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GARY W. OTT  
RECORDER, SALT LAKE COUNTY, UTAH  
INTEGRATED TITLE INS. SERVICES  
BY: ZJM, DEPUTY - WI 31 P.

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When recorded return to:  
Stephen G. Stoker  
Stoker & Swinton  
311 South State Street, Ste. 400  
Salt Lake City, Utah 84111

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR THE RANCHES NO. 1 AND NO. 2 SUBDIVISIONS  
A PLANNED UNIT DEVELOPMENT**

21-16-278-004  
20-36-126-003

This Declaration of Covenants, Conditions and Restrictions (the "Declaration") is made this 18<sup>th</sup> day of November, 2003, by Ranches at Stone Creek, L.L.C., a Utah limited liability company (the "Declarant").

RECITALS

A. The Declarant is the owner of certain land in Salt Lake County, Utah, shown on the plats entitled "The Ranches No. 1 Subdivision" and "The Ranches No. 2 Subdivision" to be recorded in the Salt Lake County Recorder's Office (the "Recorder's Office") in Salt Lake County, Utah, in Plat Book 2002, No. 220, Folio 8322420, and in Plat Book 2003, No. 199, Folio 8732531. The consenting lot owner who also signs this Declaration, is the owner of Lot 106 in The Ranches No. 1 Subdivision, and said owner intends by signing this Declaration to have Lot 106 become subject to and governed by all of the provisions of this declaration.

B. It is the intention of the Declarant to develop the land as a residential community in the form of a planned unit development, and to insure therefor a uniform plan and scheme of development, and unto that end the Declarant has adopted, imposed and subjected the property hereinafter described to certain covenants, conditions, restrictions, easements, charges and liens (collectively the "Covenants"), as set forth herein for the following purposes:

- (1) To insure uniformity in the development of the Lots (as hereinafter defined) in the Community (as hereinafter defined).
- (2) To facilitate the sale by the Declarant, its successors and assigns, of the land in the Community by reason of its ability to assure purchasers of such uniformity.
- (3) To make certain that the Covenants shall apply uniformly to all Lots for the mutual advantage of the Declarant, the Owners and any Mortgagees (as such capitalized terms are defined herein) and to all those who may in the future claim title through any of the above.

(4) To provide for the benefit of the Owners, the preservation of the value and amenities in the Community, and the maintenance of certain reserved open spaces and common areas, including but not limited to easements, charges and liens, as set forth below, and for the creation of an association to be delegated and assigned the powers of maintaining and administering the yard and sprinkler maintenance (as hereinafter described), and enforcing the Covenants, and collecting and disburseing the assessments and charges hereinafter created; which association shall be incorporated under the laws of the State of Utah, as a nonprofit corporation, for the purpose of exercising the functions as aforesaid.

COVENANTS, CONDITIONS AND RESTRICTIONS

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

That the Declarant does hereby establish and impose upon the Property (as hereinafter defined), the Covenants for the benefit of and to be observed and enforced by the Declarant, its successors and assigns, the Association (as hereinafter defined), and the Owners (as hereinafter defined).

**ARTICLE I**  
**DEFINITIONS**

The following words, when used in this Declaration (unless the context otherwise requires) shall have the following meanings:

1.1 "Association" shall mean and refer to The Ranches at Stone Creek Homeowners Association, Inc.

1.2 "Builder" shall mean any person or entity other than the Declarant, which shall, in the ordinary course of such person's business, construct a dwelling on a Lot and sell or lease it to another person to occupy as such person's residence.

1.3 "Community" shall mean and refer to all of the land hereby made subject to this Declaration by an instrument in writing, duly executed and recorded in the Recorder's Office, and any Additional Property (as such term is hereinafter defined) that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed and recorded in the Recorder's Office.

1.4 "Declarant" shall mean and refer to Ranches at Stone Creek, L.L.C., and any successor or assign thereof to whom it shall expressly (a) convey or otherwise transfer all of its right, title and interest in the Property as an entirety, without reservation of any kind; or (b) transfer, set over and assign all of its right, title and interest under this Declaration, or any amendment or modification thereof.

1.5 "Development Period" shall mean the time between the date of recordation of this Declaration in the Recorder's Office and the date on which the Class B membership in the Association converts to Class A memberships as described in Article IV.

1.6 "Lot" and/or "Lots" shall mean and refer to those portions of the Property that are subdivided parcels of land shown and defined as lots or plots of ground and designated by numerals on the Plat, on which a dwelling is proposed to be constructed.

1.7 "Mortgage" shall mean any mortgage or deed of trust encumbering any Lot, and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument has been recorded in the Recorder's Office.

1.8 "Mortgagee" shall mean the person secured by a Mortgage.

1.9 "Plat" shall mean and refer to the plats entitled "The Ranches No. 1 Subdivision" and "The Ranches to be recorded in the Recorder's Office, and any plats recorded in substitution or amendment thereof, plus any plats hereafter recorded of any Additional Property that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed, and recorded in the Recorder's Office.

1.10 "Property" shall mean and refer to all of the real property described in Exhibit "A" attached hereto and incorporated herein by reference, and any additional land at such time as it is hereafter expressly made subject to this Declaration by an instrument in writing, duly executed and recorded in the Recorder's Office.

