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RECIPROCAL MAINTENANCE AGREEMENT
AND ASSOCIATION BY LAWS

FOR

LONE PEAK MEADOWS SUBDIVISION

A RESIDENTIAL SUBDIVISION

IN

SALT LAKE COUNTY, UTAH

IVORY HOMES,
a Utah limited Partnership

AND

LONE PEAK DEVELOPMENT, LLC
a Utah limited liability company

AS DEVELOPERS

BK7876PG2419

WHEN RECORDED RETURN TO:

James R. Blakesley
Attorney at Law
2102 East 3300 South
Salt Lake City, Utah 84109

RECIPROCAL MAINTENANCE AGREEMENT
AND ASSOCIATION BY LAWS
FOR
LONE PEAK MEADOWS SUBDIVISION

This RECIPROCAL MAINTENANCE AGREEMENT AND ASSOCIATION BY LAWS for LONE PEAK MEADOWS SUBDIVISION, (the "AGREEMENT") is executed this 3rd day of February, 1998, by and between IVORY HOMES, a Utah limited partnership of 970 East Woodoak Lane, Salt Lake City, Utah 84117 and LONE PEAK DEVELOPMENT, LLC, a Utah limited liability company, of 12453 S. Fort Street, Draper, Utah 84020 (the "Developer").

RECITALS

- A. The Lone Peak Meadows Subdivision consists of Lots 1 through 22 and Lots 24 through 70, inclusive, (the "Ivory Homes Property") and Lots 1A through 25A, inclusive (the "Lone Peak Development Property").
- B. Developer is the owner of the "Ivory Homes Property".
- C. Lone Peak Development, LLC is the owner of the Lone Peak Development Property.
- D. The Ivory Homes Property and the Lone Peak Development Property share a subsurface (the "Storm Drain System"), which is located throughout the Subdivision, certain common elements, areas and facilities, and Entry Monuments.
- E. Developer and Lone Peak Development, LLC desire to establish a master association to manage, operate and control the Storm Drain System, common elements, areas and facilities, and Entry Monuments.

AGREEMENT

NOW, THEREFORE, for the reasons recited above, the Developer and Lone Peak Development, LLC, hereby covenant and agree as follows:

- 1. Definitions. The following definitions shall apply to this AGREEMENT:
 - a. "Assessment" shall mean an Owner's portion of the Common Expenses or any

other amount charged by the Association.

b. "Association" shall mean all of the Owners of Lots in the Subdivision acting as a group.

c. "Common Expense" shall mean and refer to:

1) All sums lawfully assessed against the Owners;

2) Expenses of administration, maintenance, repair or replacement of the Storm Drain System, common elements, areas and facilities, and Entry Monument;

3) Expenses allocated by the Association among the Owners;

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

5) Expenses declared common expenses by this AGREEMENT.

d. "Committee" shall mean the Management Committee.

e. "Dwelling" shall mean the detached single family home, residence, place of habitation, abode or living unit constructed upon a Lot.

f. "Lot" or "Lots" shall mean the subdivided and recorded lot or lots within Subdivision and where the context so requires any Dwelling constructed thereon.

g. "Management Committee" shall mean the committee of three (3) Members of the Association elected or appointed to manage the Association and the Storm Drain System, common elements, areas and facilities, and Entry Monument.

h. "Member of the Association" shall mean each Owner who, by virtue of accepting a deed or other document of conveyance to a Lot, is deemed to be a shareholder in the Association.

i. "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot in the Subdivision, excluding those having such interest merely as security for the performance of an obligation.

k. "Subdivision" shall mean the LONE PEAK MEADOWS SUBDIVISION.

2. Area of Application. This AGREEMENT shall apply to the entire Subdivision.

3. Right to Expand Application. The Developer and Lone Peak Development, LLC shall have the right to expand the application of this AGREEMENT to other property by their unanimous consent and a written amendment to this AGREEMENT duly recorded.

