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 Gary W. Ott
 Recorder, Salt Lake County, UT
 COTTONWOOD TITLE INS AGENCY
 BY: eCASH, DEPUTY - EF 35 P.

WHEN RECORDED RETURN TO:
 Ivory Development, LLC
 Christopher P. Gamvroulas
 978 East Woodoak Lane
 Salt Lake City, Utah 84117
 (801) 268-0700

**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS
 FOR
 THE ESTATES AT PEPPERWOOD CREEK NEIGHBORHOOD,
 a part of the Expandable Pepperwood Creek Planned Mixed Use Development**

This Declaration of Covenants, Conditions, and Restrictions for The Estates at Pepperwood Creek Neighborhood (the "Declaration") is made and executed by Ivory Development, LLC, of 978 East Woodoak Lane, Salt Lake City, Utah 84117 (the "Developer").

RECITALS

A. This Declaration affects that certain real property located in the City of Sandy in Salt Lake County, Utah described with particularity in Article II below (hereinafter referred to as the "Estate Lots Property").

B. The Estate Lots Property is an area featuring unique and distinctive terrain;

C. The Estate Lots Property is subject to and bound by the Master Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Pepperwood Creek Properties recorded in the official records of the County Recorder of Salt Lake County, Utah on 2/21/2007 as Entry No. 10002443 in Book 9424 at Page(s) 4596-4640 (the "Master Declaration").

D. By subjecting the Estate Lots Property to this Declaration and the Master Declaration, it is the desire, intent and purpose of Developer 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 utility, attractiveness, quality and value of the lands and improvements therein.

E. Developer is the owner of the Estate Lots Property.

F. Developer has constructed or is in the process of constructing upon the Estate Lots Property a planned residential development which shall include certain Lots, Common Area and Facilities, including the right to use and easement of enjoyment of the Pepperwood Creek Club, subject to Master Declaration. The construction will be completed in accordance with the plans contained in the Plat Map to be recorded concurrently herewith, Master Declaration, this Declaration and the Neighborhood Plat Map for this Estate Lots Property.

Pepperwood Creek Estate Lots, a part of the Pepperwood Creek Planned Mixed Residential Use Development

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28-14-452-019, 28-14-452-018, 28-14-452-017
 28-14-379-003, 28-14-379-002, 28-14-379-001

G. Developer intends to sell to various purchasers the fee title to the individual Lots contained in the Estate Lots Property, together with an appurtenant undivided ownership interest in the Common Areas, Common Area and Facilities and Facilities, subject to this Declaration and the Master Declaration.

H. Developer desires, by filing this Declaration of Covenants, Conditions, and Restrictions and Plat Map, to submit the property and all improvements now or hereafter constructed thereon to the provisions and protective covenants set forth herein and the Master Declaration.

I. The Estate Lots Property is to be known as "The Estates at Pepperwood Creek."

J. Since the completion of the development of the Estate Lots Property may be in phases, the completed Estate Lots Property will consist of the original phase and all subsequent phases.

COVENANTS, CONDITIONS, AND RESTRICTIONS

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions and restrictions set forth below and the Master Declaration, Developer hereby makes the following declarations.

I. DEFINITIONS

The definitions set forth in the Master Declaration are incorporated herein by this reference. In addition, when used in this Declaration, including in that portion hereof entitled "Recitals," each of the following terms shall have the meaning indicated. If there is a conflict, incongruity or inconsistency between the definitions set forth herein and the terms defined in the Master Declaration, the latter shall in all respects govern and control.

1.1 The term Period of Developer's Control for purposes of the Estate Lots Property shall mean and refer to the period of time during which there is Class B voting in the Estate Lots Neighborhood Association.

1.2 The term Estate Lots Neighborhood Association shall collectively and severally refer to the following items as the context requires:

1.2.1 The Estate Lots Neighborhood Association, which shall mean and refer to the The Estates at Pepperwood Creek Neighborhood Association, consisting of all of the Owners in the Neighborhood acting as a group.

1.2.2 The Estate Lots Declaration, which shall mean and refer to that certain Declaration of Covenants, Conditions, and Restrictions for The Estates at Pepperwood Creek Neighborhood recorded in the Office of the County Recorder of Salt Lake County, Utah.

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1.2.3. The Estate Lots Neighborhood, which shall mean and refer to all of the Lots and the Common Area comprising the Estate Lots Property, as more particularly described on Exhibit "A."

1.2.4 The Estate Lots Owners, which shall mean and refer to the Owner(s) of the Lot(s) at the Estate Lots Neighborhood.

1.2.5 The Estate Lots Permittees, which shall mean and refer to all of the tenants, visitors, guests, invitees, family members, contractors, licensees, successors, and assigns of each Owner of an Lot at the Estate Lots Neighborhood.

1.2.6 The Estate Lots Neighborhood Plat shall mean and refer to that certain subdivision plat of Estate Lots Neighborhood recorded in the Office of the County Recorder of Salt Lake County, Utah.

In the event of the expansion of the Estates Neighborhood, the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Estates Neighborhood as so expanded. For example, the term "Estates Neighborhood" shall mean the real property initially submitted under the Declaration, plus any Additional Land added to the Estates Neighborhood by a Supplemental Declaration or by Supplemental Declarations, and reference to this Declaration shall mean this Declaration as so supplemented.

SUBMISSION

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

The Land is hereby again made subject to and shall be governed by the Master Declaration, this Declaration, and the covenants, conditions and restrictions set forth herein.

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

TOGETHER WITH (a) all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property; and (b) all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the Pepperwood Creek Club, subject to any Membership Fees.

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 Estate Lots Property or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible and necessary Pepperwood Creek Estate Lots, a part of the Pepperwood Creek Planned Mixed Residential Use Development

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 Survey Maps or otherwise existing; an easement for each and every Common Area and Facilities improvement, equipment, pipes, lines, cables, wires, utility systems, or similar facilities which traverse or partially occupy the above-described Estate Lots Property; and all easements necessary for servicing, repairing, ingress to, egress from, maintenance of, and replacement of all such Common Area and Facilities improvements, equipment, pipes, lines, cables, wires, utility systems, and similar facilities.

COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission is made upon, under and subject to the Master Declaration and the following covenants, conditions, and restrictions. In the event of any conflict, incongruity or inconsistency between the provisions of the Master Declaration and the provisions of this Declaration, the former shall in all respects govern and control:

1. Description of Improvements. The number of Lots intended for the first phase of construction in this Estate Lots Property is six (6), although this number may change. The Estate Lots Property may contain other improvements of a less significant nature. The location and configuration of the improvements referred to in the foregoing sentences are depicted on the Neighborhood Plat Map.

2. Right to Modify Lot Boundaries and Interior Boundary Lines. Developer reserves the unilateral right to modify Lot boundaries and interior boundary lines and/or combine Lots so long as it owns the Lots; provided, however, such changes may not materially alter the boundaries of the Common Area nor change the percentages of ownership interest.

3. Change in Type of Lot Type or Dwelling Unit Type. Developer reserves the right to change the type or nature of Lot or Dwelling Unit within this Estate Lots Property so long as it owns an interest in the Estate Lots Property.

4. Description and Legal Status of the Estate Lots Property. The Map shows the type and location of each Lot and its Lot Number. All Lots shall be capable of being independently owned, encumbered, and conveyed, and shall have separate tax identification or parcel numbers.

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

5.1 The Neighborhood Association shall have two classes of membership -- Class A and Class B, described more particularly as follows:

5.1.1 Class A. Class A Members shall be all Owners with the exception of the Class B Members, if any.

5.1.2 Class A Members shall be entitled to vote on all issues before the Neighborhood Association to, subject to the following:

5.1.2.1 Each Lot shall have one (1) vote;

5.1.2.2 No vote shall be cast or counted for any Lot not subject to assessment;

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

5.1.2.4 Any Owner of a Lot which has been leased may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Secretary of the Neighborhood Association at least three (3) days prior to any meeting.

5.1.3 The Class B Member shall be the Developer and any successor of Developer who takes title for the purpose of development and sale of Lots in the Estate Lots Property and who is designated as such in a recorded instrument executed by Developer.

5.1.3.1 The Class B Member shall originally be entitled to three (3) votes per Lot owned; provided, however, under no circumstances shall Developer or its successors or assigns have fewer than one (1) more vote than all class A votes combined.

5.1.3.2 The Class B membership shall convert to Class A membership one hundred and twenty (120) days after the last Lot in the Estate Lots Properties, including Lots created on any Additional Land or land annexed to the project, shall have been sold. Thereafter the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot owned. At such time, the Developer shall call a meeting, in the manner described in the By-Laws of the Neighborhood Association for special meetings, to advise the Owners of the termination of Class B status and, if it has not already occurred, to schedule transition of the operation and management of the Estate Lots Neighborhood Association to a Management Committee elected by the Owners, subject to the Declaration

6. Membership in the Neighborhood Association, Classes of Membership and Voting Allocations. By virtue of his acceptance of a deed or other document of conveyance to a Lot, each Owner shall be a member of a Neighborhood Association designated by the Developer. Membership in the Association is mandatory and may not be partitioned from the ownership of a Lot. The Neighborhood Association shall have Class A and Class B Members. The Class B Pepperwood Creek Estate Lots, a part of the Pepperwood Creek Planned Mixed Residential Use Development

Member shall be the Developer and any successor of Developer who takes title for the purpose of development and sale of Lots, and who is designated as such in a recorded instrument executed by Developer. The Class B Member shall be entitled to three (3) votes per Lot owned. The Class B membership and the Class B Control Period shall terminate, and Class B membership shall convert to Class A membership upon the termination of the Period of Developer's Control. Class A Members are all Members other than Class A Members. Each Class A Member shall have one (1) vote.

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

All of [Lot No _____] contained within PEPPERWOOD CREEK, PHASE [], a Utah planned residential 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 of THE ESTATES AT PEPPERWOOD CREEK, 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 a non-exclusive right to use the Pepperwood Creek Club, subject to provisions hereof and the Master Declaration recorded in Salt Lake County, Utah as Entry No. _____ in Book _____ at Pages _____ of the Official Records.

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 Area and Facilities, nor the right of non-exclusive use of the Pepperwood Creek Club 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.

8. Common Profits, Common Expenses and Voting Rights. The common profits of the Estate Lots Property shall be distributed among, the Common Expenses shall be charged to, and the voting rights shall be available to, the Owners according to their respective percentage or fractional undivided interests in the Common Area and Facilities, which shall be uniform and equal, subject only to the rights of the Class B Members set forth herein.

9. Neighborhood Expenses. Each Owner shall pay his share of all of the Neighborhood Expenses incurred by the Neighborhood Association, including those expenses unique to the Estate Lots Neighborhood.

9.1 Developer. Anything to the contrary notwithstanding, the Developer shall not be obligated to pay Assessments on Lot owned by it until such time as the earlier of the following events occurs: (1) the Period of Developer's Control ends; (2) a Dwelling Unit is substantially completed, a certificate of permanent occupancy is issued, and the Dwelling Unit is sold or rented; or (3) Developer records a Waiver of its right not to pay Assessments.

9.2 Purpose of Neighborhood Expenses. The Assessments provided for herein shall be used for the general purpose of paying the Neighborhood Expenses, and promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and residents.

9.3 Creation of Assessments. Each Owner, by acceptance of a deed or other document of conveyance to a Lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Neighborhood Association in a timely manner all Assessments charged by the Neighborhood Committee, his share of the Master Operating Expenses, Neighborhood Expenses, and any Additional Charges or Individual Charges.

9.4 Budget. At least thirty (30) days prior to the Annual Meeting of the Association, the Neighborhood Committee shall prepare and deliver to the Owners a proposed Budget which:

9.4.1 Itemization. Shall set forth an itemization of the anticipated Neighborhood Expenses (including that portion earmarked for the reserve account(s)) for the twelve (12) month calendar year, commencing with the following January 1.

9.4.2 Basis. Shall be based upon advance estimates of cash requirements by the Neighborhood Committee to pay the Master Operating Expenses and Neighborhood Expenses.

9.5 Apportionment. The common profits, losses and voting rights of the Estate Lots Property shall be distributed among and the Neighborhood Expenses shall be charged to the Owners equally and uniformly.