1.11 "Owner" shall mean, refer to and include the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the fee simple record title to a Lot, as said Lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, as joint tenants, tenants in common, tenants by the entirety, partnership or otherwise, if the Lot is held in such real property tenancy, partnership or other relationship. If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, hold the record title to any one (1) Lot, whether it is in a real property tenancy, or partnership relationship, or otherwise, all of same, as a unit, shall be deemed a single Owner and shall be or become a single member of the Association by virtue of ownership of such Lot. The term "Owner," however, shall not mean, refer to or include any contract purchaser, nor shall it include a mortgagee.

1.12 "Structure" shall mean any thing or device the placement of which upon the Property (or any part thereof) may affect the appearance of the Property (or any part thereof) including, by way of illustration and not limitation, any building, trailer, garage, porch, shed, greenhouse, bathhouse, coop or cage, covered or uncovered patio, clothesline, radio, television or other antenna or "dish," fence, sign curbing, paving, wall, roadway, walkway, exterior light,

landscape, hedge, trees, shrubbery, planting, signboard or any temporary or permanent living quarters (including any house trailer), or any other temporary or permanent improvement made to the Property or any part thereof. "Structure" shall also mean (i) any excavation, fill, ditch, diversion, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of first ownership by an Owner hereunder other than the Declarant.

**ARTICLE II**  
**COVENANTS, CONDITIONS AND RESTRICTIONS**

2.1 **ADMINISTRATION; ARCHITECTURAL REVIEW COMMITTEE.** The Architectural Review Committee, which shall be appointed by the Declarant during the Development Period and thereafter by the Board of Directors of the Association (the "Architectural Review Committee") shall have all the rights, powers and duties granted to it pursuant to this Declaration. The initial members of the Architectural Review Committee are Justin Peterson, Ryan Peterson and Barrett Peterson. The Architectural Review Committee shall at all times be comprised of at least three (3) members. At any time, or from time to time, during the Development Period, the initial members of the Architectural Review Committee may be replaced for any reason (including death or resignation) with other individuals selected by the Declarant in its sole discretion. All questions shall be decided by a majority of the members of the Architectural Review Committee, and such majority shall be necessary and sufficient to act in each instance and on all matters. Each member of the Architectural Review Committee, now or hereafter appointed, shall act without compensation for services performed pursuant to this Declaration. The Declarant hereby grants to the Architectural Review Committee, its successors and assigns, the right to establish architectural design criteria for the Community (the "Design Guidelines") which shall be made available to all members, and to waive such portion or portions of the Covenants numbered 2.3 through 2.23 of this Article II as the Architectural Review Committee, in its sole discretion, may deem advisable and in the best interests of the Community.

2.2 **ARCHITECTURAL REVIEW.**

(a) No Structure (other than construction or development by, for or under contract with the Declarant) shall be constructed on any Lot nor shall any addition (including awnings and screens, change, or alteration therein or thereto (including any retreatment by painting or otherwise of any exterior part thereof unless the original color and material are used) (collectively "Alterations") be made to the exterior of any Structure and/or contour of any Lot, nor shall any work be commenced or performed which may result in a change of the exterior appearance of any Structure until the plans and specifications, in duplicate, showing the nature, kind, shape, dimensions, material, floor plans, color scheme, location, proposed topographical changes, together with the estimated costs of said Alterations or construction, the proposed

construction schedule, and a designation of the party or parties to perform the work, have been submitted to and approved in writing by the Architectural Review Committee, its successors and assigns, and until all necessary permits and any other governmental or quasi governmental approvals have been obtained. The approval of the Architectural Review Committee or any Structure or Alterations shall in no way be deemed to relieve the Owner of any Lot from its obligation to obtain any and all permits and approvals necessary for such Structure or Alterations.

(b) The Architectural Review Committee shall consider applications for approval of plans, specifications, etc. upon the basis of conformity with this Declaration, applicable law and the Design Guidelines, if any, and shall be guided by the extent to which such proposal will insure conformity and harmony in exterior design and appearance, based upon, among other things, the following factors: the quality of workmanship; nature and durability of materials; harmony of external design with existing structures; choice of colors; changes in topography, grade elevations and/or drainage; the ability of the party or parties designated by the Owner to complete the Structure or Alterations proposed in accordance with this Declaration, including, without limiting the foregoing, such factors as background, experience, skill, quality of workmanship, financial ability; factors of public health and safety; the effect of the proposed Structure or Alterations on the use, enjoyment and value of other neighboring properties, and/or on the outlook or view from adjacent or neighboring properties; and the suitability of the proposed Structure or Alterations with the general aesthetic appearance of the surrounding area.

(c) The Architectural Review Committee shall have the right to refuse to approve any such plans or specifications, including grading and location plans, which are not suitable or desirable in its opinion, for aesthetic or other considerations. Written requests for approval, accompanied by the foregoing described plans and specifications or other specifications and information as may be required by the Architectural Review Committee from time to time shall be submitted to the Architectural Review Committee by registered or certified mail or in person. In the event the Architectural Review Committee fails to approve or disapprove any plans within sixty (60) days of receipt thereof, such plans shall be deemed approved. Approval of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Review Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use in any other instance. The Architectural Review Committee shall have the right to charge a processing fee, not in excess of \$50.00 for such requests, which shall be retained by the Association and not the Architectural Review Committee.