4. Maintenance of Common Elements, Entry Monuments and Storm Drain System. The Association shall maintain, repair and replace, as needed, the common elements, areas and facilities as well as the Entry Monuments. The Storm Drain System shall be maintained as follows: The Developer and Lone Peak Development, LLC, agree to manage, maintain, repair and replace the Storm Drain System at no cost to the Members of the Association for a period of three (3) years immediately following the recordation of this AGREEMENT, at the expiration of which the Developer and Lone Peak Management Development, LLC. shall deliver to the Association a written "Notice of Transfer," which shall effectively transfer control of the Storm Drain System to the Association. Thereafter, the Association shall manage, maintain, repair and replace the System at its sole risk and expense.

5. Association. All Owners of Lots in the Subdivision, by virtue of accepting a deed or other document of conveyance or transfer thereto, shall belong to and be members of the Association. Membership in the Association is appurtenant to each Lot in the Subdivision and may not be separated or partitioned therefrom. The Association is created for the purpose of managing, maintaining, repairing and replacing the Storm Drain System, common elements, areas and facilities, and Entry Monuments for the benefit and well being of the Owners of Lots in the Subdivision. .

6. Management Committee. The Association shall be managed by a Management Committee, which shall be formed and shall operate subject to the following:

a. Members. The Management Committee shall be comprised of three (3) Owners who shall be duly qualified, elected or appointed in the manner set forth below.

b. Composition of Committee. Each Owner shall have one (1) vote. The Developer shall have the exclusive right to appoint all of the Committee Members until the earlier of the following events, at which time control of the Management Committee (subject to the perpetual right of the Developer to appoint one (1) member of the Committee) shall be transferred by Developer to the Members of the Association (hereinafter referred to as the "Event" or "Events"):

1) Within forty-five (45) days after the date by which 100% of the Lots, upon which a Dwelling has been constructed and for which a certificate of permanent occupancy has been issued, have been sold or rented; or

2) At such time as the Developer elects in writing to transfer management and control of the Association.

The initial members of the Committee shall be Ellis R. Ivory, Clark D. Ivory and Christopher P. Garnvroulas. Anything to the contrary notwithstanding, one person designated by the Developer shall always remain a member of the Committee if Developer so desires.

c. Voting Restrictions. The following additional restrictions apply to voting on Association issues, including but not limited to the election of Committee Members:

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

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

3) Lease. Any Owner of a Lot who has leased his Dwelling 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 Association prior to any meeting.

d. Terms. Committee Members shall be elected or appointed to serve two (2) year terms.

e. Qualify. To qualify to serve on the Committee, a person must either be appointed by the Developer or, in the alternative, be an individual Member of the Association or the legal representative of an organizational Member of the Association in good standing.

f. Vacancies. Any vacant seat on the Committee shall be filled with an Member of the Association duly qualified, elected or appointed; provided, however, the vacancy of a seat held by a person appointed by the Developer shall be filled by a person appointed by the Developer.

g. Dismissal. Any Committee member who fails on three (3) successive occasions to attend Committee meetings (whether regular or special) or who has failed to attend at least twenty-five percent (25%) of all Committee meetings (whether regular or special) held during any twelve (12) month period shall automatically forfeit his seat.

h. Removal of a Member of the Committee. Except for Committee Members appointed by the Developer prior to the occurrence of the Events, Committee Members may be removed at any time by the affirmative vote of at least a majority of the Members of the Association.

i. Replacement. Committee Members dismissed in the manner set forth in subsection

(g) above or who resign, shall be replaced by an Owner selected by the remaining Members of the Committee. A member of the Committee removed by the affirmative majority vote of the Members of the Association shall be replaced by the majority vote of those Members of the Association present in person or by proxy at a special meeting called for that purpose. Anything to the contrary notwithstanding, the Developer shall be entitled to replace all Members of the Committee appointed by it.

j. Completion of Term. Unless he forfeits or otherwise loses his seat as herein provided, a Member shall serve on the Committee until his successor qualifies and is properly elected by the Members of the Association or appointed by the Developer.

k. No Compensation. Committee members shall not be compensated for their services but shall be reimbursed for all expenses reasonably incurred in connection with Committee business and approved by the Committee.

