended unilaterally at any time and from time to time by Declarant if such Amendment is (1) necessary to correct typographical errors or inadvertent omissions; (2) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or (3) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; provided, however, any such amendment shall not materially adversely affect the title to any Lot unless the Owner of said Lot shall consent thereto in writing.
 - d) Declarant's Right to Amend Unilaterally Prior to Termination of

<u>Declarant's Right to Control</u>. Prior to the expiration of the Period of Declarant's Control, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any property without the express written consent of said Lot Owner.

- To Satisfy Requirements of Lenders. Anything to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration or approval of the sale of Lots, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot, or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an Amendment duly signed by the Declarant, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when recorded, shall be binding upon all Lots and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of hereof deletes, diminishes or alters such control in any manner whatsoever in the opinion of Declarant, then Declarant shall have the unilateral right to amend this Declaration to restore such control.
- f) <u>Declarant's Rights</u>. No provision of this Declaration reserving or granting to Declarant any unexpired developmental rights may be amended, including by way of illustration but not limitation a modification which would terminate or decrease any developmental right, without the prior express written consent of Declarant, which consent may be withheld, conditioned or delayed for any reason or for no reason at Declarant's sole and exclusive discretion.

g) Execution of Amendments.

- 1) An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder.
- 2) An amendment which requires the affirmative written assent or vote of the Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association, who shall certify that all of the voting requirements

have been satisfied, and the Declarant, if the Declarant's consent is also required, and recorded in the office of the County Recorder.

- h) <u>Consent of Eligible Mortgagee to Terminate Legal Status of Project</u>. 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.
- i) <u>Consent of Eligible Mortgagees to Add or Amend Any Material Provision</u>. The consent of Eligible Mortgagees holding at least fifty-one (51%) percent 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:
 - Voting rights;
 - o Increases in Assessments that raise the previously assessed amount by more than 25%, Assessment liens, or the priority of Assessment liens;
 - o Reductions in reserves for maintenance, repair, and replacement of Common Areas, Facilities and Elements;
 - o Responsibility for maintenance and repairs;
 - o Reallocation of interests in the Common Area, Private Yard Area, and general or limited common elements, or rights to their use;
 - o Redefinition of any Lot boundaries;
 - o Convertibility of Lots into Common Area or Elements, or vice versa;
 - o Expansion or contraction of the Project, or the addition, annexation, or withdrawal of property to or from the Project;
 - o Hazard or fidelity insurance requirements;
 - o Imposition of any restrictions on the leasing of Lots;
 - o Imposition of any restrictions on a Lot Owner's right to sell or transfer his Lot;
 - o A decision by the Association (if the Project consists of more than 50 Lots) to establish self-management if professional management had been required previously by the Project Documents or by an Eligible Mortgage holder;
 - Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the documents; and
 - o Any provisions that expressly benefit Mortgage holders, insurers or guarantors.

Any addition or amendment shall not be considered material for purposes of this paragraph 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. If such amendments or such termination are made or accomplished in accordance with the provisions of this Declaration regarding Condemnation or Substantial Obsolescence.

- 28. <u>Declarant's Rights Assignable</u>. 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 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, protections and controls which are accorded to Declarant (in its capacity as Declarant) herein.
- 29. Mortgagee Approval. Until the termination of the Period of Declarant's Control, the Declarant shall not annex additional properties or amend the Declaration without the prior written consent (where appropriate) of the Federal Housing Administration of the United States Department of Housing and Urban Development (FHA), the Federal Home Loan Mortgage Corporation or the Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) or the Department of Veterans Affairs (VA).
- 30. Transfer of Management. Anything to the contrary notwithstanding, Declarant may at any time relinquish its reserved right to select the Members of the Committee and may elect to transfer the management of the Project to a Committee elected by the Owners. Upon the termination of the Period of Declarant's Control, or sooner if the Declarant so elects, Declarant shall notify Owners in writing of the effective date of such transfer (the "Transfer Date") at least forty five (45) days prior thereto. Thereupon, the Owners shall call a meeting to elect the Members of the 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 Expenses of the Association prior to the Transfer Date to be paid in full on or before such date, and shall transfer any Association funds to the newly elected Committee.
- 31. Working Capital Fund. A working capital fund shall be established by the Declarant equal to or greater than two (2) months' Assessments for each Lot. Each Lot's share of the working capital fund shall be collected and transferred to the Management Committee at the time of closing of the sale of each Lot by Declarant. Notwithstanding the foregoing, the contribution to the working capital fund for each unsold Lot shall be paid to the Management Committee at the time such Lot is first occupied for residential purposes or a certificate of

