

**DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR DRAPER HEIGHTS SUBDIVISION**

This Declaration of Covenants, Conditions, and Restrictions (hereinafter referred to as the "Declaration"), is made and executed as of the 31st day of July, 1996, by U.S. General, Inc., a Utah Corporation, ("Declarant"); in contemplation of the following facts and circumstances:

A. Declarant is the fee title owner of certain real property situated in Draper City, Salt Lake County, State of Utah, upon which real property the Declarant intends to develop a Subdivision, and which is more particularly described as follows;

(SEE EXHIBIT "A" ATTACHED)

B. Declarant intends to develop and convey all of the Lots contained in the Subdivision pursuant to a general plan and subject to certain protective covenants, conditions, restrictions, reservations, easements, equitable servitude's, liens and charges, all running with the title to said Lots, as hereinafter set forth.

THEREFORE, to further the general purposes herein expressed, Declarant for itself, its successors and assigns, hereby declares that all of the Lots (property) shall at all times, be owned, held, used, and occupied subject to the provisions of this Declaration and subject to: (i) the covenants, conditions, and restrictions herein contained; and (ii) the easements herein reserved or granted.

1. DEFINITIONS

1.1 "Association" shall mean the surviving entity that is charged with the responsibility of maintaining conformity to the Covenants, Conditions, and Restrictions herein described and to conduct all business which is in the common interest of the property owners in the Subdivision.

1.2 "Committee" shall mean the Design Review Committee, which committee as described, herein, is charged with the responsibilities set forth herein.

1.3 "Declarant" shall mean and refer to U.S. General, Inc., its successors and assigns, so long as Declarant assigns such rights of Declarant hereunder to any such person by an express written agreement.

1.4 "Declaration" shall mean this instrument as it may be amended from time to time.

1.5 "Home Owners Association Requirements" shall mean the Draper Heights Home Owners Association Requirements, a copy of which is attached hereto as Exhibit "B", by this reference made a part hereof, and hereafter referred to as "HOA". PLEASE NOTE THAT IT IS THE INTENTION OF THE DEVELOPER TO MAKE "DRAPER HEIGHTS" A PRIVATE GATED COMMUNITY. WE ARE PREPARED IF NECESSARY TO TAKE THIS ISSUE TO THIRD DISTRICT COURT TO FORCE DRAPER CITY TO GIVE ITS APPROVAL OF SAME. WE WILL BE CONSTRUCTING THE ENTRY GATES IN PREPARATION FOR A GATED COMMUNITY.

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1.6 "Improvement" shall mean all structures and appurtenances thereto of every type and kind, including but not limited to buildings, out buildings, walkways, roads, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, planting, planted trees and shrubs, poles, signs, exterior air conditioning and water softener fixtures or equipment.

1.7 "Lot" shall mean any area of real property within the Subdivision designated as a Lot on any subdivision plat recorded or approved by Declarant or its successor in interest.

1.8 "Maintenance Charges" shall mean any and all costs assessed against an Owner's Lot and to be reimbursed to the Association or the successor for work done pursuant to Section 3 hereof and fines, penalties and collection costs incurred in connection therewith.

1.9 "Owner" shall mean (when so capitalized) the record holder of legal title to the fee simple interest in any Lot. If there is more than one owner of record of legal title to a Lot then notice to any one of such owners of record shall be deemed notice to all owners of record of that Lot.

1.10 "Park Strip" shall mean the area in front of a Lot bordering a street beginning with the front line of the Lot and extending to the public asphalt roadway. The Park Strip shall include the sidewalk, and the planting area between the sidewalk and the curb-gutter.

1.11 "Plat Map" shall mean and refer to that plat of Draper Heights, which will be recorded in the official records of the Salt Lake County Recorder concurrently with the recordation hereof.

1.12 "Subdivision" shall mean, Draper Heights, which has been divided or separated into lots as shown on the Plat Maps.

1.13 "Single Story" shall mean any dwelling structure that has only one (1) level of living space above the average original grade at the building perimeter.

1.14 "Two Story" shall mean any dwelling structure that has only two (2) levels of living space above the average original grade at the building perimeter.

1.15 "Three Story" shall mean any dwelling structure that has only three (3) levels of living space above the average original grade at the building perimeter. The third level of living space can only be included within the roof structure elevation or what is commonly known as the attic or dormer.

1.16 "Three Story with basement" shall mean any dwelling structure that has three (3) levels of living space above the average original grade at the building perimeter, of which basement structure is more than half below finish grade at the building perimeter.

2. OWNERS BOUND BY COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

2.1. Each Owner Bound by Terms of Declaration. Each Owner, by acceptance of a deed to a Lot, is deemed to have read and agreed to be bound by the terms and conditions of this Declaration.

3. MAINTENANCE

07/03/96

3.1 Purpose of Maintenance Charge. In order to create, maintain and improve the Subdivision as a pleasant and desirable environment, to establish and preserve a harmonious design for the community and to protect and promote the value of the Subdivision, each Owner covenants and agrees to maintain its Lot in accordance with the terms of this Declaration, or be subject to the assessment of Maintenance Charges to be levied by the Committee as hereinafter provided.

3.2 Maintenance of Park Strip. Each Owner shall be responsible to landscape, and maintain the Park Strip fronting on each Owner's Lot. This maintenance shall include, without limitation, the mowing and watering of the designated Park Strips, removal of weeds, clearing of debris, and other general care, removal of snow from the sidewalk, but not the removal of snow from the planted area of the Park Strip. In the event that any Owner shall fail to landscape or maintain the Park Strip, whether such failure is caused through the failure to act or the willful or negligent act of any Owner, his family, guests or invites, or otherwise, then, subject to the provisions of Section 3.4 hereof, the Committee and the successor Association, (hereinafter for convenience sometimes jointly referred to as the "Committee") shall have the right to cause such landscaping and maintenance to be performed, and the cost of such maintenance or repairs, shall constitute a Maintenance Charge to which such Owner's Lot shall be subject and the Maintenance Charge shall be secured by a Maintenance Charge Lien as set forth herein. Note: Note, only acceptable trees, grass, shrubbery and flowers are allowed within the area of the park strip. No cobble stone, rocks, fences, asphalt, concrete or mounds are permitted. However, mailboxes are allowed within the park strip.

3.3 Improper Maintenance of Lot. Each Lot within the Subdivision shall be maintained by its Owner without regard to whether or not any improvements have been constructed thereon by said Owner. In the event that: (a) any Park Strip or Lot that is not maintained or repaired as set forth herein, (b) any portion of any Lot is so maintained as to present a public or private nuisance; or as to substantially detract from the appearance or quality of the surrounding Lots; or (c) any portion of a Lot is being used in a manner which violates this Declaration; or (d) any Owner fails to maintain acceptable vegetation on any slope greater than 30% on said Owner's Lot; or (e) any Owner fails to perform any of its obligations under this Declaration or the Design and Development Requirements of the Committee; then, the Committee shall give written notice thereof to the Owner of the applicable Lot, that, unless the conditions are corrected within thirty (30) days of the date of such notice, the Committee shall have the right, without further notice or demand, to cause the conditions set forth in the Notice to be corrected at the cost of such Owner. The cost of such maintenance or repairs performed by the committee shall constitute a maintenance charge to which such Owner's Lot shall be subject and the Maintenance Charge shall be secured by a Maintenance Charge Lien as set forth herein.