9. Committee Officers and Agents. The Committee shall perform its functions through those Members who are elected as officers by the Committee and through such agents or employees as the Committee may appoint. Any Committee officer, agent, or employee may at any time be removed, with or without cause, by the vote of a majority of the Committee Members although he shall continue to be Member at large of the Committee. One Member may hold more than one office except that of President and Secretary. The officers of the Committee, and their respective powers and functions, shall be as follows:

a. President. The President shall be the chief executive of the Committee and shall exercise general supervision over the Storm Drain System, common elements, areas and facilities, Entry Monuments, and affairs of the Association. The President shall preside over all meetings of both the Committee and the Association. The President shall execute all instruments on behalf of the Committee, unless s/he chooses to delegate that authority to another Committee member.

b. Vice-President. The Vice-President shall have all the powers of the President in the event of the latter's absence or inability to act.

c. Secretary. The Secretary shall keep minutes of meetings of the Committee and the Association and all other books and records which are required or made necessary.

d. Treasurer. The Treasurer shall have custody and control of the funds available to the Committee. The Treasurer shall cause to be prepared an annual financial statement for each fiscal year of Project operation. The offices of Secretary and Treasurer may be held by the same Committee member.

10. Committee Meetings. A regular meeting of the Committee shall be held immediately after the adjournment of each annual Association meeting or at such other time as the members of the Committee may decide. Other regular meetings shall be held at periodic intervals at such time and place as the Committee may determine, but no less than one time per

quarter. No notice need be given of regular Committee meetings. Special Committee meetings shall be held whenever called by the President or by any two (2) members of the Committee. Written notice of all special meetings shall be delivered to each Committee Member at least twenty-four (24) hours before the time fixed for the meeting. The propriety of holding any meeting which is attended by all Committee Members may not be challenged on grounds of inadequate notice. A quorum for the transaction of business at any Committee meeting shall consist of a majority of all the Committee Members then in office.

7. Status and General Authority of 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 constitute a legal entity capable of dealing in its own name or in the name of the Committee. The Management Committee shall have, and is hereby granted, the following authority and powers:

a. To Enter. The power and authority to enter into or upon any Lot to make repairs and to do other work necessary for the proper maintenance and operation of the Storm Drain System, common elements, areas and facilities, and Entry Monuments. Except in the case of an emergency, Residents shall be given at least twenty-four (24) hours prior notice before the Committee or its representative shall exercise this power.

b. Grant Easements. The authority, without the vote or consent of any other person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and non-exclusive easements over, under, across, and through the Subdivision as reasonably necessary or useful for the proper maintenance, operation or regulation of the Storm Drain System, common elements, areas and facilities, and Entry Monuments.

c. Execute Documents. The authority to execute and record, on behalf of all Members of the Association, any amendment to this Agreement which has been approved by the vote or consent necessary to authorize such amendment.

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

e. Enter Into Contracts. The authority to enter into contracts which in any way concern the Association or the Storm Drain System, common elements, areas and facilities, and Entry Monuments.

f. Promulgate Rules. The authority to promulgate such reasonable rules and regulations as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Storm Drain System, common elements, areas and facilities, and Entry Monuments, is maintained and used in a manner consistent with its original design and construction.

g. Delegation of Authority. The power and authority to delegate its duties, in whole or in part, to a manager or management company.

h. 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 for and in behalf of the Members of the Association.

Anything to the contrary notwithstanding, while Developer controls the Association and before the occurrence of the Events described herein, any amendments to this AGREEMENT must be approved in writing and in advance by the Developer and Lone Peak Development, LLC.

8. Association Meetings. The Members of the Association shall meet as follows:

a. Annual Meeting. The annual meeting of the Members of the Association shall be held at 7:00 o'clock p.m. on the first Monday in February of each year unless otherwise determined by the Committee. Whenever such day is a legal holiday, the meeting shall occur on the first business day thereafter. At least 10 but not more than 30 days before the date of the annual meeting, a written notice thereof shall be delivered in person or mailed by regular U.S. Mail, postage prepaid, to each person who appears as an Member of the Association at his last known address as shown on the books and records of the Association. The notice shall state the day, date, time, place, and general purpose of the meeting.

b. Special Meetings. Special meetings of the Association may be called at any time by the Committee or by Members of the Association who collectively hold at least thirty percent (30%) of the total vote. Such meeting shall be held at such place as the Committee may specify and the notice thereof, which must be sent by the Committee, shall state the day, date, time, place and matters to be considered at the meeting. No items other than those expressly set forth in the notice may be addressed at the special meeting.

c. Waiver of Notice. No notice of any Association meeting shall be required if a waiver of such notice is signed by all of the Members of the Association. Whenever all of the Members of the Association meet in person or by proxy such meeting may not be challenged on grounds of inadequate notice.

d. Quorum. The presence of a majority of the Members of the Association entitled to cast a vote shall constitute a quorum for the transaction of business at any Association meeting.