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

9.7 Payment of Assessments. Payment of all Assessments shall be made to the Neighborhood Association or its designee.

9.8 Personal Obligation of Owner. Owners are liable to pay their share of the Master Operating Expenses, Neighborhood Expenses, and any Additional Charges or Individual 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. For purposes of this Section, the term "Owner" shall mean and refer jointly and severally to: (1) the Owner of both the legal and equitable interest in any Lot; (2) the owner of record in the Offices of the County Recorder; and (3) both the Buyer and Seller under any executory sales contract or other similar instrument.

9.9 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 Neighborhood Committee may from time to time effect an equitable change in the amount of said payments,

9.10 Dates and Manner of Payments. The dates and manner of payment shall be determined by the Neighborhood Committee.

9.11 Reserve Account(s). The Neighborhood Committee shall establish and maintain a reserve account or accounts to pay for unexpected Master Operating Expenses and/or capital improvements, if any. The reserve account or accounts shall be funded out of regular Assessments, Special Assessments (if necessary) and the contributions from the Working Capital Fund. The Neighborhood Committee shall dedicate a portion of the monthly Assessment for the reserve account or accounts.

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

9.13 Statement of Assessments Due. Upon written request, the Neighborhood Committee shall furnish to any Owner a statement of Assessments due, if any, on his Lot. Failure to provide the certificate within ten (10) days after a written request is received by the Secretary, shall be deemed conclusive evidence that all Assessments are paid current. The Neighborhood Association may require the advance payment of a reasonable processing charge in a sum to be determined by the Board of Directors for the issuance of such certificate.

9.14 Superiority of Assessments. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled which insofar as it adversely affects the Neighborhood Association's lien for unpaid Assessments each Owner by accepting a deed or other document of conveyance to a Lot hereby waives.

9.15 Pledge of Assessment Rights as Security. The Neighborhood Association shall have the power to pledge the right to exercise its assessment powers and rights provided for in this Declaration as security for any obligation of the Neighborhood Association; provided, Pepperwood Creek Estate Lots, a part of the Pepperwood Creek Planned Mixed Residential Use Development

however, that any such pledge shall require the prior affirmative vote or written assent of a majority of Owners. The Neighborhood Association's power to pledge its assessment powers shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable to, or which will become payable to, the Neighborhood Association; which assignment may then be presently effective but shall allow said Assessments to continue to be paid to the Neighborhood Association and used by the Neighborhood Association as set forth in this Declaration, unless and until the Neighborhood Association shall default on its obligations secured by said assignment.

9.16 Mortgagee's Obligation to Pay Assessments After Foreclosure. Any first mortgagee who obtains title to a Lot pursuant to the remedies in the mortgage or through foreclosure is liable for unpaid regularly budgeted Assessments, dues or charges which accrued before acquisition of the title to the property by the mortgage. The mortgagee will also be liable for any reasonable attorneys fees or costs related to the collection of the unpaid dues.

10. Special Assessments. In addition to the other Assessments authorized herein, the Neighborhood Association may levy special assessments in any year.

11. Assessments Against Individual Lots or Lot Owners. Individual Charges may be levied by the Neighborhood Committee against a Lot and its Owner.

12. Collection of Assessments. The Owners must pay their Assessments in a timely manner. Payments are due in advance on the first of the month. Payments are late if received after the 10th day of the month in which they were due.

12.1 Delinquent Accounts. 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.

12.2 Late Fees and Default Interest. A late fee in a reasonable sum to be determined by the Board of Directors may be assessed on all tardy payments. Default interest at the rate of one and one-half percent (1.5%) per month may be charged on delinquent accounts.

12.3 Lien. If any Owner fails or refuses to make any payment of any Assessment or his portion of the Neighborhood Expenses when due, that amount shall constitute a lien on the interest of the Owner in the Estate Lots Property, and upon the recording of notice of lien by the Manager, Neighborhood Committee or their designee it is a lien upon the Owner's interest in the Estate Lots Property prior to all other liens and encumbrances, recorded or unrecorded, except: (1) tax and special assessment liens on the Lot in favor of any assessing unit or special improvement district; and (2) encumbrances on the interest of the Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

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

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

12.6 No Waiver. 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 Area and Facilities or the abandonment of his Lot.

13. Fines. In addition to other remedies set forth herein and by Utah law, to enforce the essential restrictive covenants set forth herein and Project Documents, the Neighborhood Committee may assess a fine. Each Owner and Resident is responsible for adhering to the Project Documents governing the Estate Lots Property. A breach of these restrictive covenants and rules is subject to enforcement pursuant to this Declaration and may include the imposition of a fine. Each Owner is also accountable and responsible for the behavior of his Permittees. Owners and Permittees are jointly and severally liable for fines levied against Permittees.

14. Developer's Sales Program. Anything to the contrary notwithstanding, for so long as Developer continues to own any of the Lots at the Estate Lots Property, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Developer from any obligations of an Owner to pay Assessments, except as herein otherwise provided, as to each Lot owned by Developer in accordance with the Declaration. Until the termination of the Period of Developers' Control, neither the Owners, the Neighborhood Association nor the Neighborhood Committee shall interfere with the completion of improvements and sale of all remaining Lots, and Developer shall have the following rights in furtherance of any sales, promotions or other activities designed to accomplish or facilitate the sale of all Lots owned by Developer:

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

14.2 Promotional. Developer shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places in the Estate Lots Property.

14.3 Common Area and Facilities Use. Developer shall have the right to use the Common Area and Facilities of the Project, including the common area of the Estates Neighborhood.

14.4 Relocation and Removal. Developer shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices in the Estates Neighborhood (excluding any Lots not owned by Developer), although in connection with each such location or relocation Developer shall observe the limitations imposed by the preceding portion of this Section. Until 120 days after the expiration of the Sales Events Period, Developer shall have the right to remove any signs, banners or similar devices and any separate structure or facility which was placed in the Estates Neighborhood for the purpose of aiding Developer's sales effort.

15 Limitation on Improvements by Neighborhood Association. Until the expiration of the Period of Developer's Control, neither the Owners, Neighborhood Association nor the Neighborhood Committee shall, without the written consent of Developer, make any improvement to or alteration in any of the Common Area and Facilities created or constructed by Developer, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Area and Facilities as originally created or constructed by Developer.

16 Developer's Rights Assignable. All of the rights of Developer 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 Estate Lots Property title to which is vested in Developer 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 Developer (in its capacity as Developer) herein.