(d) Construction of Alterations in accordance with plans and specifications approved by the Architectural Review Committee pursuant to the provisions of this Article shall be commenced within six (6) months following the date of approval and completed within twelve (12) months of commencement of the Alterations, or within such other period as the Architectural Review Committee shall specify in its approval. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the

Architectural Review Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article shall again be required. After construction, all Structures and Alterations shall be maintained continuously in strict conformity with the plans and specifications so approved and all applicable laws.

(e) If any Structure is altered, erected, placed or maintained on any Lot other than in accordance with approved plans and specifications therefor and applicable law, such action shall be deemed to be a violation of the provisions of this Declaration and, promptly after the Association gives written notice thereof to its Owner, such Structure shall be removed or restored to its condition prior to such action, and such use shall cease, so as to terminate such violation. If within thirty (30) days after having been given such notice, such Owner has not taken reasonable steps to terminate such violation, any agent of the Association may enter upon such Lot and take such steps as are reasonably necessary to terminate such violation. Such Owner shall be personally liable to the Association for the cost thereof, to the same extent as he is liable for the an Assessment against such Lot, and, upon the failure of the Owner to pay such cost within ten (10) days after such Owner's receipt of written demand therefor from the Association, the Association may establish a lien therefor upon such Lot in accordance with and subject to the provisions of the Declaration applicable to an assessment lien.

(f) Any Member of the Architectural Review Committee, upon the occurrence of a violation of the provisions of the Declaration, and after the Association or the Architectural Review Committee give written notice thereof to the Owner of the applicable Lot, at any reasonable time, may enter upon and inspect any Lot and the exterior of any Structure thereon to ascertain whether the maintenance, construction or alteration of such Structure or Alteration are in accordance with the provisions hereof.

(g) All structures on a Lot shall be made, constructed and maintained, and all activities on a Lot shall be undertaken, in conformance with all laws and ordinances of the City of West Jordan, Salt Lake County and State of Utah which may apply, including without limiting the generality of the foregoing, all zoning and land use ordinances.

2.3 LAND USE. The Lots, except as hereinafter provided, shall be used for private and residential purposes only and no dwelling of any kind whatsoever shall be erected, altered or maintained thereon except a private dwelling house for the sole and exclusive use of the Owner or occupant of the Lot. None of the Lots shall at any time be used for apartments or other types of multiple housing units; it being the intention of the Declarant that each and every one of the Lots be used solely for one (1) single family dwelling, and no other purposes, except such purposes as may be specifically reserved in the succeeding sections of this Declaration. No industry, business, trade or profession of any kind, whether or not for profit, shall be conducted, maintained or permitted on any part of the Property, except that any part of any Structure now or hereafter erected on any Lot may be used as an office or studio, provided that (i) the person using such office or studio actually resides in the Structure in which such office or studio is located, (ii) such office or studio is operated in full compliance with all applicable zoning and other laws, (iii)

the operation of such office or studio does not involve employment of more than one (1) non-resident employee, (iv) the person owning such Lot has obtained the prior written approval of the Architectural Review Committee, and (v) such office or studio does not occupy more than twenty-five percent (25%) of the total floor area of such Structure.

2.4 SWIMMING POOLS. No swimming pools, whether "in ground," "above ground" or other type, shall be permitted on any Lot. A single exterior hot tub with a total surface area of the tub and surrounding deck of not more than 12 feet by 12 feet shall be allowed in the rear yard of a residence.

2.5 DRIVEWAYS. No driveways or parking areas shall be permitted on any Lot in the Community, excluding, however, those Lots which have driveways to garages that have been constructed by the Declarant or Builder.

2.6 EXTERIOR MATERIALS AND AIR CONDITIONING UNITS. All primary exterior materials of any Structure constructed on a Lot shall be in material approved by the Architectural Review Committee. Exterior materials of residences shall be constructed of either stucco, stone, cultured stone, board and batten, cement board, Hardi-Plank or Cem-Plank on the front, side and rear faces of the buildings. Swamp coolers and window air conditioners are prohibited, unless approved in writing by the Architectural Review Committee for a special temporary purpose or need.

2.7 TEMPORARY STRUCTURES. No Structure of a temporary character, trailer, basement, tent, shack, garage, or other outbuildings shall be used on any Lot at any time as a residence, either temporarily or permanently. Nothing in the Declaration shall be deemed to prohibit an Owner from placing upon its Lot reasonably sized garden sheds, greenhouses or other similar accessory structures approved in advance by the Architectural Review Committee.

2.8 REAL ESTATE SALES OR CONSTRUCTION OFFICE. Notwithstanding anything contained herein to the contrary, a real estate sales or construction office or a trailer and/or model home and related signs, may be erected, maintained and operated on any Lot, or in any Structure now or hereafter located thereon, provided such office or trailer, and signs, are used and operated only in connection with the development and/or initial sale of any Lot or Lots, and/or the initial construction of improvements on any Lot now or hereafter laid out or created in the Community. Nothing herein, however, shall be construed to permit any real estate sales or construction office, trailer or sign after such initial development, sales and/or construction is completed. Except as expressly permitted herein above, neither any part of any Lot, nor any improvement now or hereafter erected on any Lot, shall be used for any real estate sales or construction office or trailer, nor shall any sign used in conjunction with such uses be erected.