(1) Quorum Not Present. If a quorum is not present at any Association meeting, whether regular or special, the meeting may be adjourned and rescheduled for a time no earlier than forty-eight (48) hours and no later than thirty (30) days, after the time set for the original meeting.

(2) Quorum at Rescheduled Meeting. Those Members of the Association present at the rescheduled meeting shall constitute a quorum.

(3) Percentage Approval Requirement. Anything to the contrary notwithstanding, in any instance in which this AGREEMENT requires the affirmative vote of a certain number of Members of the Association for authorization or approval of a matter, their written consent, in person or by proxy, is required for authorization or approval of the item, regardless of the quorum requirements.

9. Common Profits, Expenses and Voting Rights. The common profits of the Association shall be distributed among, the Common Expenses shall be charged and the voting rights shall be allocated to the Members of the Association equally. Each Member of the Association, upon receipt of a deed or other document of conveyance or transfer to a Lot, agrees to and shall pay his portion of the Common Expenses or any other Assessment levied against him or his Lot, including any fines resulting from a violation of the AGREEMENT or any rule or regulation, by the Committee.

a. Developer. Anything to the contrary notwithstanding, the Developer shall not be obligated to pay Assessments on any Lots owned by it until such time as the occurrence of the earlier of the following:

1) the physical Dwelling structure on the Lot has been substantially completed, a certificates of permanent occupancy has been issued and the Lot has been sold or rented; or

2) Developer elects in writing to pay the Assessments.

b. Purpose of Common Expenses. The Assessments provided for herein shall be used for the general purpose of managing, operating, maintaining, repairing and replacing the Storm Drain System, common elements, areas and facilities, Entry Monuments, and managing the Association.

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

1) Itemization. Shall set forth an itemization of the anticipated Common Expenses for the twelve (12) month calendar year, commencing with the following January 1.

2) Basis. Shall be based upon advance estimates of cash requirements by the Committee to provide for the payment of all estimated expenses growing out of or connected with the operation, maintenance, repair and replacement of the Storm Drain System, common elements, areas and facilities, Entry Monuments, and the management of the Association.

d. Approval of Budget and Assessments. The proposed Budget and the Assessments

shall become effective unless disapproved at the annual Association meeting by the affirmative vote of a majority of the Members of the Association. Notwithstanding the foregoing, however, if the Members of the Association disapprove the proposed Budget and Assessments or the Committee fails for any reason to establish the Budget and Assessments for the succeeding year, then and until such time as a new Budget and Assessment schedule shall have been established, the Budget and Assessment schedule in effect for the then current year shall continue for the succeeding year.

e. Method of Payment of Assessments. The Committee has the sole authority and discretion to determine how and when any Assessment is to be paid.

f. Personal Obligation of Member of the Association. Each Member of the Association is personally liable to pay all any Assessment levied by the Committee against him or his Lot; provided, however, no first mortgagee or beneficiary under a first deed of trust 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.

g. Equitable Changes. If the aggregate of all monthly payments on all of the Lots is too large or too small as a result of unanticipated income or expenses, the Committee may from time to time effect an equitable change in the amount of said payments, but without the prior approval of a majority of the Members of the Association the increase may not be greater than twenty-five percent (25%) of the Assessment in any calendar year. Members of the Association shall be given at least 30 days prior written notice of any increase in the amount of the Assessment.

h. Reserve Account. The Committee may in its sole discretion elect to establish and maintain a reserve account to pay for unexpected operating expenses and capital improvements.

