

WHEN RECORDED MAIL TO:
GARY NAGLE
12487 So. 1220 West
Riverton, Utah 84065

6676520

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF FAIRWAY PARK, RIVERSIDE ESTATES - PHASE I
A PLANNED UNIT DEVELOPMENT**

This Declaration, made on the date hereinafter set forth by Advanced Building Concepts, Inc., hereinafter referred to as "Declarant",

WITNESSETH:

Whereas, Declarant is the owner of certain property in Sandy City, Salt Lake County, State of Utah, which is more particularly described on Exhibit "A", hereto attached.

Now, therefore, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof. Fairway Park - Recorded as Riverside Estates, Phase I, shall not contain any common area to be deeded to the home owners association. Roadways and walkways shall be considered common use areas.

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to Fairway Park of Riverside Estates, Phase I.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as many hereafter be brought within the jurisdiction of the Association.

Section 4. "Maintenance" shall mean dedicated roadways and walkways to the extent that Sandy City allows the Association to privately maintain them, and all front yards from the front line of the home on each unit to the front lot line. There is no Common Area Deeded.

BK7697P60697

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 6. "Declarant" shall mean and refer to Advanced Building Concepts, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

ARTICLE II

Membership and Voting Rights

Section 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Section 2. During the period of 5 years from the date this Declaration is recorded or until the last home is sold on the property described above or property described above or property hereafter annexed thereto, whichever date shall first occur, the Declarant shall have the right to name the Board of Directors of the Association. This section shall not be subject to amendment during the terms set forth herein.

ARTICLE III

Covenant for Maintenance Assessments

Section 1. Creation of the lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be their personal obligation of the person who was the Owner of such property at the time when the assessment fell due. Their personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the residents in the Properties and for the maintenance of the common maintenance areas situated upon the Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year as the Board of Directors of the Association shall deem necessary to provide the funds to meet the estimated costs of the services to homeowners as designated by the homeowners committee.

Section 4. Notice and Quorum for Any Action Authorized under Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 shall be sent to all members not less than 30 days no more than 60 days in advance of the meeting. After the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis.

Section 6. Date of Commencement of Annual Assessments, Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month (after conveyance of title to the home owner). The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Lot have been paid.

Section 7. Effect of Nonpayment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 18 percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments for monthly maintenance services.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE IV

Architectural Control

Section 1. Building. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structure and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. This is to conform to the color and material board submitted to the Planning Commission. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 2. Landscaping. No landscaping shall be begun on said properties nor planting of trees shall take place until the plans and specification, therefore, have been first approved in writing by the architectural committee. Home owners shall have the right to plant flowers, shrubs and other landscaping after move in.

Section 3. Diligence and Completion. When any construction is commenced hereunder, work thereon must be diligently pursued and completed within a reasonable time.

Section 4. Inspection and Supervision. The architectural committee shall have the right to enter upon the properties or lot of any owner for the purpose of inspecting and approving the progress of any work hereunder. In the event that any such work is not approved by the committee or the work is not being pursued diligently, the committee shall set forth its objections in writing and deliver the same to the owner or person in charge of the work. Each owner agrees that he will abide by the written directives of the architectural committee and correct any deficiencies immediately. Should an owner fail in this regard, the committee, if other than the Board of Directors, shall report to the same Board of Directors and suit may be instituted against the owner to secure immediate relief and compliance in a court having appropriate jurisdiction.

Section 5. In the event the developer or any future property owner is contemplating an accessory apartment, they need to be aware that a conditional use request must be submitted for consideration by the Planning Commission at a later date for a specific unit. A submittal for this type of use does not guarantee an approval by the Planning Commission and all such requests must meet all provisions of Section 15-7-11 (c) of the City Development Code regarding accessory apartments.

ARTICLE V

Exterior Maintenance of Common Area & Individual Yards

The Association shall provide care of the Common Maintenance Area. Care shall include the care of all planted areas, grass, trees and sprinkling system maintenance and snow removal from driveways and walkways. A committee shall be appointed by the Board of Directors to supervise such care. The committee shall prepare a budget to be submitted to the Board for approval to pay for care of landscaped areas and services to be provided as designated by the Homeowners Committee.

ARTICLE VI

Use Restrictions and Easements

Restrictions on use. The properties, homes and facilities shall be used and occupied as follows:

1. No part of the properties shall be used for other than housing and the related common purposes for which the properties were designed. Each lot shall be used and occupied as a residence for a single family and for no other purpose.
2. There shall be no obstruction of the common roadway and facilities nor shall anything be stored in the area and facilities without the prior written consent of the association except as in otherwise provided herein.
3. Nothing shall be done or kept in any lot or in the common maintenance areas and facilities which will increase the rates of insurance on the buildings or contents thereof beyond that customarily applicable for residential use, without prior written consent of the association. No owner shall permit anything to be done or kept in his lot or in the common maintenance areas and facilities which will result in the cancellation of insurance on any building, or the contents thereof, or which would be in violation of any law or regulation of any governmental authority. No waste shall be committed in the common maintenance areas.

4. No owner shall cause or permit anything (including, without limitation, a sign, awning, canopy, shutter, storm door, screen door, radio or television antenna) to hand, displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or the outside of windows or doors, without the prior written consent of the association.

5. No animals or birds of any kind shall be raised, bred or kept in any lot or in the common maintenance areas, except that dogs, cats and other household pets may be kept in lots, subject to the rules adopted by the Association and provided that they are not kept, bred or maintained for any commercial purpose and provided further that any such pet causing or creating a nuisance or disturbance shall be permanently removed from the property upon the (10) days written notice from the Association.

6. No noxious or offensive activity shall be carried on in any lot or in the common areas, nor shall anything be done therein, wither willfully or negligently, which may be or become an annoyance or nuisance to the other lot owners or occupants.