permanent occupancy is issued, whichever first occurs. With respect to each Lot for which the Declarant pays the contribution to the working capital fund, the Declarant shall be reimbursed for such contribution by the buyer of such Lot at the time of closing. The purpose of the working capital fund is to insure that the Management Committee will have cash available to satisfy unforeseen expenses or to acquire additional equipment or services necessary for the operation, control and regulation of the Project. Sums paid into the working capital fund are not to be considered as advance payments or regular monthly payments of Common Expenses. Thereafter, the Management Committee may continue the working capital fund by charging a reasonable transfer or impact fee when Lots are sold or rented.

- 32. <u>Interpretation</u>. To the extent Utah law is consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.
- 33. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of 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, devisees, personal representative, successors, and assigns. Each Owner or occupant 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.
- 34. <u>Enforcement and Right to Recover Attorneys Fees</u>. Should the Association or Committee be required to take action to enforce the Declaration, ByLaws 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.
- 35. Agent for Service of Process. The President of the Association is the person to receive service of process in the cases authorized by the Act and the office. The initial Registered Agent is Frank Ivory and the initial office of the Registered Agent is 1996 East 6400 South, #120, Salt Lake City, UT 84121.
 - 36. Fines. Each Owner and Resident is responsible for adhering to the Project

Documents governing the Project. A breach of these restrictive covenants and rules is subject to enforcement pursuant to the declaration and may include the imposition of a fine.

37. <u>Effective Date</u>. 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 this 28 day of Nevember, 2006.

Landform, LLC, a Utah limited liability company

By: Name: Franklin S. Ivory

Title: Manager

STATE OF UTAH

ss:

COUNTY OF SALT LAKE)

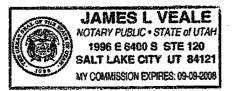
On the day of November, 2006, personally appeared before me Franklin S. Ivory, who by me being duly sworn, did say that he is the Manager of Landform, LLC, a Utah limited liability company, and that the within and foregoing instrument was signed in behalf of said Company by authority of its Articles of Organization or a resolution of its Members, and said Franklin S. Ivory duly acknowledged to me that said Company executed the same.

JAMES L VEALE
NOTARY PUBLIC • STATE OF UTAH
1896 E 6400 S STE 120
SALT LAKE CITY UT 84121
MY COMMISSION EXPIRES: 09-09-2008

By: Belly a Congert TE

STATE OF UTAH) ss: COUNTY OF SALT LAKE)

On the August 2006, personally appeared before me Kent M. Wright and Betty A. Wright, Trustees of the Kent M. Wright Loving Trust dated June 8, 1990, the signers of the within instrument, who duly acknowledge to me that they executed the same pursuant to and in accordance with the powers vested in them by the terms of said Trust Agreement.



NOTARY RUBLIC

The Betty A. Wright Loving Trust

Dw.

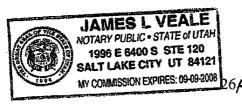
Bv:

STATE OF UTAH

SS:

COUNTY OF SALT LAKE)

On the day of September, 2006, personally appeared before me Kent M. Wright and Betty A. Wright, Trustees of the Betty A. Wright Loving Trust dated June 8, 1990, the signers of the within instrument, who duly acknowledge to me that they executed the same pursuant to and in accordance with the powers vested in them by the terms of said Trust Agreement.



NOTARY PUBLIC

LEGAL DESCRIPTION OF TRACT EXHIBIT "A" Maryland Circle P.U.D.