3.4 Maintenance Charge Lien. The Maintenance Charges, together with interest, costs, and reasonable attorneys' fees, shall be secured by a lien (the "Maintenance Charge Lien"), on the Lot to which such charges relate in favor of the Committee. Such charges, costs, expenses shall be a lien upon the Lot against which each such charge is made until paid in full. The Maintenance Charge Lien shall be a charge on the Lot, shall attach from the date when the unpaid charge became due and shall be a continuing lien upon the Lot against which each such assessment is made until paid in full. Each such Maintenance Charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time the Maintenance Charge becomes due. The Maintenance Charge Lien may be foreclosed by the Committee in the same manner as a mortgage on real property, upon the recording of

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a Notice of Delinquent Maintenance Charge as set forth in Section 3.6 hereof. The Committee shall be entitled to purchase the Lot at any such foreclosure sale.

3.5 Effect of Nonpayment. Any Maintenance Charge not paid within thirty (30) days of the date of written notice of the amount thereof, shall be deemed delinquent and shall bear interest at the rate of eighteen percent (18%) per annum from due date until paid. The Owner of the applicable Lot shall be liable for all costs, including attorneys' fees, which may be incurred by the Committee in collecting the same. The Committee may also record a Notice of Maintenance Charge Lien against any Lot as to which a Maintenance Charge is delinquent. The Notice shall be executed by a member of the Committee, set forth the amount of the unpaid assessment, the name of the delinquent Owner and a description of the Lot. The Committee may establish a fixed reasonable fee to reimburse the Committee for the Committee's cost in recording such Notice, processing the delinquency and recording a release of said lien, which fixed fee shall be treated as part of the Maintenance charge of the Committee secured by the Maintenance Charge Lien. The Committee may bring an action at law against the Owner personally obligated to pay the delinquent assessment and/or foreclose the lien against said Owner's Lot. Commencement of an action against said Owner shall not be deemed to be a waiver of the right to foreclose the lien granted herein unless and until all amounts due are paid in full. No Owner may waive or otherwise avoid liability for the assessments provided for herein by non-use or abandonment of his or her Lot.

3.6 Priority of Lien. The Maintenance Charge Lien provided for herein shall be subordinate to any first mortgage lien held by, or first deed of trust of which the beneficiary is a lender (or its successors or assigns) which has previously lent funds, the security of which is the Lot against which the maintenance Charge Lien is assessed, and shall also be subject to and subordinate to liens for taxes and other public charges. Except as provided above, the Maintenance Charge Lien shall be superior to any and all charges, liens or encumbrances which may in any manner arise or be imposed upon the applicable Lot after the date and time of the recordation of the Notice of Maintenance Charge Lien. Subsequent sale or transfer of any Lot shall not affect the Maintenance Charge Lien.

4. DEVELOPMENT REQUIREMENTS

4.1 Purpose. In order to create, maintain and improve the Subdivision as a pleasant and desirable environment, and to establish and preserve a harmonious design for the community, and to establish procedures for the enforcement of the terms and conditions of this Declaration, and to protect and promote the value of the Subdivision, and to approve the exterior design of all improvements constructed within the Subdivision and changes or alterations to existing uses, all development activity shall be subject to the prior review and approval of the Design Review Committee in accordance to the Design and Development Requirements.

4.2 Completion Required Before Occupancy. No Building within the Property shall be occupied until and unless the owner of such Building shall have completed the Building in accordance with, and complied with, all approved plans, and specifications and a certificate of occupancy has been issued by Draper City.

5. COVENANTS, CONDITIONS, AND RESTRICTIONS

5.1 Use of Lots. All Lots within the Subdivision shall be used only for the construction and occupancy of one single family dwelling, not to exceed three stories above basement (basement height not to exceed three and one half feet average height of original grade at the buildings perimeter) together with a private attached garage for not less than three (3) vehicles and for not more than five (5) vehicles (two car garages may be approved on a case by case basis). Also see paragraph 6.5 for additional detached garages. Off-street parking is prohibited with the exception of guest parking, however overnight parking is excluded. Lots may also be used for the construction of typical residential amenities such as a family swimming pool, tennis court, etc. All Lots shall be used, improved and devoted exclusively for such single family residential use. Gainful occupation, profession, trade or other nonresidential use (such as a model home) may be conducted on any such Lot ONLY if permitted by Draper City and approved by the Committee. No persons shall enter into any lot for engaging in such uses, without prior review and approval by the Committee and the appropriate officials of the Draper City.

5.2 Architectural Control. No grading, excavation, building, fence, wall, residence or other structure of any kind, or alteration, shall be commenced, erected, maintained, improved, altered, or made until the construction plans and specifications thereof along with a topographical plan showing the location of all improvements, including a detailed landscaping plan has been approved in writing by the Committee. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme, and all changes in the grade of any Lot shall be subject to the prior written approval of the Committee. No changes or deviations in or from the plans and specifications once approved by the Committee shall be made without the prior written approval of the Committee. A fee of \$250.00 will be assessed each builder/homeowner by the Review Committee for architectural compliance, allow one week for review. One resubmission is allowed at no cost, allow one week for review of re-submission. A fee of \$100.00 will be charged for any other submission(s) that may take up to three weeks for review. Subsequent to receiving approval of the Committee and prior to the commencement of construction, each Owner shall be responsible for obtaining a building permit from Draper City and connection of ALL utilities to his or her lot.

5.3 Construction Time. The original purchaser of the lot must start construction on the property not later than 12 months from the date of closing and complete construction of all structures not later than 12 months from the date construction starts. "Start" shall be the instant any foliage is cut or removed in anticipation of the landscaping or construction to be undertaken. All building debris, excavation, dirt, and the like, associated with the building process shall be removed within the said twelve (12) month period. Such debris and excavation dirt shall not be permitted on any of the streets or sidewalks in the Subdivision. In the event of a resale of a lot, NO extension of time will be granted without written approval of the Committee, prior to the resale of the lot.

5.4 Deadline for Completion of Landscaping and Automatic Sprinkling System. The front yard of each Lot (from the street curb to the front building line of the residence on the Lot) shall be landscaped within four months (4) of the occupancy date of any structure built upon said Lot, weather permitting. Each front yard shall contain a minimum of four (4) each two (2) inch caliber trees at least six (6) feet high of two different species. The remainder of the Lot shall be landscaped with automatic sprinkling system within one (1) year of the occupancy date of any structure built upon said Lot.