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

j. Superiority of Common Area Assessments. All Assessments and liens created to secure the obligation to pay an Member of the Association's share of the Common Expenses are superior to any homestead exemptions to which an Member of the Association may be entitled, which exemptions an Member of the Association, by accepting a deed or other document of conveyance or transfer to a Lot, expressly subordinates or waives.

k. Suspension of Right to Vote for Non-Payment. At the discretion of the Committee, the right of an Member of the Association to vote on issues concerning the Association may be suspended if the Member of the Association is delinquent in the payment of his Assessments and has failed within ten (10) days after delivery of written notice of the default to cure or make satisfactory arrangements to cure the default..

10. Special Assessments. The Committee, with the affirmative consent or approval of at least a majority of the Members of the Association, may levy a Special Assessment to pay for unanticipated expenses, an operation's budget shortfall or any capital improvement.

11. Individual Assessments. The Committee may fine Members of the Association and residents for the failure to comply with the AGREEMENT or any rules and regulations adopted from time to time. In addition, individual assessments may be levied by the Committee against a Lot or its Member of the Association to compensate or reimburse the Association for:

- a. costs incurred in enforcing or construing the AGREEMENT;
- b. costs associated with the maintenance, repair or replacement of any portion of the Storm Drain System, common elements, areas and facilities, and Entry Monuments, damaged by an Member of the Association or resident;
- c. any other charge, fee or expense designated by the Committee as an individual assessment; and
- d. attorney's fees, late fees, default interest and collection costs.

Provided, however, no fine or individual assessment shall be final until after the Member of the Association or resident shall have received written notice thereof and a reasonable opportunity to be heard. The decision of the Committee shall be final and conclusive.

12. Collections. It is important that all Members of the Association pay their portion of the Common Expenses and Assessments levied against them or their Lots in a timely manner. Assessments and fines shall be collected as follows:

a. Apportionment. The amount of Common Expenses assessed against each Lot is a debt of the Member of the Association at the time the Assessment is made and is collectible as such. Suit to recover a money judgment for unpaid Common Expenses is maintainable without foreclosing or waiving the lien securing it. If any Member of the Association fails or refuses to make any payment of the Common Expenses when due, that amount constitutes a lien on the interest of the Member of the Association in the Subdivision, and upon the recording of notice of lien, it is a lien upon the Member of the Association's interest in the Subdivision 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 Member of the Association recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

b. Late Fees and Accruing Interest. A late fee in the amount of \$25.00 or 5% of the delinquent amount, whichever is greater, shall be assessed on payments received more than 10 days after their due date. Simple interest at the rate of 1.5% per month shall accrue on all delinquent accounts. The Committee may, in its sole discretion and under circumstances it deems fair and just, elect to waive late fees and accruing interest but is not required to do so.

c. Foreclosure of Lien and/or Personal Judgment. The Committee may elect to institute a lawsuit, foreclose the lien or both in order to collect past due obligations.

d. No Waiver. No Member of the Association may waive or otherwise exempt himself or herself from liability for his portion of the Common Expenses or the payment of any Assessment or fine provided for herein by the abandonment of his Lot.

e. Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Committee to take some action or perform some function required to be taken or performed by the Association or Committee under this AGREEMENT, or for inconvenience or discomfort arising from the operation, maintenance, repair or replacement of the Storm Drain System, common elements, areas and facilities, and Entry Monuments or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, since the obligation to pay Common Expenses and Assessments is a separate and independent covenant on the part of each Member of the Association.

f. Foreclosure of Lien as Mortgage or Trust Deed. The lien for nonpayment of Assessments may be enforced by sale or foreclosure of the Member of the Association's interest in the Subdivision. 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 Member of the Association shall pay the costs and expenses of such proceedings, including but not limited to the cost of recording notice of lien, certified mailings or personal service, foreclosure report, reasonable attorney's and trustee's fees, and a reasonable rental for the Dwelling 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.

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

h. Attorney in Fact. Each Member of the Association by accepting a deed or other document of conveyance or transfer to a Lot hereby irrevocably appoints the Association as his attorney in fact to collect rent from any person renting his Dwelling, if the Dwelling is rented and Member of the Association is delinquent in the payment of his portion of the Common Expenses or any Assessment or fine. Rent due shall be paid directly to the Association, upon written demand, until such time as the Member of the Association is current on his obligations to the Association. The Member of the Association shall credit his renter, against rent due, an amount equal to the amount of money paid by the renter to the Association.