2.9 CLOTHES LINE. No exterior clothes line, clothes dryer, clothes pole or similar equipment shall be erected, installed or maintained on any Lot, nor shall articles of clothing, bedding, etc. be hung outside.

2.10 TRAFFIC VIEW. No Structure, landscaping, shrubbery or any other obstruction shall be placed on any Lot so as to block the clear view of traffic on any streets, nor shall any planting be done on any corner Lots closer than twenty feet from either street line that will exceed three (3) feet in height (except shade trees which shall be trimmed to that a clear view may be maintained to the height of eight (8) feet).

2.11 FRONT LAWN AND LANDSCAPING. The area within the front of a dwelling shall be kept only as a lawn for ornamental or decorative planting of grass, trees and shrubbery. All front and side yards must be landscaped within one (1) year after the dwelling is occupied. Rear yards shall be landscaped within two (2) years of occupancy of the dwelling. Landscaping for the Lots includes maintenance of a green area between the curb and sidewalk.

2.12 FENCES AND WALLS. Except for fences as may be installed and/or constructed by the Declarant or Builder simultaneously with the initial construction of a dwelling on a Lot by the Declarant and/or Builder, no fence, wall or other similar enclosure may be built on the front or side yard of any Lot, except a rear yard fence. A rear yard fence shall be built along rear yard property lines unless otherwise approved by the Architectural Review Committee. In the event the rear portion of a Lot is fenced by an Owner, such Owner shall maintain such area in accordance with the provisions of Section 2.13. The height restriction of all enclosures of rear yards, patios and open gardens, privacy screens and work area screens, shall not exceed six (6) feet in height. No fences, walls or hedges shall be erected or placed nearer to any street Lot line than the locations indicated on the fencing map attached hereto as Exhibit "B" and incorporated herein by reference. All gates must open inward onto a Lot and shall not open onto another Lot or the Common Area. All fences and walls (except such fences and walls as may be installed and/or constructed by Declarant or simultaneously with the initial construction of a dwelling on a Lot by Declarant in accordance with plans and specifications approved by Declarant) must receive the prior written approval of the Architectural Review Committee. Any such fence or wall shall be decorative in character (rail, picket, etc.) and not of chain link or chicken wire. The foregoing restriction shall not be construed to prohibit the growth of an ornamental hedge fence, which shall be kept neatly trimmed, and shall be trimmed to a hedge of not more than three (3) feet in the front yard of any Lot and the side yard of corner Lots.

2.13 NEAT APPEARANCE. Owners shall, at all times, maintain their Lots and all appurtenances thereto in good repair and in a state of neat appearance, including, but not limited to, the seeding, watering and mowing of all lawns, yards, keeping all sidewalks, if any, neat, clean and in good repair, and free of ice and snow, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all Structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance; provided, however, that the Association shall perform maintenance of all grassy areas surrounding the front, rear (provided the same is not fenced in) of each Lot in accordance with Section 6.4. If an Owner fences in their rear yard, then such Owner shall be solely responsible for the relocation of the sprinkler heads located thereon. If, in the opinion of the Architectural Review Committee, any Owner fails to perform the duties imposed hereunder, the



Association, on affirmative action of a majority of the Board of Directors, after fifteen (15) days written notice to such Owner to remedy the condition in question, and upon failure of the Owner to remedy the condition, shall have the right, but not the obligation, through its agents and employees, to enter upon the Lot in question and to repair, maintain, repaint and restore the Lot and the improvements or Structures thereon, and the cost thereof shall be a binding, personal obligation of such Owner, as an additional assessment on the Lot.

2.14 NUISANCES. No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done or placed thereon which may become an annoyance or nuisance to the neighborhood or any adjoining property owners. Without limited the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound devise, except such properly maintained and operated devises as may be used exclusively for security purposes, shall be located, installed or maintained upon the exterior of any dwelling or upon the exterior of any other Structure constructed upon any Lot. No snowmobiles, go-carts, motor bikes, trail bikes, other loud-engine recreational vehicles or skateboard ramps shall be run or operated upon any Lot or upon any roadways serving the Property.

2.15 ANIMALS. No animals, livestock, or poultry of any kind, including pigeons, shall be raised, bred or kept on any Lot, except that dogs, cats or any household pets, may be kept, provided that they are not kept, bred or maintained for any commercial purpose, and provided that they are kept so as to avoid becoming a nuisance to the neighborhood or to any adjoining property owners, and do not roam unattended on the Property. Household pets shall not include miniature pigs, horses or other hybrid livestock or farm animals. Pets shall be registered, licensed and inoculated as required by law. Owners shall be responsible for the immediate clean up and removal of their pets' waste from any other Lot and the Common Area.