5.5 Restricted Trees. Poplars, Russian Olives, Chinese Elms, Weeping willows, Box Elder.

5.6 Nuisances; No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such Lot or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to the owners of any other Lot in the vicinity thereof, or to the occupants of such other Lot. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Lot in the vicinity thereof or to its occupants. Normal construction activities and parking in connection with the building of improvements on a Lot shall not be considered a nuisance or otherwise prohibited by this Declaration. However, all Lots shall be kept in a neat and orderly condition during construction periods. Trash and debris shall not be permitted to accumulate, and supplies of brick, block, lumber and other building materials shall be piled only in such areas as may be approved by the Committee. In addition, any construction equipment and building materials stored or kept on any Lot during construction of improvements may be kept only in areas approved by the Committee, which may also require screening of such material and equipment storage areas.

5.7 Parking or Storage of Vehicles. No articles, material, equipment or vehicles of any nature shall be parked or stored on any street located within the Subdivision. Licensed, regularly used passenger vehicles (i.e. visitor vehicles) may be parked in the street of the Subdivision for brief periods of time (i.e. less than twenty-four hours). Overnight parking of such vehicles shall generally be restricted to the driveway of the dwelling being visited. Boats, campers, snowmobiles, recreational vehicles, trailers, etc. are prohibited from being stored at the front of the house. No cars on blocks or Non-running

5.8 Garbage and Refuse Disposal. No Lot shall be used as or maintained as a dumping ground for rubbish, trash, garbage or other waste, and such materials shall not be kept on any Lot except in covered containers. All Trash containers shall be covered and kept screened from view from the street in suitable enclosed areas, except during public collection. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. The burning of rubbish, leaves or trash within the Subdivision is prohibited. Each Lot and its abutting street are to be kept free of trash, weeds, and other refuse by the Lot Owner. No unsightly material or objects are to be stored on any Lot in view of the general public. Satellite Dishes - are not to be seen from the street, unless they are the 18" in diameter model mounted on house.

5.9 Signs. No signs, posters, displays or other advertising devices of any character shall be erected or maintained on, or shown or displayed to the public view on any Lot, without the express written consent of the Committee; provided, however, that the restrictions of this paragraph shall not apply to any sign or notice ten square feet or smaller in size which states that the premises are for rent or sale. The Committee may cause all unauthorized signs to be removed. This section shall not apply to any signs used by Declarant or its agents in connection with the original development and sale of the Lots.

5.10 Repair of Improvements. No improvements on any Lot shall be permitted to fall into disrepair and such improvements shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or structure is damaged or destroyed, then, subject to the approvals required by Section 5.2 above, such building or structure shall be repaired or rebuilt or shall be demolished at the sole expense of the owner of such Lot, within a reasonable amount of time.

5.11 Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats, and other household pets may be kept provided that they are not kept, bred, or maintained for any commercial purpose and are restricted to the owner's premises or on leash under

handler's control. No more than a combination of any two animals (such as cats, dogs and alike) will be allowed at any one time. Furthermore, cats and dogs are not allowed to be released from ones property without being leashed and supervised.

5.11 Restriction on Further Subdivision, Property Restrictions and Rezoning. No Lot shall be further subdivided or separated into smaller Lots by any Owner, and no easement, shall be conveyed or transferred by any Owner, without the prior written approval of the Committee, which approval must be evidenced on the official plat or other instrument creating the Subdivision, easement, or other interest. No further covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any Lot without the provisions thereof having been first approved in writing by the Committee. Any covenants, conditions, restrictions or easements recorded without such approval being evidenced thereon, shall be null and void. No application for rezoning of any Lot, and no applications for variances or use permits, shall be filed with any governmental authority unless the proposed use of the Lot has been approved by the Committee and the proposed use otherwise complies with the provisions of this Declaration.

5.12 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant, or its duly authorized agents, of temporary structures, trailers, improvements or signs necessary or convenient to the development, marketing or sale of Lots within the Subdivision.

5.13 Notice of Easements. All lots have a ten (10) foot utility easement surrounding all sides for installation of various utilities and equipment, such as water, sewer, storm drainage, telephone, power, natural gas, etc. Furthermore any lots backing onto Traverse Ridge Road and/or Steep Mountain Road have a fifteen (15) foot easement. All easements may be utilized by the various utility companies at their discretion for placement of utilities and/or equipment.

6. DESIGN CRITERIA

6.1 Materials; Quality. All structure constructed within the subdivision shall be of new materials (with exception of natural stone or rock) and shall be of good quality workmanship and materials. Fifty percent (50%) of all exterior construction shall be new wood, brick, stone, except that used brick may used with prior written approval of the Committee. Only Fifty percent (50%) stucco mix at exterior is allowed, however an increase in stucco up to Seventy Five percent (75%) may be allowed by written approval from the Committee if the Builder/Owner proposes to include a decorative enhancement i.e. coined corners of different color, and type of materials. Only those exterior materials which will blend harmoniously with the natural environment, with special emphasis on earth toned colors, shall be permitted. The main exterior color to the structure (house) must be at a minimum two shades lighter or two shades darker than your neighbors house if already built to the left or right of your structure. Architectural Grade Asphalt roofing must be of the highest grade with 25 year life and all roof colors regardless of type must be approved by the Committee. The typical roof pitch shall be at least 5/12. The Committee may grant a variance of the roof pitch. A minimum width of six (6) inches shall be required on the fascia. All stacks and chimneys from fireplaces which combustible materials other than gas are burned, shall be fitted with spark arrester. All Owners shall strictly comply with all state laws and city ordinances pertaining to fire hazard control.

6.2 Restricted Materials. No aluminum, metal or vinyl siding will be permitted, with the following exception. Aluminum and vinyl materials will only be allowed at soffit and fascia areas only. Log structures are prohibited.

6.2a. Chain link fence is prohibited, unless it is factory color vinyl coated. Height of fence may exceed Draper City requirements (currently believed to be 8 foot at the rear and side of house). Exception may be given for Tennis Courts.

6.3 Equipment to keep obscured and hidden from view of the front yard and street. Roof mounted air conditioner(s), roof mounted solar panels, roof mounted satellite dish, roof mounted antenna.

6.3a. Roofing Materials. Top of line of each category: Asphalt, Asphalt Laminated, Fiberglass, Wood Shake and Clay Tile. Specifications: 40 year warranty category. Colors and request for variance of roof materials must be submitted and approved by Architectural Committee.

6.4 Minimum Size of Dwelling. No dwelling shall be permitted on any lot wherein the floor area of the main structure of the dwelling, exclusive of garages and open porches, is less than the following measurements: (a) For a Single Story dwelling, 2,300 square feet, not including basement area; (b) For Two Story dwelling, 1,700 square feet on the main floor and 1,300 square feet at the second floor totaling a minimum of 3,000 square feet footage for the combined two floors, not including basement; (c) For a Three Story dwelling, 1,700 square feet on the main level, 1,200 square feet at the second level and 800 square feet at the attic or within the roof area, totaling a minimum of 3,700 square feet, not including basement. Note: The architectural committee may vary these minimum requirements if for an example; a rambler type home substantially exceeds the main level (minimum square foot) allowance, then the second level (minimum square foot) allowance may be reduced.