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

Beginning at the Northwest corner of Lot 1, Olympian Orchards, a subdivision of part of Section 34, Township 1 South, Range 1 East, Salt Lake Base and Meridian, (said point of beginning is also the Northeast corner of Lot 7, Ken Marr Subdivision); running thence North 84°22'00" West 227.74 feet, more or less along the North line of said subdivision to the Southeast corner of Lot 30, Rainbow Pointe Subdivision: thence continuing along the boundary of said Rainbow Pointe Subdivision the following (6) courses; North 0°20'00" East 183.99 feet, more or less to the Southwest corner of Lot 27; thence South 89°49'20" East 254.38 feet; thence North 89°40'00" East 132.50 feet; thence North 89°38'20" East 57.30 feet; thence South 12°34'00" East 25.56 feet; thence North 89°58'00' East 64.65 feet; thence leaving said subdivision boundary South 88.98 feet to the North line of Cumberland Road, as dedicated by said Olympian Orchards; thence Southwesterly 182.50 feet along the arc of a 173.69 foot radius curve to the left, chord bears South 56°41'21" West 174.22 feet to the Northeast corner of Lot 1, said Olympian Orchards; thence along the Northerly line of said Olympian Orchards the following (2) courses; West 111.36 feet; thence North 84°50'00" West 32.00 feet to the point of beginning.

EXHIBIT "B" PERCENTAGES OF UNDIVIDED OWNERSHIP INTEREST

Lot No.	Percentage of Ownership Interest
Lot1	.2445473
Lot2	.2813713
Lot3	.3454439
Lot4	.1286375
TOTAL:	100.0%

EXHIBIT "D"

BYLAWS FOR MARYLAND CIRCLE HOMEOWNERS ASSOCIATION

ARTICLE I REGISTERED AGENT AND OFFICE

1. Office and Registered Agent. The initial Registered Agent shall be Franklin S. Ivory of 1996 East 6400 South, Suite 120, Salt Lake City, UT 84121. 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. <u>Composition</u>. The association of Lot Owners is a mandatory association consisting of all Owners.
- 2. <u>Place of Meeting</u>. 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.
- 3. 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. 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.
- 4. <u>Qualified Voters.</u> An Owner shall be deemed to be in "good standing" and "entitled to vote" at any meeting of the Association if he is 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.
- 5. <u>Proxies</u>. 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.

- 6. Quorum Voting. One hundred (100%) percent 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.
- 7. 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.
- 8. <u>Conduct of Meeting</u>. 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.
- 9. Action May Be Taken Without A Meeting. Any action to be taken at the meeting of the Management Committee or any action that be taken at a meeting of the Management Committee may be taken without a meeting if a consent in writing, setting for the action so taken, shall be signed by all the members of the Management Committee. An explanation of the action taken shall be posted at a prominent place or places within the common areas with three (3) days after the written consents of all of the members of the Management Committee have been obtained.

ARTICLE III MANAGEMENT COMMITTEE

- 1. Powers and Duties. The affairs and business of the Association shall be managed by the Management Committee consisting of three (3) or more Lot Owners. 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) Preparing of an annual budget;
 - b) Allocating the Common Expenses;
- c) Providing for the operation, care, upkeep, replacement, maintenance, and regulation of all the Common Areas and Facilities.
- d) Designating, hiring, and dismissing the personnel necessary to operate and maintain the Project.
 - e) Collecting and depositing the Assessments.
 - f) Making, amending, and enforcing the Rules and Regulations.
- g) Opening and closing of bank accounts for and in behalf of the Association, and designating the signatories required therefor.
- h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of the ByLaws, after damage or destruction by fire or other casualty.
 - i) Enforcing by legal means the Project Documents.
 - j) Purchasing and maintaining insurance.
- k) Paying the cost of all services rendered to the Project and not billed directly to Owners or individual Lots.

- 1) Keeping books and records.
- m) Providing, where necessary, all water, electricity, and other necessary utility services for the Common Areas and such services to the Lots, including but not limited to heating, as are not separately metered or charged to the Owners.
 - n) Making emergency repairs;
- o) At the sole expense and risk of the owner, impounding, immobilizing, towing or otherwise removing any motor vehicle parked, stored or standing in violation of the parking rules and regulations or in an unauthorized area;
- p) Assigning or leasing overflow parking spaces to residents and/or establishing handicap parking;
 - q) Establishing and collecting user fees; and
- r) Doing such other things and acts necessary to accomplish the foregoing and not inconsistent with the Declaration or ByLaws, or to do anything required by a proper resolution of the Management Committee or Association.
- 2. <u>Composition of Management Committee</u>. The Management Committee shall be composed of three (3) members.
- 3. <u>Election and Term of Office of the Committee</u>. 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. <u>First Meeting</u>. 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. <u>Regular Meetings</u>. 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 monthly.
- 6. <u>Special Meetings</u>. 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. <u>Committee's Quorum</u>. 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. <u>Vacancies</u>. 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. 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. Presiding Authority. The President shall preside over all meetings of the Committee.
- 12. <u>Minutes</u>. 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.
- 13. 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.