17. Expansion of the Estate Lots Property.

17.1 Reservation of Option to Expand. Developer hereby reserves the option to expand the Estate Lots Property to include additional Lots in the Estate Lots Property (the Additional Land"). The Additional Land is described with particularity on Exhibit "B" attached hereto and incorporated herein by this reference. This option to expand may be exercised from time to time, at different times and in any order, without limitation. Such right may be exercised without first obtaining the consent or vote of Owners and shall be limited only as herein specifically provided. Such Lots shall be created on any or all portions of the Additional Property. The improvements on the property will be substantially completed before it is added.

17.2 Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Developer in the Office of the County Recorder, a Supplement or Supplements to this Declaration containing a legal description of the site or sites for new Lots, together with supplemental Map or Maps containing the same information with Pepperwood Creek Estate Lots, a part of the Pepperwood Creek Planned Mixed Residential Use Development

respect to the new Lots as was required on the Map with respect to the Phase I Lots. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

17.3 Declaration Operative on New Lots. The new Lots shall be subject to all the terms and conditions of this Declaration and of a Supplemental Declaration, and the Lots therein shall be subject to the incidents of common ownership with all the provisions and protective covenants pertaining to a planned residential development as specified herein, upon recording the Supplemental Map and Supplemental Declaration in the said Office of the County Recorder.

17.4 Right of Developer to Adjust Ownership Interest in Common Area and Facilities. Each deed of a Lot shall be deemed to irrevocably reserve to the Developer the power to appoint to Owners, from time to time, the percentages in the Common Area and Facilities set forth in Supplemental Declaration. The proportionate interest of each Owner in the Common Area and Facilities after any expansion of the Estate Lots Property shall be an undivided interest of the Estate Lots Property as expanded. A power coupled with an interest is hereby granted to the Developer, its successors and assigns, as attorney in fact to shift percentages of the Common Area and Facilities in accordance with Supplemental Declarations recorded pursuant hereto and each deed of a Lot in the Estate Lots Property shall be deemed a grant of such power to the Developer. Various provisions of this Declaration and deeds and mortgages of the Lots may contain clauses designed to accomplish a shifting of the Common Area and Facilities. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Area and Facilities can be accomplished.

17.5 Revised Schedule. Accordingly, upon the recordation of a Supplemental Declaration and Supplemental Map incident to any expansion, the revised schedule of undivided interests in the Common Area and Facilities contained therein shall automatically become effective for all purposes and shall fully supersede any similar schedule which was contained in any declaration associated with any prior phase.

17.6 Conflict. In the event the provisions of the separate instruments relating to the Estate Lots Property conflict irreconcilably, the terms of that instrument which was recorded most recently shall control.

17.7 Other Provisions Concerning Expansion. If the Estate Lots Property is expanded as hereinbefore contained, then it is further provided that:

17.7.1 All or any part of the Additional Land may be added to the Estate Lots Property without any limitations whatsoever save and except that all additional Lots created must be restricted to multi family residential housing limited to one family per Dwelling Unit.

17.7.2 Portions of the Additional Land may be added to the Estate Lots Property at different times without any limitations.

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

17.7.4 No assurances are made concerning:

17.7.4.1 The locations of any improvement that may be made on any portion of the Additional Land that may be added to the Estate Lots Property.

17.7.4.2 Type, kind or nature of improvement which may be created on any portion of the Additional Land, except that the common facilities, Buildings and Lots will be comparable to the Phase I facilities on a per Lot basis and will be of a similar quality of materials and construction to Phase I and will be substantially completed prior to annexation.

17.7.4.3 Whether any Lots created on any portion of the Additional Land will be substantially identical to those within the initial Estate Lots Property except that Lots will be constructed of an equal or better quality of materials and construction than the Lots in Phase I.

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

18. Architectural Review Committee or the ARC. The Developer has the sole right and exclusive authority to resolve all architectural issues until the termination of the "Period of Developer Control," and his decision shall be binding, final and conclusive. Thereafter, the Neighborhood Committee shall serve and function as the ARC.

18.1 ARC Powers and Standing. Any instrument executed by the ARC or its legal representative that recites facts which, if true, would establish the power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

18.2 Legal Entity. The ARC shall constitute a legal entity capable of dealing in its own name or in behalf of two or more Owners.

18.3 Authority. The ARC shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Section and its decisions.

18.4 Construction Guidelines. The Estates Neighborhood is subject to the following construction guidelines.

18.4.1 No structural alterations to the exterior of buildings is allowed without the express prior written consent of the Architectural Review Committee.

18.4.2 No alterations to the original architectural design scheme of the buildings and structures established by the Developer is allowed without the express prior written consent of the ARC.

18.4.3 The landscape plan for each Estate Lots Property shall be submitted to the ARC and the approved plan must be followed.

18.4.4 Street trees must be planted and maintained by the Owners planting of a 2" caliper Canada Red Chokeberry every 30' on center is required.

18.4.5 All Lot landscaping, including the installation of an automatic sprinkler/irrigation system, planting of trees and laying of sod, must be completed within nine (9) months of the date of closing on the purchase of a home.

18.4.6 Landscaping shall include by way of illustration but not limitation the planting of a lawn and/or other appropriate ground cover, planting beds and flower beds, appropriate bushes and shrubs, and the planting of trees in accordance with the Street Tree Planting Plan, a copy of which is attached hereto, marked Exhibit "B" and incorporated herein by this reference.

18.4.7 All replacement trees must also satisfy the requirements of the Street Tree Planting Plan.

18.4.8 The Owner is responsible for the initial planting of trees.

18.4.9 Trees, lawns, shrubs, or other plantings placed on a Lot shall be properly nurtured, maintained and replaced by the Owner.

18.4.10 Any weeds or diseased or dead lawn, trees, ground cover, bushes or shrubs shall be removed and replaced.

18.4.11 All trees, bushes and shrubs shall be pruned, trimmed and topped as necessary.

18.4.12 No concrete, cement or masonry products, pavers, brick, stone, cobblestone, tile, terrazzo, slabs, slate, rocks, pebbles, gravel, permeable pavements and so forth or other artificial or impermeable surfaces (collectively "controlled surfaces") may be installed or constructed as landscaping in the front, side or rear yards of a Lot without the express prior written consent of the Developer or upon the termination of the Period of Developer's Control the Management Committee.

18.4.13 Front, side or rear yards constructed primarily or substantially of controlled surfaces are prohibited.

18.4.14 The landscaping of a Lot may not adversely affect the value or use of any other property or detract from the original design scheme and appearance of the Property.