6.5 Detached Garages. Shall not exceed 1,300 square foot in size, two stories in height, nor 8/12 roof pitch. Materials shall likewise comply to 6.1 of the Design Criteria provision. Enclosed Recreational Vehicles (RV) structures shall be first approved by the Committee before submission to Draper City for permit. In any event, none of these structures (detached garages) cannot exceed the height of the dwelling on the same building lot.

6.7 Exterior Security Lighting. All dwellings will require at least 110 volt electric outdoor post lamp retrofitted with an 20 amp electrical outlet (weather type) at the base of each post. The post lamp will require an activating light sensor with a minimum of 75 watts of lighting by either single bulb or by multiple bulbs. Exterior garage lighting must also be sensor activated with a minimum of two bulbs. Owners are responsible for the replacement of light bulbs. All security lighting and visibility must be maintained in good working order at all times. Failure to do so within one week of written notice, will result in the Draper Heights Owners Association replacing or repairing the light and property owner will be billed accordingly.

6.8 Exterior Outlets. At least two exterior outlets (weather type) at the front of each at each end. These outlets must be on separate amperage breakers and may be placed within the soffit.

6.9 Exterior Hose Bibs. At least three (3) one front, one rear, one side of each dwelling.

6.10 Each building lot owner will receive utilities stubbed into it within only a few feet. It will be the responsibility of each owner to complete and pay for ALL the utility connections and fees i.e. water and sewer within his/her lot. Furthermore, the developer has chosen to stub a one inch (1") water line to your lot. The owner will be responsible for paying for the water meter, connection and related fees of same. The owner is not allowed to "reduce" the water meter in size. Owner is responsible to pay for the fees and connection of Gas (Mountain Fuel Supply) Electrical (UP&L) Telephone (US West) to his/her lot. The developer will provide "stubbed" into each lot at his expense the following: Sewer, Water, Electrical, Telephone.

6.11 Lots with Swimming pools. Lots must be fenced with six foot perimeter fence and second (three foot minimum) interior fence with childproof latches surrounding the pool. Second fence can be chain link but must be color vinyl coated. Furthermore, the swimming pool must have a mechanical "vinyl type cover" rated to withstand 150 pounds of weight without failure to cover.

7. DESIGN REVIEW COMMITTEE DISSOLUTION

7.1 Draper Heights Owners Association Three months after the sale and closing of the last lot in the subdivision, the Design Review Committee shall be dissolved and its duties shall be assumed by a newly formed Draper Heights Owners Association. An acting Chairperson for the Association shall be appointed by the Design Review Committee, which chairperson who shall then serve an initial term of three years.

8. DRAPER HEIGHTS OWNERS ASSOCIATION.

8.1 First Annual Meeting. Within thirty (30) days after appointment by the Design Review Committee, the acting Association Chairperson shall be responsible to call the first annual meeting of the Draper Heights Owners Association. The purpose of this meeting shall be to elect four additional Association Committee members. Two Committee members shall be elected for two-year terms and two members for three-year terms. At each annual meeting of the Association thereafter any vacant seat on the Association Committee shall be filled with a member elected for a three-year term. The Draper Heights Owners Association shall at all times be composed of five members.

8.2 Association Qualification. Only fee simple Owners within Draper Heights, shall be eligible for Association Committee membership.

8.3 Vote. Each Owner in the subdivision is allowed one vote for each Lot so owned in Draper Heights Subdivision. The Association is to meet annually to vote upon business that is in the common interest of the Lot owners.

8.4 Association Duties. The Draper Heights Owners Association shall be responsible for the enforcement of the provisions of this Declaration on an ongoing basis, to maintain the integrity of the property values encompassed by this Declaration, and for such other matters as shall be reasonably necessary to give effect to the purpose of this Declaration. In addition to the authority herein expressly given, the Association shall have such rights, powers, and privileges as shall be reasonably necessary to give effect to this Declaration and the ongoing enforcement thereof.

8.5 Special Meetings. At least two members of the Draper Heights Owners Association may schedule a special meeting to discuss action of items deemed urgent. Written notice of such meeting(s) must be given to the remaining Committee Members and announcement posted at each entrance of the Draper Height Subdivision noting the time and place of such meeting by no later than five (5) calendar days. The Committee Members shall have the same authority no different from that of an annual meeting.

9. EASEMENTS

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

9.2 Reservation of Easements.

9.2.1 No Owner of a Lot shall interfere with the established points at which drainage easements enter and leave the Lot, nor the established course through the Lot.

10. TERM AND AMENDMENTS

10.1 Term; Method of Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect for a term of twenty (20) years from the date of recordation. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by the then Owners (based upon one vote per Lot) casting seventy-five (75%) of the total votes cast at an election held for such purpose, within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension thereof. This Declaration may be terminated at any time if at least ninety percent (90%) of the votes cast by all Owners shall be cast in favor of termination at an election duly held for such purpose. No vote to terminate this Declaration shall be effective unless and until the written consent to such termination has been obtained, within a period of six (6) months prior to such vote, to six (6) months after such vote, from the holders of recorded first mortgages or deeds of trust on seventy-five (75%) of the Lots upon which there are such recorded first mortgages and deeds of trust. If the necessary votes and consents are obtained, the Committee shall cause to be recorded in the Salt Lake County records a "Certificate of Termination", duly signed by a member of the Committee or Association as applicable, and acknowledged before a Notary Public. Thereupon the covenants herein contained shall have no further force and effect, and the Committee and the Association shall be dissolved pursuant to the terms set forth herein.

10.2 Amendments. This Declaration may be amended by recording in the Salt Lake County records a "Certificate of Amendment", duly signed and acknowledged as required for a Certificate of Termination. Any amendment shall be effective only if the written consent is obtained from the holders of recorded first

mortgages or deeds of trust on seventy-five percent (75%) of the Lots upon which there are such recorded first mortgages or deeds of trust.

10.3 Additional Property. Notwithstanding any other provision of this Declaration, Declarant shall have the right to unilaterally provide for the amendment of this Declaration for the purpose of causing additional property to become subject to the terms and conditions hereof. Such right shall be exercised in the sole and absolute discretion of Declarant and may be exercised on one or more occasions. The right herein reserved shall be exercised without the requirement of any vote of consent of any Owner, by the recordation of an amendment to this Declaration, executed by Declarant (and the fee owner of the real property to be annexed hereto, if other than Declarant), which shall provide a legal description of the real property to be annexed, a statement that such additional property shall thereby be made subject to the terms and conditions hereof, and such other matters as Declarant shall determine to be necessary, provided, however, that no such unilateral amendment shall materially impair the right of any existing Owner of a Lot in the Subdivision.

11. MISCELLANEOUS

11.1 Interpretation of the Covenants. Except for judicial construction, the Committee shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Committee's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by this Declaration and the provisions hereof.

11.2 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability or any of the other provisions hereof.