7. Nothing shall be done in any lot or in, on, or to the common maintenance areas and facilities which will impair the structural integrity of the buildings or any part thereof or which would structurally change the buildings or any part thereof except as is otherwise provided herein.

8. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the common maintenance areas, except in a patio court in such manner as not to be visible except from the lot for which such courtyard is reserved. The common areas shall be kept free and clear of all rubbish, debris and other unsightly materials.

9. Cars and Garages: No cars may be parked overnight on the street at curbside. All cars must be garaged, but extra cars may be parked on the units driveway. Guests may park on the street curbside only as a temporary measure. No repairs that will be unsightly should be performed outside the garage. No "junk" unused cars, may be kept outside of the garage. Garage doors are to be kept closed when not being used. There is to be no recreational vehicle parking on the street.

10. No industry, business, trade, occupation, or profession of any kind, whether for commercial, religious, educational, charitable or other purposes shall be conducted, maintained, or permitted on any part of the property except such as may be permitted by the management committee and subject to the rules, nor shall any signs or other window displays or advertising be maintained or permitted by any lot owner on any part of the property or in any lot therein, except that;

(i) the Declarant may perform or cause to be performed such work as is incident to the completion of the development of the property, or to the sale or lease of lots owned by the Declarant;

(ii) the Declarant or its agent may place "For Sale" or "For Rent" signs on any unsold, unoccupied or reacquired lots and may place such other signs on the property as may be required to facilitate the sale or lease of unsold lots;

(iii) the association of lot owners or its agent or representative may place "For Sale" or "For Rent" signs on any lot or on the property for the purpose of facilitating the disposal of lots by any lot owner, mortgagee or the association of lot owners;

(iv) a lot owner with respect to a lot, and the association of lot owners or its agent or representative with respect to the common areas and facilities, may perform or cause to be performed any maintenance, repair or remodeling work, or other work, required or permitted by this Declaration.

ARTICLE VII

General Provisions

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded. Declarant may amend this Declaration without the vote of the membership during the term of five (5) years from the Date this Declaration is recorded or at such time as all the lots are sold on the property or property annexed thereto, whichever date sooner occurs.

Section 4. Annexation. Additional residential property and common area may be annexed to the properties with the consent of two-thirds (2/3) of each class of members. Provided, however, the developer, without the consent of any other member of the Association, may cause the annex to the properties within five (5) years from the date of this instrument any lands which are contiguous to the real property set forth and described on Exhibit "A", hereto attached.

Section 5. Mortgagee Protection Clause. Notwithstanding any other provisions herein contained to the contrary;

(a) a first mortgagee upon request, is entitled to written notification from the Association of any default in the performance by an individual Owner-Borrower of any of his obligations under the Declaration, the Articles of Incorporation of the Association or the Bylaws of the Association, which default is not cured within sixty (60) days.

(b) any first mortgagee who obtains title to a Lot on the properties pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment in lieu of foreclosure), will be exempt from any "right of first refusal," contained in the planned unit development constituent documents.

(c) any first mortgagee who obtains title to a Lot pursuant to the remedies provided in the mortgage or foreclosure of the mortgage, will not be liable for any unpaid dues or charges which accrue prior to the acquisition of title to such lot by the mortgagee.

(d) unless at least seventy-five percent (75%) of the first mortgagees (based upon one vote for each first mortgage owned) or owners (other than the declarant) of the individual lots in the planned unit development have given their prior written approval, the association shall not be entitled to:

(1) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the common property owned directly or indirectly by the association and used for the benefit of the lots in the planned unit development. The granting of easements for public utilities or for other public purposes consistent with the intended use of such common property shall not be deemed a transfer within the meaning of this paragraph;

(2) change the method of determining the obligations, assessment dues or other charges which may be levied against an owner;

(3) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of lots, the exterior maintenance of lots, the maintenance of the common property, walks, fences and driveways, or the upkeep of lawns and plantings in the planned unit development;

(e) first mortgagees shall have the right to examine the books and records of the Home Owner's Association.

In the event that all or any portion of any Lot or Improvement thereon is damaged or destroyed, it shall be the duty of the Owner of said Lot to repair or reconstruct the same in a manner which shall restore it substantially to its appearance and condition immediately prior to the damage or destruction, with all plans and specifications for such repair or reconstruction first being submitted for approval to the Architectural Committee.

Section 6. Subordination of Liens. The lien of any assessments shall be subordinate to the lien of any first mortgage and extinguished upon foreclosure, judicially or otherwise.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 20 day of MAY, 1997

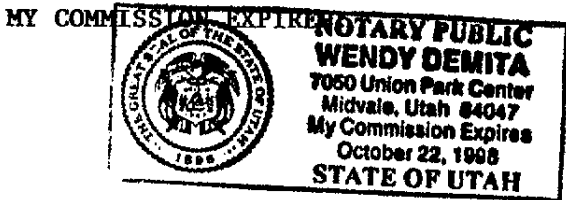
ADVANCED BUILDING CONCEPTS, INC.
Declarant

By Scott J. Nagle

Title Pres.

Notary Wendy Demita
PUBLIC

SUBSCRIBED AND SWORN TO BEFORE ME THIS _____ DAY OF _____



RESIDING AT:

EXHIBIT "A"

LOTS 101 THROUGH 118 OF RIVERSIDE ESTATES SUBDIVISION PHASE 1, ACCORDING TO THE
OFFICIAL PLAT THEREOF RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

6676520

06/25/97 4:07 PM 28.00
NANCY WORKMAN
RECORDER, SALT LAKE COUNTY, UTAH
BACKMAN-STEWART TITLE SERVICES
REC BY: L WISH , DEPUTY - WI

BK 7697PG0706