18.4.15 All landscaping shall be maintained and cared for in a manner consistent with Community-Wide Standards and the quality of design and construction.

18.4.16 If the Board of Delegates and/or Management Committee determines that any Owner has failed or refused to maintain his landscaping or that the need for maintenance, repair, or replacement of the Common Area and Facilities is caused by the willful or negligent act of any Owner or Permittee, and the claim, damage, loss or liability is not covered or paid by insurance, either in whole or in part, then the MHOA or Association may, but is not obligated to, provide such maintenance, repair or replacement at the Owner's sole cost and expense, subject to the following:

18.4.17 Except in an emergency situation, the MHOA or Association shall give the Owner written notice of its intent to provide necessary maintenance, repair, or replacement at Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Board of Delegates and/or Management Committee. The Owner shall have ten (10) days after receipt of notice within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board of Delegates and/or Management Committee determines that an emergency exists which threatens imminent and substantial harm to person or property, then prior notice and the opportunity to cure the default is not necessary or required. The Association may, but is not obligated to, provide any such required maintenance, repair, or replacement in the manner described above. Such costs as are incurred by the MHOA or Association hereunder shall be considered an Individual Charge.

18.4.18 In addition, should any Owner fail to comply with the landscaping requirements and provisions of this Section, the Developer, City, Association, MHOA, Management Committee, Board of Delegates or an aggrieved Owner shall have the right to seek an order from a court of proper jurisdiction requiring specific performance to comply with the provisions hereof or to recover damages, or

both, and shall also have the authority but not the obligation to complete the landscaping or restore the property to its original condition without being guilty of a trespass, and require the Owner to pay the cost of labor and materials. The costs and expenses incurred, including a reasonable attorneys fee, whether or not a lawsuit is filed, shall be considered the personal obligation of the Owner and shall constitute a lien on the interest of the Owner in such property, enforceable at law or equity, until payment is made.

18.4.19 The Neighborhood Association shall remove all snow accumulations from the private streets, roads and common walks. The Neighborhood Association may choose but is not required to remove snow accumulations from individual sidewalks and driveways; provided, however, if the Neighborhood Association elects to provide such service it is expressly conditioned upon or subject to the following:

18.4.19.1 The Neighborhood Association may charge a reasonable fee for such additional service;

18.4.19.2 Any agreement for the removal of snow and ice accumulations from the Owner's private drive and walks must be in writing signed by both parties;

18.4.19.3 The agreement for the removal of snow and ice accumulations from an Owner's private drive and walks shall set forth the minimum standard of care: and

18.4.19.4 Each Owner or resident by electing to have the Neighborhood Association remove accumulations of snow and ice from his private drive and walks: (a) assumes the risk of bodily injury and/or property damage caused by such snow or ice accumulations, including by way of illustration but not limitation a "slip and fall," (b) agrees to obtain insurance coverage for such risk or peril, (c) releases the Association and/or its Manager, Board of Directors, employees, agents and representatives (collectively herein "Neighborhood Association") for any and all liability for any bodily injury, including death, or property damage caused by any act of the Neighborhood Association or failure to act, including negligence, (d) waives any claim against the Association for any and all liability, loss, damage, demand, cost, judgment or award for any bodily injury, including death, or property damage caused by any act of the Neighborhood Association or failure to act, including negligence, and (e) agrees to save, indemnify and hold the Neighborhood Association any and all liability, loss, damage, demand, cost, judgment or award for any bodily injury, including death, or property damage caused by any act of the Neighborhood Association or failure to act, including negligence.

18.5 Accessory Buildings. Since Accessory Buildings are considered "conditional uses," each application to construct or install an Accessory Building will be evaluated separately by the ARC, subject to the following guidelines:

18.5.1 Any detached Accessory Building must conform in design and construction materials with the primary residential Dwelling;

18.5.2 The maximum height of an Accessory Building shall be 15 feet, (although the ARC may grant an exception if, in its sole opinion, such is in the best interest of the Neighborhood);

18.5.3 Tin sheds are not allowed; and

18.5.4 If there is a dispute of any kind whatsoever, such as whether a structure is an Accessory Building, the decision of the Developer or upon the termination of the Period of Developer's Control the Management Committee shall be final, conclusive and binding.

18.6 Fencing is restricted but may be allowed with the express prior written consent of the Architectural Review Committee.

18.7 Storage and Parking of Vehicles. The driving, parking, standing, and storing of motor vehicles in, on or about the Project is governed and regulated by the Project Documents, including:

18.7.1 The parking rules and regulations adopted by the ARC, as they may be amended from time to time;

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

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

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

18.7.5 All garages shall be used primarily for the parking and storage of vehicles.

18.7.6 Parking on the street is prohibited.

18.7.7 All motor vehicles parked so as to be visible from the street or another Lot must be undamaged (less than \$1,000.00 to repair), in good mechanical condition, registered, and licensed.

18.7.8 Except as otherwise expressly permitted, motor vehicles may not be “stored” so as to be visible from the street or another Dwelling. This includes by way of illustration but not limitation unregistered, unlicensed, abandoned, disabled, or damaged (\$1,000 +) motor vehicles.

18.7.9 Except for purposes of loading or unloading passengers or supplies, for a period of time not to exceed twenty-four (24) hours, all Recreational, Commercial, and Oversized Vehicles may be stored on a properly constructed Parking Pad provided (a) the Vehicle is in good running condition and properly licensed and registered, (b) the Parking Pad is located in the rear yard (i.e., behind the front of the house).

18.7.10 Eighteen wheeled semi-trailers or other similar transportation devices are not allowed.

18.7.11 Vehicles parked in violation of this Declaration may be immobilized, impounded, or towed by the ARC or its designee without further notice and at the owner’s sole risk and expense.

18.8 Procedures for Approval of Plans and Specifications. Architectural designs, plans and specifications showing the nature, kind, shape, color, size, materials, and location of all proposed structures and improvements shall be submitted to the ARC for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable. In reviewing each submission, the ARC may consider the proposed design, harmony of external design with existing structures and the common scheme, the location in relation to surrounding structures, topography, finish grade and elevation, among other things. Decisions of the ARC may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as ARC members change over time. In the event that the ARC fails to approve or to disapprove any application within thirty (30) days after submission of all information and materials reasonably requested, the application shall be deemed denied

18.9 No Waiver of Future Approvals. The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Neighborhood Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

18.10 Variance. The ARC may authorize variances from compliance with any of the architectural guidelines when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations require, but only in

accordance with its duly adopted rules and regulations. Such variances may only be granted , however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit or the terms of financing shall not be considered a hardship warranting a variance.