2.16 VEHICLES.

(a) Other than private passenger vehicles, vans, trucks or permitted commercial vehicles in regular operation, no other motor vehicles or inoperable, unlicensed, unregistered, junk or junked cars or other similar machinery or equipment of any kind or nature (except for such equipment and machinery as may be reasonable, customary and usual in connection with the use and maintenance of any Lot) shall be kept on the Property or repaired on any portions of the Property except in emergencies. RV's, boats, personal water craft and recreational trailers shall not be parked, stored, maintained or repaired on any Lot or parked upon any streets or Common Areas except they may be kept inside the garages (such that the door on the garage can close and block the entire view of such vehicle). For the purposes hereof, a vehicle shall be deemed inoperable unless it is licensed, contains all parts and equipment, including properly inflated tires, and is in such good condition and repair as may be necessary for any person to drive the same on a public highway.

(b) No commercial vehicles over 3/4 ton rated capacity ("Commercial Vehicles") shall be left parked on any part of the Property, including, without limitation, any

street or Lot, longer than is necessary to perform the business function of such vehicle in the area; it being the express intention of this restriction to prevent the parking of Commercial Vehicles upon the Property, including, without limitation, the streets or Lots in the Community, for a time greater than that which is necessary to accomplish the aforesaid business purpose.

(c) Trailers, buses, tractors or any type of recreational vehicle shall not be parked, stored, maintained or repaired on any Lot or parked upon any streets or Common Areas.

(d) Notwithstanding the above, during construction of dwellings, the Declarant and any Builder may maintain Commercial Vehicles and trailers on the Property for the purposes of construction and for use as a field or sales office.

2.17 LIGHTING AND WIRING. The exterior lighting on Lots shall be directed downward and shall not be directed outward from, or extend beyond, the boundaries of any Lot. All wiring on any Lot shall be underground.

2.18 ANTENNAE. No radio aerial, antenna or satellite or other signal receiving dish, or other aerial or antenna for reception or transmission, shall be placed or kept on a Lot outside of a dwelling, except on the following terms:

(a) An Owner may install, maintain and use on its Lot one (or, if approved, more than one) a satellite television receiving dish (attached to the residence, no more than four feet in diameter, and no more than three feet above the surface on which it is attached - no ground based, large dish satellite dishes are allowed), a Small Antenna (as hereinafter defined) in the rear yard of a dwelling on the Lot, as such location, and screened from view from adjacent dwellings in such a manner and using such trees, landscaping or other screening material, as are approved by the Architectural Review Committee, in accordance with Article II. Notwithstanding the foregoing terms of this subsection, (i) if the requirement that a Small Antenna installed on a Lot be placed in the rear yard of a dwelling would impair such Small Antenna's installation, maintenance or use, then it may be installed, maintained and used at another approved location on such Lot where such installation, maintenance or use would not be impaired; (ii) if and to the extent that the requirement that such Small Antenna be screened would result in any such impairment, such approval shall be on terms not requiring such screening; and (iii) if the prohibition against installing, maintaining and using more than one (1) Small Antenna on a Lot would result in any such impairment, then such Owner may install on such Lot additional Small Antennae as are needed to prevent such impairment (but such installation shall otherwise be made in accordance with this subsection).

(b) In determining whether to grant any approval pursuant to this Section, neither Declarant, the Architectural Review Committee nor the Board of Directors shall withhold such approval, or grant it subject to any condition, if and to the extent that doing so would result in an impairment; provided, however, that any Small Antenna shall be placed in the rear of each dwelling, notwithstanding any other provision in this Section 2.18.

(c) As used herein, (i) "impair" has the meaning given it in 47 Code of Federal Regulations Part 1, Section 1.4000, as hereafter amended; and (ii) "Small Antenna" means any antenna (and accompanying mast, if any) of a type, the impairment or the installation, maintenance or use of which is the subject of such regulation. Such antennae are currently defined thereunder as, generally, being one (1) meter or less in diameter or diagonal measurement and designed to receive certain types of broadcast or other distribution services or programming.

2.19 SUBDIVISION. No Lot shall be divided or subdivided and no portion of any Lot (other than the entire Lot) shall be transferred or conveyed for any purpose; provided, however, this shall not prohibit transfers of part of Lots between adjoining Lot owners where the transfer is not for the purpose of creating a new building Lot. The provisions of this subsection shall not apply to the Declarant and, further, the provisions hereof shall not be construed to prohibit the granting of any easement or right-of-way to any person for any purpose.

2.20 SIGNAGE. Except for entrance signs, directional signs, signs for traffic control or safety, community "theme areas" or "For Sale" signs (not larger than 2 feet by 3 feet), and except as provided in Section 2.8 of this Article II, no signs or advertising devices of any character shall be erected, posted or displayed upon, in or about any Lot or Structure.

2.21 LEASE AGREEMENTS. All lease agreements with respect to any Lot or any Structure located thereon shall be in writing. The minimum term of all lease agreements shall be one (1) year, and shall state that the lease agreement shall be subject to this Declaration. Owners who do not reside on their Lot must provide current addresses and phone numbers to the Association.