ARTICLE IV OFFICERS

- 1. <u>Designation</u>. 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. The President, Secretary and Treasurer must 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. <u>Election of Officers</u>. The officers of the Association shall be elected annually by the Committee at the first meeting of each Committee immediately following the annual meeting of the Association 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. <u>Removal of Officers</u>. 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. <u>President</u>. 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 corporation organized under the laws of the State of Utah.
- 5. <u>Vice-President</u>. 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 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. <u>Treasurer</u>. The Treasurer shall have custody of all funds and securities that are not under the control of the Managing Agent, and with the assistance of the Managing Agent, 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.

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 INVESTMENT OF COMMON FUNDS

Common funds may only be deposited into institutions which are federally insured.

ARTICLE VII AMENDMENT TO BYLAWS

- 1. Amendment. These Bylaws may be amended as follows:
- a) General. Except as provided elsewhere in this Bylaws, including by way of illustration but not limitation to sections pertaining to the addition or annexation of any land, any amendment to this Bylaws shall require the affirmative written vote or consent of at least a majority of the total undivided ownership interest in the Common Area and Facilities cast either in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such Owners without a meeting.
- b) <u>Initial Declarant Right to Amend</u>. The Declarant alone may amend or terminate this Bylaws prior to the closing of a sale of the first Lot.

- c) <u>Unilateral Right to Amend Under Certain Conditions</u>. Notwithstanding anything contained in this Bylaws to the contrary, this Bylaws may be amended unilaterally at any time and from time to time by Declarant if such Amendment is (1) necessary to correct typographical errors or inadvertent omissions; (2) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or (3) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Bylaws; provided, however, any such amendment shall not materially adversely affect the title to any Lot unless the Owner of said Lot shall consent thereto in writing.
- d) <u>Declarant's Right to Amend Unilaterally Prior to Termination of Declarant's Right to Control.</u> Prior to the expiration of the Period of Declarant's Control, Declarant may unilaterally amend this Bylaws for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any property without the express written consent of said Lot Owner.
- To Satisfy Requirements of Lenders. Anything to the contrary e) notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Bylaws to such extent and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Bylaws or approval of the sale of Lots, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot, or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an Amendment duly signed by the Declarant, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when recorded, shall be binding upon all Lots and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and If any amendment requested pursuant to the provisions of hereof deletes, diminishes or alters such control in any manner whatsoever in the opinion of Declarant, then Declarant shall have the unilateral right to amend this Bylaws to restore such control.
- f) <u>Declarant's Rights</u>. No provision of this Bylaws reserving or granting to Declarant any unexpired developmental rights may be amended, including by way of illustration but not limitation a modification which would terminate or decrease any developmental right, without the prior express written consent of Declarant, which consent may be withheld, conditioned or delayed for any reason or for no reason at Declarant's sole and

exclusive discretion.

g) <u>Execution of Amendments</u>.

- 1) An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder.
- 2) An amendment which requires the affirmative written assent or vote of the Owners as hereinabove provided shall be effective when executed by the President and Secretary of the Association, who shall certify that all of the voting requirements have been satisfied, and the Declarant, if the Declarant's consent is also required, and recorded in the office of the County Recorder.
- 2. <u>Effective Upon Recording</u>. An amendment to these ByLaws shall become effective immediately upon recordation in the Office of the County Recorder.

ARTICLE VIII NOTICE

- 1. Manner of Notice. All notices, demands, bills, statements, or other communications provided for or required under these ByLaws (except as to notices of Association meetings which were previously addressed in Article II of these ByLaws) shall be in writing and shall be deemed to have been duly given if delivered personally or sent by regular U.S. Mail postage prepaid, 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 ByLaws, 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 IX BOOKS AND RECORDS

- 1. <u>Books and Records</u>. All books and records shall be kept in accordance with generally accepted accounting practices.
 - 2. <u>Financial Statements</u>: Upon the written request of any Lot Owner, the

Management Committee shall mail to such member its most recent financial statements showing in reasonable detail its assets and liabilities and the results of its operation, unless the member has already received the same.