11.3 Rules and Regulations. The Committee shall have the right to adopt rules and regulations with respect to all aspects of the Committee's rights, activities and duties, provided said rules and regulations are not inconsistent with the provisions of this Declaration.

11.4 General Reservations. Declarant reserves the right to grant, convey, sell, establish, amend, release and otherwise deal with easements, reservations, exceptions and exclusions which do not materially interfere with the best interests of Owners and/or the Committee including, but not limited to, access and utility easements, road easements, pedestrian and equestrian easements, pedestrian and hiking trails and easements, mountain bike easements and drainage easements.

11.5 Declaration to Run with the Land. Declarant for itself, its successors and assigns, hereby declares that all of the Subdivision shall be held, used and occupied subject to the provisions of this Declaration, and to the covenants and restrictions contained herein, and that the provisions hereof shall run with the land and be binding upon all persons who hereafter become the Owner of any interest in a lot in the Subdivision.

11.6 Developer reserves the right to extend Outlook Cove through Lot 5 as a secondary access to adjacent property that may be developed in the future.

IN WITNESS WHEREOF, Declarant has hereunto caused its name to be signed by the signature of its duly authorized representatives as of the day and year first hereinabove written.

U.S. General, Inc.

Robert B. Christiansen
By Robert B. Christiansen
its Vice President

STATE OF UTAH)

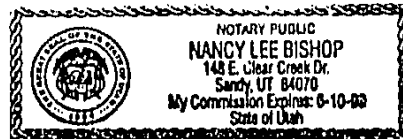
: ss.

COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 3rd day of July, 1995, by Robert B. Christiansen, who is the Vice President of U.S. General, Inc., a Utah Corporation under the laws of the State of Utah, who acknowledged to me that the foregoing instrument was signed by him in behalf of said company.

Nancy Lee Bishop
Notary Public

My Commission Expires: 6-10-99 Residing at:



325 W. 1st St Salt Lake City, Utah

EXHIBIT "A"

Legal Description of Draper Heights Subdivision

Real property located in Salt Lake County, State of Utah, more particularly described as follows:
Draper Heights Subdivision, Plat D and all lots contained therein, of which plat is recorded in the Salt Lake County Recorder's Office.

EXHIBIT "B"

Draper Heights Subdivision
Home Owners Association Requirements:

CCR'S EXHIBIT A DRAPER HEIGHTS SUBDIVISION

5. THE LAND REFERRED TO IN THIS COMMITMENT IS LOCATED IN THE COUNTY OF SALT LAKE, STATE OF UTAH, AND DESCRIBED AS FOLLOWS:

Beginning at a point on the South Right of Way line of the Traverse Ridge Road Dedication Plat, said point being North 89 degrees 44'16" West 1340.58 feet and South 02 degrees 30'59" West 332.94 feet from the East Quarter corner of Section 7, Township 4 South, Range 1 East, Salt Lake Base and Meridian; running thence North 72 degrees 11'35" East along the said South Right of Way Line 219.643 feet to the point of curvature of a 2504.48 foot radius curve to the right; thence 275.31 feet Southeasterly along the arc of said curve through a central angle of 06 degrees 17'54" (long chord bears North 75 degrees 15'51" East 275.17 feet); thence South 11 degrees 23'14" East 55.27 feet; thence North 73 degrees 26'08" East 42.93 feet; thence South 79 degrees 33'53" East 140.44 feet to a point on a 407.03 foot radius nontangent curve to the left; thence 83.33 feet Northeasterly along the arc of said curve through a central angle of 11 degrees 43'49" (long chord bears North 03 degrees 37'47" East 83.19 feet) to a point on a 15.00 foot radius compound curve to the left; thence 22.15 feet Northwesterly along the arc of said curve through a central angle of 95 degrees 12'34" (long chord bears North 49 degrees 50'25" West 22.16 feet) to a point on a 2504.48 foot radius nontangent curve to the right on the South Right of Way Line of the Traverse Ridge Road Dedication Plat; thence 336.83 feet Northeasterly along the arc of said curve through a central angle of 07 degrees 42'42" (long chord bears North 86 degrees 24'40" East 336.84 feet) to the point of tangency of said curve and the East end of the Traverse Ridge Road Dedication Plat; thence South 89 degrees 43'59" East 738.13 feet along the proposed Traverse Ridge Road Dedication Plat to the point of curvature of a 806.83 foot radius curve to the right; thence Southeasterly 491.02 feet along the arc of said curve through a central angle of 34 degrees 52'09" (long chord bears South 72 degrees 17'54" East 483.48 feet) to the point of tangency of said curve; thence South 54 degrees 51'50" East 506.89 feet to a point on the South Right of Way Line of the proposed Traverse Ridge Road Dedication Plat and a point on the East line of the West half of the Southwest Quarter of Section 8, Township 4 South, Range 1 East, Salt Lake Base and Meridian; thence South 01 degrees 52'17" West along the East line of the West half of the Southwest Quarter of Section 8, Township 4 South, Range 1 East, Salt Lake Base and Meridian 738.90 feet to the Northeast corner of the Southwest Quarter of the Southwest Quarter of Section 8, Township 4 South, Range 1 East, Salt Lake Base and Meridian; thence North 89



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CCR'S EXHIBIT A DRAPER HEIGHTS SUBDIVISION

degrees 36'28" West 1295.94 feet to the West line of Section 8, Township 4 South, Range 1 East, Salt Lake Base and Meridian; thence South 03 degrees 08'53" West along the said West line 388.74 feet; thence South 68 degrees 26'33" West 728.44 feet; thence North 47 degrees 46'05" West 221.52 feet; thence North 74 degrees 04'54" West 266.71 feet to a point on a 564.00 foot radius nontangent curve to the left; thence 162.92 feet Northeasterly along the arc of said curve through a central angle of 16 degrees 33'02" (long chord bears North 08 degrees 21'40" East 162.35 feet) to a point on a 15.00 foot radius compound curve to the left; thence 24.24 feet Northwesterly along the arc of said curve through a central angle of 92 degrees 36'11" (long chord bears North 46 degrees 12'57" West 21.69 feet); thence North 02 degrees 03'23" West 60.00 feet to a point on a 15.00 foot radius curve to the left; thence 23.93 feet Northeasterly along the arc of said curve through a central angle of 91 degrees 24'43" (long chord bears North 41 degrees 46'36" East 21.47 feet) to a point on a 562.84 foot radius compound curve to the left;

thence 144.47 feet Northwesterly along the arc of said curve through a central angle of 14 degrees 33'07" (long chord bears North 10 degrees 48'54" West 144.09 feet); to a point of a 698.13 foot reverse curve to the right; thence 311.05 feet Northwesterly along the arc of said curve through a central angle of 25 degrees 31'39" (long chord bears North 05 degrees 19'38" West 308.48 feet) to a point of tangency of said curve; thence North 07 degrees 26'12" East 49.11 feet to a point of curvature of a 519.65 foot radius curve to the right; thence 197.81 feet Northeasterly along the arc of said curve through a central angle of 21 degrees 48'36" (long chord bears North 18 degrees 20'30" East 196.62 feet); thence North 60 degrees 45'12" West 243.43 feet; thence North 02 degrees 30'59" East 363.22 feet to the point of beginning.