18.11 Limitation of Liability. Neither the Developer nor the ARC, or any of their employees, agents, representatives or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of this Declaration, nor for any structural or other defects in any work done according to such plans and specifications. By accepting a deed or other document of conveyance to a Lot, each Owner agrees to and shall defend, indemnify, save and hold the Developer and the ARC, and their employees, agents, representatives or consultants, harmless from any and all loss, damage or liability they may suffer, including defense costs and attorney fees, as a result of any claims, demands, actions, costs, expenses, awards or judgments arising out of their review or approval of architectural designs, plans and specifications.

18.12 Enforcement of Architectural Guidelines. Any construction, alteration, or other work done in violation of this Declaration shall be considered to be nonconforming. Upon written request from the ARC an Owner shall at his own cost and expense remove such non-conforming construction, alteration, or other work and shall restore the land to substantially the same condition as existed prior to the non-conforming construction, alteration, or other work. Should an Owner fail to remove and restore as required hereunder, the ARC shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as existed prior to the construction, alteration or other work, without being deemed to be a trespasser.

18.13 Contractors. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Declaration may be excluded by the ARC from the Subdivision, subject to the notice and the opportunity to be heard. In the event of sanctions after notice and hearing, neither the ARC or the Developer, nor their employees, agents, representatives or consultants shall be held liable to any person for exercising the rights granted by this Section.

19. Combination of Lots. An owner of two or more adjoining Lots shall have the right upon approval of the Neighborhood Committee and the mortgagees of said Lots, to combine one or more adjoining Lots or portions thereof and to alter or amend the declaration and map to reflect such combination.

19.1 Recordation of Amendments. Such amendments may be accomplished by the Owner recording an amendment or amendments to this declaration, together with an amended map or maps containing the same information with respect to the altered Lots as required in the initial declaration and map with respect to the initial

Lots. All costs and expenses required in such amendments shall be borne by the Owner desiring such combination.

19.2 Attorneys Approval Required. All such amendments to the declaration and map must be approved by attorneys employed by the Neighborhood Committee to insure the continuing legality of the declaration and the map. The cost of such review by the attorneys shall be borne by the person wishing to combine the Lots.

20. Security. The Neighborhood Association may, but shall not be obligated to, maintain or support certain activities within the Estate Lots Property designed to make the Estate Lots Property safer than it otherwise might be. Neither the Developer, Neighborhood Association or their agents, representatives, officers, directors or employees, shall in any way be considered insurers or guarantors of security within the Estate Lots Property, however, and neither the Developer, Neighborhood Association or their agents, representatives, officers, directors or employees shall be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners, Guests and Permittees acknowledge that the Developer, Neighborhood Association or their agents, representatives, officers, directors or employees do not represent or warrant that any fire protection system or burglar alarm system designated by or installed in the Estate Lots Property may not be compromised or circumvented, that any fire protection or burglar alarm systems will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise nor that fire protection or burglary alarm systems will in all cases provide the detection or protection for which the system is designed or intended. Each Owner, Guest and Permittee acknowledges and understands that the Developer, Neighborhood Association or their agents, representatives, officers, directors or employees are not insurers and that each Owner, Guest and Permittee assumes all risks for loss or damage to persons or property within the Estate Lots Property and further acknowledges that Developer, Neighborhood Association or their agents, representatives, officers, directors or employees have made no representations or warranties nor has any Owner, Guest or Permittee relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or burglar alarm systems recommended or installed or any security measures undertaken within the Estate Lots Property.

21. Incorporation of Master Declaration. It is to be understood that this Declaration is supplemental to the Master Declaration, which is by reference made a part hereof, and all the terms, conditions, covenants, restrictions, and provisions thereof, unless specifically modified herein, are to apply to the Estate Lots Property and are made a part of this Declaration as though they were expressly rewritten, incorporated, and included herein. The ownership and use of the Estate Lots Property is subject to the Master Declaration as it may be amended from time to time.

22. Interpretation. To the extent Utah law is consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions or headings 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.

23. Severance. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof. If any covenant, condition, restriction, part, term or provision of this Declaration is deemed to be inconsistent, incongruent or in conflict with (the "Inconsistent Provision") any approval guidelines for the financing, insuring or the guaranty of the Estate Lots Property, or any part thereof (the "Required Provision"), then (a) the rights and obligations of the parties shall be construed and enforced as if the Declaration did not contain such Inconsistent Provision, and (b) the Required Provision shall be and is hereby incorporated herein by this reference, anything to the contrary notwithstanding.

24. 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 Estate Lots Property, 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 Estate Lots Property, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

25. Term. This Declaration shall continue for a term of forty (40) years from its date of recordation. Thereafter, this Declaration shall be automatically extended for successive periods of ten (10) years until a vote of greater than fifty percent (50.0%) of the Members determines that this Declaration shall terminate.

26. Mortgagee Protection. 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.

27. Registered Agent. The initial registered agent of the Master Association is David L. Evans. The initial registered office of the Master Association is at 5130 South 900 East, No. 250, Salt Lake City, Utah 84117.

28. Bylaws. The Neighborhood Association shall be administered according to the Bylaws of the Master Association, which are referred to and incorporated herein by this reference, and where the context requires any references to the Master Association shall refer to the Neighborhood Association and any reference to the Board of Delegates shall refer to the Management Committee.

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

Pepperwood Creek Estate Lots, a part of the Pepperwood Creek Planned Mixed Residential Use Development

29.1 Generally. Any amendment to this Declaration by the Owners pursuant to this subsection shall require the affirmative written vote or consent of at least sixty-seven percent (67%) of the Total Votes of the Association 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. Any Amendment authorized pursuant to this Section shall be accomplished through the recordation in the Office of the County Recorder of an instrument executed by the Association. In such instrument an officer of the Association shall certify that the vote required by this Section for Amendment has occurred.

29.2 Initial Developer Right to Amend. The Developer alone may amend or terminate this Declaration prior to the closing of a sale of the first Lot or Unit.