13. Insurance. If reasonably available, the Committee shall purchase and maintain adequate liability and property insurance coverage on the Storm Drain System, common elements, areas and facilities, Entry Monuments, and the Association. The Association may in its sole discretion also elect to purchase directors and officers insurance and/or a fidelity bond covering those persons handling and responsible for monies of the Association.

14. Interpretation. To the extent Utah law is consistent with this AGREEMENT, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this AGREEMENT 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 term "shall" is mandatory and the term "may" is permissive, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this AGREEMENT shall not affect the validity or enforceability of the remainder hereof.

15. Covenants to Run with Land. This AGREEMENT and all the provisions hereof shall constitute covenants to run with the land described in the Recital section, owned by the undersigned, 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, the Subdivision or the Property, and their respective grantees, transferees, heirs, devisees, personal representative, successors, and assigns. Each Member of the Association or occupant of a Lot shall comply with, and all interests in all Lots shall be subject to, the terms of this AGREEMENT and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this AGREEMENT. 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 AGREEMENT.

16. Enforcement and Right to Recover Attorney's Assessments. Should the Association, Committee or an aggrieved Member of the Association be required to take action to enforce or construe the AGREEMENT or any rules and regulations adopted from time to time, or to pursue any remedy provided hereunder or by applicable law, including a claim for injunctive relief or damages, whether such remedy is pursued by filing suit or otherwise, the non-defaulting party shall be entitled to recover his reasonable attorney's fees, costs and expenses which may arise or accrue.

17. Limitation of Liability. The protective covenants, conditions and restrictions set forth in this AGREEMENT, together with any rules and regulations adopted by the Committee, are established for the benefit of the Subdivision and the Members of the Association. Any damage, loss, claim or liability which might arise due to any decision, act, or failure to act of Developer or the Committee or any of its members shall be exempt from any civil claim or action, including negligence, brought by any person owning or having an interest in any Lot. The Committee and its members shall be indemnified, saved and held harmless from any such action or failure to act, and exempt from any civil claim or action resulting from any act or failure to act (whether intended or implied) while functioning as a member of the Committee, or for decisions that they may render during the course of their service, unless said party is guilty of gross negligence.

18. Amendments. This AGREEMENT may be amended upon the affirmative written approval of at least a majority of the Members of the Association of the Lots and shall be valid immediately upon recording of the document amending the AGREEMENT in the office of the County Recorder of Salt Lake County, Utah; provided, however, so long as the Developer and/or Lone Peak Development, LLC, shall own at least one (1) Lot in the Subdivision, no amendment shall be valid or enforceable without their prior written consent.

19. Duration. The covenants and restrictions of this AGREEMENT shall endure for a term of twenty (20) years from the date this AGREEMENT is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

DEVELOPER:
IVORY HOMES, a Utah limited partnership

By: Ellis R. Ivory
Title: Ellis R. Ivory, General Partner

LONE PEAK MEADOWS DEVELOPMENT, LLC.

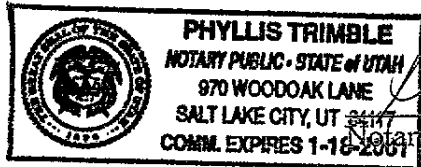
By: Grant D. Taylor
Title: Grant D. Taylor, Member

By: Kinnon Sandlin
Title: Kinnon Sandlin, Member

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

The foregoing instrument was acknowledged before me the 16th day of February, 1998, by Ellis R. Ivory, as General Partner of Ivory Homes, a Utah limited partnership.

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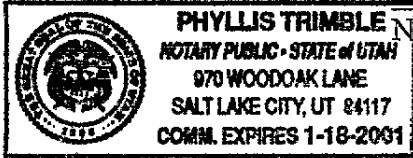


Phyllis Trimble

Notary Public

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

On this the 6th day of February, 1998, personally appeared before me GRANT D. TAYLOR and KINNON SANDLIN, who being before me duly sworn did say that they are the Members of the LONE PEAK MEADOWS DEVELOPMENT, LLC., that said limited liability company executed the above and foregoing instrument, and that said instrument was signed in behalf of said company by authority of a resolution of its Members and that they acknowledged to me that said company executed the same.



Phyllis Trimble

NOTARY PUBLIC