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BK 7437 Pg 1245

DRAPER HEIGHTS CCR's, EXHIBIT "B"

BYLAWS
OF
THE DRAPER HEIGHTS HOMEOWNERS ASSOCIATION
A NONPROFIT CORPORATION

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Board of Trustees of The Draper Heights Homeowners Association, a Utah nonprofit corporation, hereby adopts the following Bylaws for such nonprofit corporation.

ARTICLE I
NAME AND PRINCIPAL OFFICE

1.01. Name. The name of the nonprofit corporation is The Draper Heights Homeowners Association, hereinafter the "Association."

1.02. Offices. The initial principal office of the Association shall be located in the offices of Nelson Snuffer and Dahle, 10885 South State Street, Sandy Utah 84094. The project, hereinafter referred to as the "Project," is located on the following described real property in Salt Lake County, State of Utah:

ARTICLE II
DEFINITIONS

2.01. Definitions. Except as otherwise provided herein or required by the context hereof, all terms used in these Bylaws shall have the meanings ascribed to them in the Declaration of Building and Use Covenants Conditions and Restrictions for "Draper Heights" a residential subdivision, hereinafter referred to as the "Declaration" and the Articles of Incorporation of the Association.

ARTICLE III
MEMBERS

3.01. Annual Meetings. The annual meeting of the Members shall be held on the 1st day of April of each year at 6:00 o'clock p.m., for the purpose of electing Trustees and transacting such other business as may properly come before the meeting. If the election of Trustees shall not be held on the day designated herein for the annual meeting of the Members, or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the Members as soon thereafter as may be convenient. The board of Trustees may from time to time by resolution change the date and time for the annual meeting of the Members.

3.02. Special Meetings. Special meetings of the Members may be called by the Board of Trustees, the President, or upon the written request of Members holding not less than thirty percent (30%) of the total votes of the Association, such written request to state the purpose or purposes of the meeting and to be delivered to the Board of Trustees or the President.

3.03. Place of Meetings. The Board of Trustees may designate any place within the State of Utah as the place of meeting for any annual meeting or for any special meeting called by the Board of Trustees. A waiver of notice signed by all Members may designate any place, either within or without the State of Utah, as a place for holding such meeting. If no designation is made, or if a special meeting is otherwise called, the place of the meeting shall be at the Project.

3.04. Notice of Meetings. The Board of Trustees shall cause written or printed notice of the time, place, and purpose of all meetings of the Members (whether annual or special) to be delivered, not more than fifty (50) nor less than ten (10) days prior to the meeting, to each Member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his registered address, with first class postage thereon prepaid.

3.05. Members of Record. Upon purchasing a Lot in the Project, each owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Lot has been vested in such owner, which copy shall be maintained in the records of the Association. The persons appearing in the records of the Association as the owners of record of a Lot or Lots in the Project shall be deemed to be the Members of record entitled to notice of and to vote at the meeting of the Members.

3.06. Quorum. At any meeting of the Members, the presence of Members holding, or holders of proxies entitled to cast, more than fifty percent (50%) of the total votes of the Association shall constitute a quorum for the transaction of business. In the event a quorum is not present at a meeting, the Members present (whether represented in person or by proxy), though less than a quorum, may adjourn the meeting to a later date. Notice thereof shall be delivered to the Members as provided above. At the reconvened meeting, the Members and proxy holders present shall constitute a quorum for the transaction of business.

3.07. Proxies. At each meeting of the Members, each Member entitled to vote shall be entitled to vote in person or by proxy; provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing. If a membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such membership or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning of the meeting to the Secretary of the Association or to such other officer or person who may be acting as secretary of the meeting. The secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

3.08 Votes. With respect to each matter, including the election of Trustees, submitted to a vote of the Members, each Member entitled to vote at the meeting shall have the right to cast, in person or by proxy, one (1) vote for each Lot owned by such Member, as shown in the Declaration. Unless a greater proportion is required by the Articles of Incorporation of the Association, these Bylaws, the Declaration, or Utah law, the affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at which a quorum was initially present shall be necessary for the adoption of any matter voted on by the Members. The election of Trustees shall be by secret ballot. If any membership is jointly held, all or any holders thereof may attend each meeting of the Members, but such holders must act unanimously to cast the votes relating to their joint membership.

3.09. Waiver of Irregularities. All inaccuracies and /or irregularities in calls or notices of meetings and in the manner of voting, form of proxies, and/or method of ascertaining Member present shall be deemed waived if no objection thereto is made at the meeting.

3.10. Informal Action by Members. Any action that is required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

3.11. Waiver of Notice. Any notice required to be given to a Member may be waived by the Member entitled thereto signing a waiver thereof, whether before or after the time stated therein, and the signing of such a waiver shall, for all purposes, be equivalent to the giving of such notice.

ARTICLE IV BOARD OF TRUSTEES

4.01. General Powers. The property, affairs, and business of the Association shall be managed by its Board of Trustees. The Board of Trustees may exercise all of the powers of the Association, whether derived from law or the Articles of Incorporation of the Association, except such powers as are by law, by the Articles of Incorporation of the Association, by these Bylaws, or by the Declaration vested solely in the Members. The Board of Trustees may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions, and powers as are properly delegable.

4.02. Number, Tenure, and Qualifications. The number of Trustees of the Association shall be three (3). The initial Board of Trustees specified in the Articles of Incorporation of the Association shall serve until such time as the Members of the Association hold a meeting for the purpose of electing Trustees. At the first meeting of the Members held for the purpose of electing Trustees, the Members shall elect three (3) Trustees to serve as follows: One Trustee shall be elected to serve for a term three (3) years; one Trustee shall be elected to serve for a term of two (2) years; and one Trustee shall be elected to serve for a term of one (1) year. At each annual meeting thereafter, the Members shall elect for three (3) year terms the appropriate number of Trustees to fill all vacancies created by expiring terms of Trustees. Trustees, except the initial Trustees specified in the Articles of Incorporation, must be Members of the Association.

4.03. Regular Meetings. The regular annual meeting of the Board of Trustees shall be held, without other notice than this Bylaw, immediately after, and at the same place as, the annual meeting of the Members. The Board of Trustees may provide by resolution the time and place, within the State of Utah for the holding of additional regular meetings without other notice than such resolution.

4.04. Special Meetings. Special meetings of the Board of Trustees may be called by or at the request of any Trustee. The person or persons authorized to call special meetings of the Board of Trustees may fix any place, within the State of Utah as the place for holding any special meeting of the Board of Trustees called by such person or persons. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally, or mailed to each Trustee at his registered address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with first class postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegram company.