29.3 Unilateral Right to Amend Under Certain Conditions. Notwithstanding anything contained in this Declaration to the contrary, this Declaration may be amended unilaterally at any time and from time to time by Developer if such Amendment is (i) necessary to correct typographical errors or inadvertent omissions; (ii) 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 (iii) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots or Units subject to this Declaration; provided, however, any such Amendment shall not materially adversely affect the title to any Lot or Unit unless any such Owner shall consent thereto in writing.

29.4 Developer's Right to Amend Unilaterally Prior to Termination of Developer's Period of Control. Prior to the expiration of the Period of Developer's Control, Developer 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 consent of the affected Owner.

29.5 To Satisfy Requirements of Lenders. Anything to the contrary notwithstanding, Developer reserves the unilateral right to amend all or any part of this Master 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 Units, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Lot or Unit, or any portions thereof. Any such amendment shall be effected by the recordation by Developer of an Amendment duly signed by the Developer, 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 or Units and all persons

EXHIBIT "A"
LEGAL DESCRIPTION OF THE
THE ESTATES AT PEPPERWOOD CREEK PROPERTY

The Land described in the foregoing document as the The Estates At Pepperwood Creek Home Site Property is located in Salt Lake County, Utah and is described more particularly as follows:

Lots 208, 209, 210, 211, 212 and 213, according to the official plat of PEPPERWOOD CREEK PHASE 2, a planned unit development project, according to the official plat thereof as recorded in the office of the Salt Lake County Recorder.

EXHIBIT "C"
PERCENTAGES OF OWNERSHIP INTEREST

The percentage of ownership for each Lot shall be uniform and equal, regardless of the size of the Lot or the value of the Dwelling Unit, and shall be represented by a fraction in which the numerator is 1 and the denominator is a number equal to all of the Lots in the Estates Neighborhood.

1

Total Number of Lots in Estates Neighborhood

EXHIBIT "C"
BYLAWS
OF
THE ESTATES AT PEPPERWOOD CREEK NEIGHBORHOOD ASSOCIATION

ARTICLE I
PLAN OF LOT OWNERSHIP AND INCORPORATION

1. Submission. These are the Bylaws referred to in the foregoing Declaration of Covenants, Conditions and Restrictions for The Estates at Pepperwood Creek (the "Declaration"), which is located in Salt Lake County, State of Utah. These By Laws shall govern the administration of the Estate Lots Property and the Neighborhood Association.

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

3. Office and Registered Agent. The initial Registered Agent shall be Christopher P. Gamvroulas of 978 Easy Woodoak, Salt Lake City, Utah 84117. However, after transfer of management and control of the Neighborhood Association is made by the Developer to the members of the Neighborhood Association, the Registered Agent shall be the President of the Neighborhood Association and the Registered Office shall be the home of the President or such other place as shall be designated by him.

ARTICLE II
NEIGHBORHOOD ASSOCIATION

1. Composition. The Neighborhood Association of Lot Owners is a mandatory neighborhood association consisting of all Owners.

2. Place of Meeting. Meetings of the Neighborhood Association shall be held at the principal office of the Neighborhood Association or at such other suitable place as may be designated by the Neighborhood 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 Neighborhood 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. Qualified Voters. An Owner shall be deemed to be in "good standing" and "entitled to vote" at any meeting of the Neighborhood Association if he is in full compliance with all of the terms, covenants, and conditions of the Estate Lots Property Documents, and shall have fully paid his share of the Common Expenses and all Assessments and/or Additional Charges due.

5. Proxies. The votes appertaining to any Lot may be cast pursuant to a proxy or proxies duly executed by or on behalf of the 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 Neighborhood 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 Neighborhood Association prior to the meeting. Only individual Owners or the legal representative of an institutional Owner may be proxies.

6. Quorum Voting. A majority of the members of the Neighborhood 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 Neighborhood 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 Neighborhood 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 Neighborhood Committees, if any;
- f. election of inspectors of election, if applicable;
- g. election of Neighborhood Committee Members, if applicable;
- h. unfinished business; and
- I. new business.

8. Conduct of Meeting. The President shall, or in his absence the Vice-President, preside over all meetings of the Neighborhood 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 Neighborhood Committee or any action that be taken at a meeting of the Neighborhood 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 Neighborhood Committee. An explanation of the action taken shall be posted at a prominent place or places within the Common Area and Facilities with three (3) days after the written consents of all of the members of the Neighborhood Committee have been obtained.

ARTICLE III NEIGHBORHOOD COMMITTEE

1. Powers and Duties. The affairs and business of the Neighborhood Association shall be managed by the Neighborhood Committee consisting of three (3) Owners. The Neighborhood Committee shall have all of the powers and duties necessary for the administration of the affairs of the Neighborhood Association in accordance with the provisions of the Declaration and may do all such acts and things necessary to operate and maintain the Estate Lots Property. The Neighborhood 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 Neighborhood Committee may delegate its authority to a manager or managers. Subject to any limitations or provisions contained in the Declaration, the Neighborhood Committee shall be responsible for at least the following:

- a) Preparation of an annual budget for the Neighborhood Association;
- b) Establishing the Neighborhood Assessment of each Owner;
- c) Providing for the operation, care, upkeep, replacement, maintenance, and regulation of all the Exclusive Common Area and Facilities;
- d) Assisting the professional manager employed by the Master Association and the personnel necessary to operate and maintain the Estate Lots Property;
- e) Collecting the Neighborhood Assessments and other Assessments;
- f) Enforcing the Neighborhood Declaration, Bylaws and Rules;
- g) Establishing bank accounts;
- h) Obtaining insurance;

i) Keeping books and records with detailed accounts of the receipts and expenditures affecting the Estate Lots Property, and the administration of the Neighborhood Association, specifying the maintenance and repair expenses of the Common Area and Facilities and any other expenses incurred. Said documents, books, financial statements, and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Neighborhood Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices. For each fiscal year the Neighborhood Committee may obtain (from a CPA who is neither an Owner nor resident of a Lot at the Estate Lots Property) either a Compilation Report, Reviewed Financial Statement or Audited Financial Statement; provided, however, upon a resolution approved by the affirmative vote of either a majority of the (a) members of the Neighborhood Committee or (b) Owners, the Neighborhood Committee shall obtain an Audited Financial Statement.

j) Providing, common utilities to the Estate Lots Property; and

k) 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 Neighborhood Committee or Neighborhood Association.