2.22 TRASH AND OTHER MATERIALS. No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except (a) building material during the course of construction of any approved dwelling or other permitted Structure, and (b) firewood, which shall be cut and neatly stored at least six (6) inches off the ground and twelve (12) inches away from any wooden structure. No burning of trash shall be permitted on any Lot. All Owners shall place trash or other refuse into refuse containers provided by the Association or the City. Owners may not place any trash outside of such refuse containers or in any other location or container, except as designated by the Association, if any. The cost of refuse pick-up shall be borne by the Owner.

2.23 NON-INTERFERENCE WITH UTILITIES. No Structure, planting or other material shall be placed or permitted to remain upon any Lot which may damage or interfere with any easement for the installation or maintenance of utilities, or which may unreasonably change, obstruct or retard direction or flow of any drainage channels. No poles and wires for the transmission of electricity, telephone and the like shall be placed or maintained above the surface of the ground on any Lot.

**ARTICLE III**  
**PROPERTY SUBJECT TO THIS DECLARATION;**  
**ADDITIONS THERETO AND DEANNEXATION**

3.1 **PROPERTY.** The real property which is, and shall be, transferred, held, sold, conveyed and occupied subject to this Declaration is located in the Community, and is described in Exhibit "A" attached hereto, all of which real property is referred to herein as the "Property."

3.2 **ADDITIONS TO PROPERTY.**

(a) The Declarant, its successors and assigns, shall have the right for seven (7) years from the date hereof to bring within the scheme of this Declaration additional adjoining property within the Community (the "Additional Property") without the consent of the Class A members of the Association to expand the number of Lots included in the Community.

(b) The additions authorized under this subsection shall be made by filing of records a supplemental declaration or amendment of this Declaration with respect to the Additional Property which shall extend the scheme of the Declaration to such Additional Property, and which Additional Property shall thereupon become part of the Property. Upon the filing of any supplemental declaration, Owners of Additional Property shall be subject to the same obligations and entitled to the same privileges as apply to the Owners of the Property. Such supplemental declaration may contain such complementary additions and modifications to the Declaration as may be necessary to reflect the different character, if any, of the Additional Property not inconsistent with the scheme of this Declaration. In no event, however, shall such supplemental declaration revoke, modify or add to the Covenants established by this Declaration for the Property as of the date hereof.

3.3 **DEANNEXATION.** Provided there are Class B members, the Declarant may deannex any property (excluding, however, any Common Areas conveyed to the Association by the Declarant) from the Property for a period of five (5) years from the date of recordation of this Declaration. Such deannexed property shall no longer be subject to the covenants and restrictions of this Declaration except for any easements, rights, reservations, exemptions, power or privileges reserved to the Declarant pursuant to this Declaration which burden the deannexed property for the benefit of any property which is subject to the Declaration. Such deannexation shall be made by recording a Supplementary Declaration in the Recorder's Office, withdrawing the effect of the Covenants from the deannexed property. Such deannexed property may be utilized by the Declarant, or any successor, assign or transferee thereof, for any lawful purpose or use.

**ARTICLE IV**  
**MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION**

4.1 **MEMBERSHIP.** Every Owner of a Lot that is subject to assessment shall become and be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

4.2 **CLASSES OF MEMBERSHIP.**

(a) The Association shall have two (2) classes of voting membership:

(i) Class A. Except for the Declarant, which shall initially be the Class B member, the Class A members shall be all Owners holding title to one (1) or more Lots; provided, however, that any Mortgagee or any other person or entity who hold such interest solely as security for performance of an obligation shall not be a Class A member solely on account of such interest. Each Class A member shall be entitled to one (1) vote per Lot, for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association.

(ii) Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes per Lot for each Lot owned by it, in all proceedings in which actions shall be taken by members of the Association.

(b) If more than one (1) person, firm, corporation, trustee, or other legal entity, or combination thereof, holds the record title to any Lot, all of the same, as a unit, and not otherwise, shall be deemed a single member of the Association. The vote of any member comprised of two (2) or more persons, firms, corporation, trustees, or other legal entities, or any other combination thereof, shall be cast in the manner provided for in the Articles of Incorporation and/or By-Laws of the Association, or as the several constituents may determine, but in no event shall all such constituents cast more than one (1) vote per Lot for each Lot owned by them.

4.3 **CONVERSION.** The Class B membership in the Association shall cease and be converted to Class A membership in the Association, subject to being revived upon Additional Property being annexed to the Property pursuant to this Declaration, upon the earlier to occur of (i) December 31, 2009; or (ii) at such time as seventy five percent (75%) of all the Lots in all phases of the Community have been sold by Declarant to third parties. If after such conversion Additional Property is made subject to the Declaration, then the Class B membership shall be reinstated until December 31 of the year seven years after the date of the addition of the Additional Property, or until seventy five percent (75%) of all the Lots in all phases of the Community have been sold by Declarant to third parties, whichever occurs first. The Declarant shall thereafter remain a Class A member of the Association as to each and every Lot from time to subject to the terms and provisions of this Declaration in which the Declarant then hold the interest otherwise required for Class A membership.