4.05. Quorum and Manner of Acting. A majority of the number of Trustees in office shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The act of a majority of the Trustees present at any meeting at which a quorum is present shall be the act of the Board of Trustees. The Trustees shall act only as a Board and individual Trustees shall have no powers as such.

4.06. Compensation. No Trustees shall receive compensation for any services that he may render to the Association as a Trustee; provided, however, that Trustees may be reimbursed for expenses incurred in performance of their duties as Trustees and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than their capacities as Trustees.

4.07. Resignation and Removal. A Trustee may resign at any time by delivering a written resignation to either the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Trustee may be removed at any time, for or without cause, by the affirmative vote of two-thirds (2/3) of the total votes of the Association at a special meeting of the Members duly called for such purpose.

4.08. Vacancies and Newly Created Trusteeships. If vacancies shall occur in the Board of Trustees by reason of the death or resignation of a Trustee (other than a Trustee initially appointed under the Articles of Incorporation), or if the authorized number of Trustees shall be increased, the Trustees then in office shall continue to act, and such vacancies or newly created Trusteeships shall be filled by a vote of the Trustees then in office, though less than a quorum, in any way approved by such Trustees at the meeting at which such vote occurs. Any vacancies in the Board of Trustees occurring by reason of removal of a Trustee may be filled by election by the Members at the meeting at which such Trustee is removed. If vacancies shall occur in the Board of Trustees by reason of the death or resignation of a Trustee appointed under Articles of Incorporation, such vacancies shall be filled by appointment to be made by the original Incorporator. Any Trustee elected or appointed hereunder to fill a vacancy shall serve for the unexpired term of his predecessor or for the term of the newly created Trusteeship, as the case may be.

4.09. Informal Action by Trustees. Any action that is required or permitted to be taken at a meeting of the Board of Trustees, may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Trustees.

4.10. Waiver of Notice. Any notice required to be given to a Trustee may be waived by the Trustee entitled thereto signing a waiver thereof, whether before or after the time stated therein, and the signing of such waiver shall, for all purposes, be equivalent to the giving of such notice. Attendance of a Trustee at any meeting shall constitute a waiver of notice of such meeting unless such Trustee is attending the meeting for sole and express purpose of objecting to the transaction of any business at the meeting because the meeting was not lawful called or convened.

ARTICLE V OFFICERS

5.01. Number. The officers of the Association shall be a President, a Secretary, a Treasurer, and such other officers as may from time to time be appointed by the Board of Trustees.

5.02. Election, Tenure, and Qualifications. The officers of the Association shall be chosen by the Board of Trustees annually at the regular annual meeting of the Board of Trustees. In the event the Board of Trustees shall fail to choose officers at such regular annual meeting of the Board if Trustees, officers may be chosen at any regular or special meeting of the Board of Trustees. Each such officer (whether chosen at a regular annual meeting of the Board of Trustees or otherwise) shall hold his office until the next ensuing regular annual meeting of the Board of Trustees and until his successor shall have been chosen and qualified, or until his death, or until his resignation or removal in the manner provided in these Bylaws, whichever first occurs. Any one person may hold any two or more of such offices, except that the President may not also be the Secretary or the Treasurer. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President, the Secretary, and the Treasurer shall, except when elected by the Trustees specified in the Articles of Incorporation of the Association, be and remain Members of the Association during the entire term of their respective offices and may, but need not be, Trustees. No other officer need be a trustee or a Member of the Association.

5.03. Subordinate Officers. The Board of Trustees may from time to time appoint such other officers or agents as it may deem advisable, each whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Trustees may from time to time determine. The Board of Trustees may from time to time delegate to any officer or agent the power to appoint any such subordinate officers or agents and to prescribe their receptive titles, terms of office, authorities, and duties. Subordinate officers need not be Members or Trustees of the Association.

5.04. Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board of Trustees. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board of Trustees at any time, for or without cause.

5.05. Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification, or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board of Trustees at any regular or special meeting.

5.06. The President. The President shall preside at meetings of the Board of Trustees and at meetings of the Members. He shall sign on behalf of the Association all conveyances, mortgages, documents, and contracts, and shall do and perform all other acts and things that the Board of Trustees may require of him.

5.07. The Secretary. The Secretary shall keep the minutes of the association and shall maintain such books and records as these Bylaws, the Declaration, or any resolution of the Board of Trustees may require him to keep. He shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall perform such other duties as the Board of Trustees may require of him.

5.08. The Treasurer. The Treasurer shall have the custody and control of the funds of the Association, subject to the action of the Board of Trustees, and shall, when requested by the President to do so, report the state of the finances of the Association at each annual meeting of the Members and at any meeting of the Board of Trustees. He shall keep detailed, accurate records, in chronological order, of the receipts and expenditures affecting the irrigation system and any other common facilities or common areas, specifying and itemizing the additions to and expanses paid out of the Common Expense Fund, to be established by the Association. He shall perform such other duties as the Board of Trustees may require of him.

5.09. Compensation. No officer shall receive compensation for any services that he may render to the Association as an officer; provided, however, that officers may be reimbursed for expenses incurred in performance of their duties as officers and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as officers.

ARTICLE VI COMMITTEES

6.01. Designation of Committees. The Board of Trustees may, from time to time, by resolution, designate such committees of its members as it may deem appropriate in carrying out its duties, responsibilities, functions, and powers. The membership of each such committee designated hereunder shall include at least two (2) Trustees. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that committee members may be reimbursed for expenses incurred in performance of their duties as committee members and, except as otherwise provided in these Bylaws, may be compensated for services rendered to the Association other than in their capacities as committee members.

6.02. Proceedings of Committees. Each committee designated hereunder by the Board of Trustees may appoint its own presiding and recording officers and may meet at such places and times upon such notice as such committee may from time to time determine. Each committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Trustees.

6.03 Quorum and Manner of Acting. At each meeting of any committee designated hereunder by the Board of Trustees, the presence of members constituting at least two-thirds (2/3) of the authorized membership of such committees shall constitute a quorum for the transaction of business, and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The members of any committee designated by the Board of Trustees hereunder shall act only as a committee, and the individual members thereof shall have no powers as such.

6.04. Resignation and Removal. Any member of any committee designated hereunder by the Board of Trustees may resign at any time by delivering a written resignation either to the President, the Board of Trustees, or the presiding officer of the committee of which he is a member. Unless otherwise specified therein, such resignation shall take effect upon delivery. The Board of Trustees may at any time, for or without cause, remove any member of any committee designated by it hereunder.

6.05. Vacancies. If any vacancy shall occur in any committee designated by the Board of Trustees hereunder, due to disqualification, death, resignation, removal, or otherwise, the remaining members shall, until the filling of such vacancy, constitute the then total authorized membership of the committee and, provided that two or more members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of Trustees.

ARTICLE VII INDEMNIFICATION

7.01. Specific Indemnification. The Association shall indemnify any Trustee or Officer or any former Trustee or Officer of the Association against expenses actually and necessarily incurred by him in connection with the defense of any action, suit, or proceeding in which he is made a party by reason of being or having been such Trustee, Director, or Officer, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty.