- 3. Limitation of Liability. Neither the Association nor any director, officer, employee or agent of the Association shall be liable to the member or anyone to whom the member discloses the financial statement or any information contained therein for any error or omission therein, whether caused without fault, by negligence or by gross negligence, unless (1) the error or omission is material, (2) the director, officer, employee or agent in question knew of the error or omission and intended for the member or other person to rely thereon to his detriment, (3) the member or other persons did reasonably rely thereon, and, in addition, (4) he is otherwise liable under applicable law.
- Independent Compilation, Review or Audit. The Management Committee may elect to purchase a Compilation Report, Reviewed Financial Statement, or an Audited Financial Statement¹, prepared by an independent CPA.² or whenever requested in writing by a majority of the Owners. The cost of the Compilation Report, Reviewed Financial Statement, or an Audited Financial Statement shall be a common expense.

ARTICLE X COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

1. Conflict. These ByLaws 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

The Management Committee should be sensitive to the legal requirements for, and the costs involved in, preparing financial reports. The Management Committee may require preparation of anything from merely compiled financial statements to a full audit. With compiled financial statements, the accountant simply takes information supplied by the management committee of the association and puts it in proper financial statement form, without attempting to verify the information supplied. The accountant expresses no assurances regarding the financial statements. Reviewed financial statements involve certain inquiries and analytical procedures by the accountant concerning the association's accounting methods. A review should provide the accountant with a r4easonable basis for expressing limited assurances to home owners that no material modification need be made to the financial statements. Audited financial statements require detailed examination, tests of accounting records and methods, and direct verification of assets and liabilities with banks, attorneys, creditors, and others. Generally, the accountant will give the association an unqualified opinion that the financial statements fairly represent the financial position of the association. Although audited financial statements may be the most thorough, they are also the most expensive financial report and may be unnecessary for the average association. A compilation is generally the least expensive type of report, but it gives the homeowners no assurances that the management committee is accounting for association monies in accordance with generally accepted accounting principles. For this reason, the management committee may wish to require only a review, which should be adequate to fulfill the management committee's fiduciary duty to account to the home owners.

The CPA may not own or reside in a Unit, serve on the Management Committee, be an officer, agent,

representative or employee of the Association, or otherwise have a conflict of interest, real or apparent.

between these ByLaws and the Declaration, the provision of the Declaration shall control.

- 2. <u>Waiver</u>. No restriction, condition, obligation, or provision of these ByLaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.
- 3. <u>Captions</u>. The captions contained in these ByLaws are for convenience only and are not part of these ByLaws and are not intended in any way to limit or enlarge the terms and provisions of these ByLaws.
- 4. <u>Interpretation</u>. Whenever in these ByLaws 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 28 day of Navember, 2006.

Landform, LLC

a Utah limited liability company

By:

Name: Franklin S. Ivory

Title: Manager

STATE OF UTAH

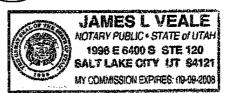
ss:

COUNTY OF SALT LAKE)

On the 22 day of Nevember, 2006, personally appeared before me Franklin S. Ivory, who by me being duly sworn, did say that he is the Manager of Landform, LLC, a Utah limited liability company, and that the within and foregoing instrument was signed in behalf of said Company by authority of its Articles of Organization or a resolution of its Members, and said Franklin S. Ivory duly acknowledged to me that said Company executed the same.

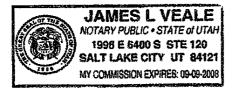
Notary Public

Commission Expires:



The Kent M. Wright Loving Trust STATE OF UTAH ss: COUNTY OF SALT LAKE) On the A day of September, 2006, personally appeared before me Kent M. Wright and Betty A. Wright, Trustees of the Kent M. Wright Loving Trust dated June 8, 1990, the signers of the within instrument, who duly acknowledge to me that they executed the same pursuant to and in accordance with the powers vested in them by the terms of said Trust Agreement. JAMES L VEALE NOTARY PUBLIC . STATE of UTAH 1996 E 6400 S STE 120 SALT LAKE CITY UT 84121 MY COMMISSION EXPIRES: 09-09-2008 Betty A. Wright Loving Tru STATE OF UTAH ss: COUNTY OF SALT LAKE)

On the ZX day of September, 2006, personally appeared before me Kent M. Wright and Betty A. Wright, Trustees of the Betty A. Wright Loving Trust dated June 8, 1990, the signers of the within instrument, who duly acknowledge to me that they executed the same pursuant to and in accordance with the powers vested in them by the terms of said Trust Agreement.



NOTARYPUBL