**ARTICLE V**  
**DECLARANT'S RESERVED RIGHTS AND OBLIGATIONS**

5.1 **RESERVED RIGHTS OF DECLARANT.** Each Owner shall own its Lot subject to the following:

(a) The reservation to Declarant, its successors and assigns, of non-exclusive easements and rights of way over those strips or parcels of land designated or to be designated on the Plat as "Drainage Easement," "Public Utility Easement (P.U.E)," and "Open Space," or otherwise designated as an easement area over any road on the Property, and over those strips of land running along the front, rear, side and other Lot lines of each Lot shown on the Plat, except for the common side lines of the Lots, for the purposes of proper surface water drainage, for ingress and egress, for the installation, construction, maintenance, reconstruction and repair of public and private utilities to serve the Property and the Lots therein, including but not limited to the mains, conduits, lines, meters and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, cable television, and other public or private services or utilities deemed by Declarant necessary or advisable to provide service to any Lot, or in the area or on the area in which the same is located, and making openings and excavations thereon, which openings and excavations shall be restored in a reasonable period of time, and for such alterations of the contour of the land as may be necessary or desirable to effect such purposes. Within the aforesaid easement areas, no Structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or change the direction of the flow of drainage channels or obstruct or retard the flow of water through drainage channels. The reserved easement areas of each Lot and all improvements therein, except improvements for which a public authority or utility company is responsible, shall be maintained continuously by the Owner of the Lot.

(b) The designation of streets, avenues, roads, courts and places upon the Plat is for the purpose of description only and not dedication, and the rights of the Declarant in and to the same are specifically reserved, and the Declarant hereby reserves unto itself, and its successors and assigns, the right to grade, regrade and improve the streets, avenues, roads, courts and places as the same may be located on the Plat, including the creation or extension of slopes, banks, or excavation in connection therewith and in the construction of and installation of drainage structures therein. The Declarant further reserves unto itself, and its successors and assigns, the bed, in fee, of all streets, avenues and public highways in the Community, as shown on the Plat.

(c) The Declarant further reserves unto itself, and its successors and assigns, the right to grant easements, rights-of-way and licenses to any person, individual, corporate body or municipality, to install and maintain pipelines, underground or above-ground lines, with the appurtenances necessary thereto for public utilities, or quasi-public utilities or to grant such other licenses or permits as the Declarant may deem necessary for the improvement of the Community in, over, through, upon and across any and all of the roads, streets, avenues, alleys,

and open space and in, over, through, upon and across each and every Lot in any easement area set forth in this Declaration or as shown on the Plat.

(d) The Declarant further reserves unto itself and its successors and assigns, the right to dedicate all of said roads, streets, alleys, rights of way or easements, including easements in the areas designated as "open space" and stormwater management reservation, to public use all as shown on the Plat. No road, street, avenue, alley, right of way or easement shall be laid out or constructed through or across any Lot or Lots in the Community except as set forth in this Declaration, or as laid down and shown on the Plat, without the prior written approval of the Architectural Review Committee.

(e) Declarant further reserves unto itself and its successors and assigns, the right at or after the time of grading of any street or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of any Structure built on such Lot, but Declarant shall not be under any obligation or duty to do such grading or to maintain any slope. Similarly, Declarant reserves the right unto itself, and its successors and assigns, and, without limitation, the Association, to enter on any Lot or any other area in or adjacent to the Community during normal business hours for the purpose of performing the maintenance obligations of the Association provided, however, that Declarant shall have no obligation to perform such maintenance. No right shall be conferred upon any Owner by the recording of any plat relating to the development of the Property in accordance with such plat, Declarant expressly reserving unto itself the right to make such amendments to any such plat or plats as shall be advisable in its best judgment and as shall be acceptable to public authorities having the right to approval thereof.

(f) Declarant further reserves unto itself, for itself and any Builder and their successors and assigns, the right, notwithstanding any other provision of the Declaration, to use any and all portions of the Property other than those Lots conveyed to Owners, including any Common Area which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Community. Specifically, none of the provisions of Article II concerning architectural control or use restrictions shall in any way apply to any aspect of the Declarant's or Builder's activities or construction, and notwithstanding any provisions of this Declaration, none of the Declarant's or Builder's construction activities or any other activities associated with the development, marketing, construction, sales management or administration of the Community shall be deemed noxious, offensive or a nuisance. The Declarant reserves the right for itself and any Builder, and their successors and assigns, to store materials, construction debris and trash during the construction period on the Property without keeping same in containers. The Declarant will take reasonable steps, and will ensure that any Builder takes reasonable steps, to avoid unduly interfering with the beneficial use of the Lots by Owners.

5.2 INCORPORATION BY REFERENCE; FURTHER ASSURANCES. All grants made with respect to any Lots shall be conclusively deemed to incorporate the foregoing reservations, whether or not specifically set forth in such instruments. At the request in writing of any party hereto, any other party shall from time to time execute, acknowledge and deliver such further assurances of such reservations as may be necessary.

**ARTICLE VI**  
**YARD MAINTENANCE BY THE ASSOCIATION**

6.4 MAINTENANCE OBLIGATIONS OF THE ASSOCIATION. The Association shall contract for the maintenance of the grassed areas surrounding the front, side and rear yards of the Lots and sprinkler systems located thereon (subject, however, to the provisions of Section 2.13), and any area dedicated to a public or governmental entity if such entity fails to properly maintain such area, as from time to time improved, together with any items of personal property placed or installed thereon, all at its own cost and expense, and shall levy against each member of the Association a proportionate share of the aggregate cost and expense required for the care, maintenance and improvement of the Common Area, which proportionate share shall be determined based on the ratio which the number of Lots owned by the member bears to the total number of Lots then laid out or established on the Property.