7.02. General Indemnification. In addition to the specific indemnification provided for in Section 7.01 hereof, the Association shall indemnify all Trustees and Officers and all former Trustees and Officers of the Association to the fullest extent permitted by Utah Law, as the same may hereafter be amended, modified, or adopted. The Association, its Officers and Trustees, shall be fully protected in taking any action or making payment of in refusing to do so in reliance upon the advice of counsel. The indemnification provided for in this Article VII shall not be deemed to be exclusive of any other right to which those indemnified, or seeking indemnification, may be entitled under any Bylaw, agreement, vote of the members, vote of disinterested Trustees, or otherwise.

7.03. Insurance. The Association may purchase and maintain, with funds from the Common Expenses Fund, insurance on behalf of any person, who was or is a Trustee or Officer of the Association, against any liability asserted against him or incurred by him in any such capacity arising out of his status as such, whether or not the Association would have the power or indemnify him against such liability under Utah Law, as the same may hereafter be amended, modified, or adopted.

ARTICLE VIII
CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

8.01. Common Facilities and Common Areas. The Association, subject to the rights and duties of the Owners as set forth in these Bylaws, shall be responsible for the exclusive management and control of the common facilities or common areas, which may be added to the Project in the future, and all improvements thereon, and shall keep the same in a good, clean, attractive, safe, and sanitary condition, order, and repair to his/her Lot. Except as otherwise herein provided, the Association shall not be responsible for the maintenance and repair of the exterior of homes and their grounds, maintenance of landscape, streets, walkways, or driveways within the Project.

8.02. Manager. The Association may, by written contract, delegate in whole or part to a professional Manager such of the Association's duties, responsibilities, functions, and powers hereunder as are properly delegable. The services of any Manager retained by the Association shall be paid for with funds from the Common Expense Fund.

8.03. Rules and Regulations. The Association, by action of its Board of Trustees, may make reasonable rules and regulations governing the use of the irrigation system, and of any other common facilities or common areas, which rules and regulations shall be consistent with the rights and duties established in these Bylaws and the Declaration. The Association may take judicial action against any Homeowner to enforce compliance with such rules and regulations or other obligations of Homeowners arising hereunder, or to obtain damages for noncompliance therewith, as permitted by law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorney's fees, from the offending Homeowner.

8.04. Implied Rights. The Association may exercise any right or privilege given to it expressly by these Bylaws or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

ARTICLE IX
ASSESSMENTS

9.01. Agreement to Pay Assessments. Each Homeowner, by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to have consented and agreed with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in these Bylaws. Such assessments shall be fixed, established, and collected from time to time as provided in this Article IX.

9.02. Regular Assessment. Regular Assessments shall be computed and assessed against all Homeowners in the Project as follows:

(a) Common Expense.

(1) Annual Budget. On or before the 1st day of December of each year, the Association shall prepare, or cause to be prepared, an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the coming calendar year and taking into account the general condition of the irrigation system and such other common facilities or common areas as may become part of the Project. Each such budget, together with a written report from the Association outlining a plan of operation for the year in question and explaining in every important particular the estimates made, shall be submitted to the Members in final draft on or before the 15th day of December of each year. Such budget, with any changes therein, shall be adopted by the Members at each annual meeting of the Members. Said operating budget shall serve as the basis for the schedule of proposed monthly assessments for the annual period for which it is prepared. Said budget shall also constitute a major guideline under which the Association shall operate during such annual period.

(2) Basis of Annual Budget. The annual budget shall be based upon the Association's advance estimates of the Association's cash requirements to provide for payment of estimated expenses, arising out of snow removal, maintenance and operation of an electronic gate system, common areas, if any, and provision of utility services (to the extent not separately metered or billed) and any other common items to the Project.

(3) Annual Assessments. The Assessments shall be made and delivered to the Homeowners on an annual basis and may be paid on a quarterly basis. The dates and manner of payment shall be determined by the Association. Each quarterly installment of the annual assessment shall bear interest at the rate of one and one-half (1-1/2%) per month, from the date it becomes due and payable, until paid. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Homeowner for such assessment.

(b) Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Homeowner's assessment, the Association may levy additional assessment in accordance with any procedure by the Board of Trustees.

9.03. Personal Obligation of Owner. The amount of any regular or special assessment against any Homeowner shall be the personal obligation of the Homeowner to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Homeowner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of the other common areas and/or common facilities, or by waiving any services or amenities. In the event of any suit to recover a money judgment for unpaid

assessments hereunder, the involved Homeowner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorney's fees.

9.04. Lien for Assessments. All sums assessed a Homeowner within the Project pursuant to the provisions of this Article IX, together with the interest thereon as provided herein, shall be secured by a lien on such Lot in favor of the Association. To evidence a lien for sums assessed pursuant to this Article IX, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Homeowner, and a description of the Lot. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the County Recorder for Salt Lake County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment.

ARTICLE X FISCAL YEAR AND SEAL

10.01. Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation of the Association.

10.02. Seal. The Board of Trustees may by resolution provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and the words "Corporate Seal."

ARTICLE XI RULES AND REGULATIONS

11.01. Rules and Regulations. The Board of Trustees may from time to time adopt, amend, repeal, and enforce reasonable rules and regulations governing the use and operation of the Project, to the extent that such rules and regulations are not inconsistent with the rights and duties set forth in the Articles of Incorporation of the Association, these Bylaws, or the Declaration. The members shall be provided with copies of all rules and regulations adopted by the Board of Trustees, and with copies of all amendments and revisions thereof.

ARTICLE XII

AMENDMENTS

12.01. Amendments. Except as otherwise provided by law, by the Articles of Incorporation of the Association, by the Declaration, or by these Bylaws, these Bylaws may be amended, altered, or repealed and new Bylaws may be made and adopted by the Members holding at least fifty-one percent (51%) of the total votes entitled or required to vote on such matters either at an annual or special meeting of the members at which a quorum is present, if the proposed amendment, alteration, repeal, or new bylaw is set forth in the notice of such meeting.

IN WITNESS WHEREOF, the undersigned, constituting all of the Trustees of The Draper Heights Homeowners Association, have hereunto set their hands this 3rd day of July, 1996.

Judge T. Mack
Trustee

David P. Mack
Trustee

Robert B. Christensen
Trustee

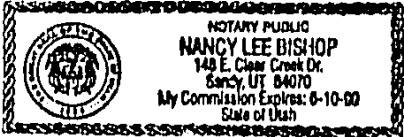
ACKNOWLEDGMENT

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

On the 3rd day of July, 1996, personally appeared before me, known to me to be the signers of the within and foregoing Bylaws of the Draper Heights Homeowners Association, who duly acknowledged to me that they executed the same.

My Commission Expires: 6-10-99

Nancy Lee Bishop
Notary Public
Residing at: Sandy UT



07/03/96 4:07 PM 6398861 184-00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
DRAPER CITY
REC BY:D KILPACK DEPUTY - WI