2. Composition of Neighborhood Committee. The Neighborhood Committee shall be composed of three (3) Persons, one of whom may be the Delegate to the Board of Delegates for the Neighborhood Association and one of whom may be the alternate Delegate.

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

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

5. Regular Meetings. Regular meetings of the Neighborhood 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 Neighborhood Committee, but no less often than monthly.

6. Special Meetings. Special meetings of the Neighborhood 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 Neighborhood Committee shall be valid for any and all purposes.

7. Waiver of Notice. Before or at any meeting of the Neighborhood 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 Neighborhood Committee shall constitute a waiver of notice. If all the members are present at any meeting of the Neighborhood Committee, no notice shall be required and any business may be transacted at such meeting.

8. Neighborhood Committee's Quorum. At all meetings of the Neighborhood 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 Neighborhood Committee members present at a meeting at which a quorum is present shall be deemed to be the acts of the Neighborhood Committee. If, at any meeting of the Neighborhood Committee, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time but for no longer than two days. At any such rescheduled meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

9. Vacancies. Vacancies in the Neighborhood Committee caused by any reason other than removal of a member by a vote of the Neighborhood Association shall be filled by vote of the majority of the remaining members of the Neighborhood Committee at a special meeting of the Neighborhood 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 Neighborhood 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 Neighborhood Association shall be filled by the election and vote of the Neighborhood Association.

10. Removal of Neighborhood Committee Member. A member of the Neighborhood Committee may be removed with or without cause, and his successor elected, at any duly called regular or special meeting of the Neighborhood Association at which a quorum of the Neighborhood Association is present, by an affirmative vote of a majority of the members of the Neighborhood 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 Neighborhood Committee Member who misses twenty-five percent (25%) or more of the Neighborhood Committee Meetings or who misses three (3) consecutive meetings, in any calendar year, shall be automatically removed from the Neighborhood Committee.

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

12. Report of Neighborhood Committee. The Neighborhood Committee shall present at each annual meeting, and when called for by vote of the Neighborhood

Association at any special meeting of the Neighborhood Association, a full and clear statement of the business and condition of the Neighborhood Association.

ARTICLE IV OFFICERS

1. Designation. The principal officers of the Neighborhood Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Neighborhood Committee. The Neighborhood 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 Neighborhood Committee. Two or more offices may be held by the same person, except that the President shall not hold any other office.

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

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

4. President. The President shall be the chief executive officer; he shall preside at meetings of the Neighborhood Association and the Neighborhood Committee shall be an ex officio member of all Neighborhood Committees; he shall have general and active management of the business of the Neighborhood Committee and shall see that all orders and resolutions of the Neighborhood 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. Vice-President. The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Neighborhood Committee or the President shall prescribe. If neither the President nor the Vice President is able to act, the Neighborhood Committee shall appoint a member of the Neighborhood Committee to do so on an interim basis.

6. Secretary. The secretary shall attend all meetings of the Neighborhood Committee and all meetings of the Neighborhood 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 Neighborhood Committees when required. He shall give, or cause

to be given, notices for all meetings of the Neighborhood Association and the Neighborhood Committee and shall perform such other duties as may be prescribed by the Neighborhood Committee. The Secretary shall compile and keep current at the principal office of the Neighborhood 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 Neighborhood Association, containing the minutes of all annual and special meetings of the Neighborhood Association and all sessions of the Neighborhood Committee including resolutions.

7. Treasurer. 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 Neighborhood Committee. He shall disburse funds as ordered by the Neighborhood Committee, taking proper vouchers for such disbursements, and shall render to the President and members, at the regular meetings of the Neighborhood Committee, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Estate Lots Property.

ARTICLE V
DELEGATES TO THE MASTER ASSOCIATION

The Neighborhood Committee shall appoint a Delegate to serve on the Board of Delegates governing the Master Association.

ARTICLE VI
FISCAL YEAR

The fiscal year of the Neighborhood 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 Neighborhood Committee should it be deemed advisable or in the best interests of the Neighborhood Association.

ARTICLE VII
DEPOSIT OF COMMON FUNDS INTO A FEDERALLY INSURED ACCOUNT

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

ARTICLE VIII
AMENDMENT TO BYLAWS

1. Amendments. These Bylaws may be modified or amended either (a) unilaterally by the Developer during the Period of Developer's Control or (b) by the affirmative vote of a majority of the members of the Neighborhood Committee.

2. Recording. An amendment to these Bylaws shall become effective immediately upon recordation in the Office of the County Recorder.

ARTICLE IX
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 Neighborhood 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 pre-paid, a) if to an Owner, at the address of his Lot and at such other address as the Owner may have designated by notice in writing to the Secretary; or b) if to the Neighborhood 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 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 between these Bylaws and the Declaration, the provision of the Declaration shall control.

2. Waiver. 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. Captions. 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.

EXHIBIT "D"

S T R E E T T R E E P L A N T I N G P L A N

01. GENERAL REQUIREMENTS

- 01.1. STREET TREES initially are to be planted by the homeowner in compliance with this plan.
- 01.2. STREET TREES are to be planted in the parkstrip in front of each lot. They are to be centered between the back of curb and the edge of the sidewalk. Or Where sidewalk is adjacent to the curb the tree shall be planted 2.5 feet behind the sidewalk.
- 01.3. A minimum of Two (2) Street Trees are to be planted per lot.
- 01.4. STREET TREES shall be spaced at approximately thirty (30) feet on center, but no less than thirty (20) feet from a street tree in front of an adjoining lot.
- 01.5. STREET TREES shall be planted at any street intersection shall be planted as per Sandy City Clearzone requirements for site distance.
- 01.6. STREET TREES shall be a minimum two inch (2") caliper in size when planted. (Caliper is the diameter of the trunk measured twelve (12) inches above the top of the root ball.)
- 01.7. Any damaged or diseased STREET TREES are to be replaced by the homeowner at his sole cost and expense.

02. STREET TREE PLAN

- 02.1. The following Plant List identifies the kinds of Street Trees which may be planted. No substitutions are allowed.
- 02.2. STREET TREE PLANT LIST

COMMON NAME	BOTANICAL NAME
Chokecherry'Canada Red'	Prunus Virginian "Canada Red"