**ARTICLE VII**  
**ENCROACHMENTS**

If any Structure or any part thereof, now or at any time hereafter, encroaches upon an adjoining Lot, whether such encroachment is attributable to construction, settlement or shifting of the Structure or any other reason whatsoever beyond the control of the Owner, there shall forthwith arise, without the necessity of any further or additional act or instrument, a good and valid easement for the maintenance of such encroachment, for the benefit of the Owner, its heirs, personal representatives and assigns, to provide for the encroachment and non disturbance of the Structure. Such easement shall remain in full force and effect so long as the encroachment shall continue. The conveyance or other disposition of a Lot shall be deemed to include and convey, or be subject to, any easements arising under the provisions of this Article without specific or particular reference to such easement.

**ARTICLE VIII**  
**COVENANT FOR ASSESSMENT**

8.1 COVENANT FOR ASSESSMENT. The Declarant for each Lot owned by it within the Property, hereby covenants, and each Owner, by acceptance of a deed hereafter conveying any such Lot to it, whether or not so expressed in such deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association (a) in advance, an annual assessment (the "Annual Assessment") equal to the member's proportionate share of the sum required by the Association, as estimated by the Board of Directors, for Annual Assessments or



charges, and (b) Special Assessments (as hereinafter defined) or charges, for capital improvements, such annual and special assessments and charges to be established and collected as hereinafter provided. The Annual and Special Assessments or charges shall be a charge and continuing lien upon each of the Lots against which the assessment is made in accordance with the terms and provisions of this Article VIII and shall be construed as a real covenant running with the land. Such assessments or charges, together with interest at a rate of twelve percent (12%) per annum, and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof; shall also be the personal obligation of the Owner holding title to any Lot at the time when the assessment fell due or was payable. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorneys' fees, however, shall not pass to the Owner's successor or successors in title unless expressly assumed by such successor or successors.

8.2 USE OF ASSESSMENTS. The assessments and charges levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Community, and in particular for (a) the cost of performing and the lawn and sprinkler maintenance required by Article VI and obtaining approved liability insurance for the maintenance operation, if the Board of Directors determines such insurance is appropriate; (b) the cost of obtaining, planting and thereafter maintaining street trees throughout the Community if required by West Jordan City, (c) the costs of utilities and other services which may be provided by the Association for the Community as may be approved from time to time by a majority of the members of the Association; (d) the cost of labor, equipment, insurance, materials, management and supervision incurred or expended in performing all of the foregoing; (e) the cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements.

8.3 MAXIMUM ANNUAL ASSESSMENT.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner other than the Declarant or a Builder, the maximum Annual Assessment shall be the aggregate of Seven Hundred Ninety Five Dollars (\$795.00) for each Lot, payable at the rate of Sixty Six Dollars and twenty-five cents (\$66.25) per month.

(b) From and after such date, the maximum Annual Assessment may be increased each year by not more than ten percent (10%) of the maximum Annual Assessment for the previous year without a vote of the membership of the Association.

(c) From and after such date the maximum Annual Assessment may be increased above the ten percent (10%) limitation specified in the preceding sentence only by a vote of two-thirds (2/3) of each class of members of the Association, voting in person or by proxy, at a meeting duly called for such purpose.

(d) Neither the Declarant, nor a Builder, nor any Lot to which the Declarant or

Builder holds record title, shall be exempt from any assessment hereunder, however, notwithstanding anything elsewhere set forth herein, the following allowance shall be made by the Association to the Declarant and Builder in each instance: Annual Assessments or charges made or levied against any Lot to which the Declarant or Builder hold record title shall equal twenty-five percent (25%) of the Annual Assessment or charge made or levied against any other Lot laid out on the Property, to the end and intent that the Declarant or Builder shall not pay more, or less, than twenty-five percent (25%) of the per Lot Annual Assessment established by the Association under this Section.

(e) The Board of Directors of the Association may fix the Annual Assessment or charges against each Lot at any amount not in excess of the maximum. Subject to the limitations set forth in this Section 8.3, and for the periods therein specified, the Association may change the maximum and the basis of the assessments fixed by Section 8.3 hereof prospectively for any period provided that any such change shall have the assent of two-thirds (2/3) of each class of members of the Association, voting in person or by proxy, at a meeting duly called for such purposes.

8.4 SPECIAL ASSESSMENTS. In addition to the Annual Assessments authorized above, the Association may levy in any assessment year, a special assessment ("Special Assessment"), applicable for that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement located on the Common Area, including fixtures and personal property related thereto, and/or to meet any other deficit of the Association or any emergency or unforeseen expenses of the Association; provided that such assessment shall first be approved by two-thirds (2/3) of the votes of each class of the members of the Association, voting in person or by proxy at a meeting duly called for such purpose.

8.5 NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTIONS 8.3 AND 8.4. Written notice of any meetings of members of the Association called for the purpose of taking any action authorized under Sections 8.3 and 8.4 of this Article shall be sent to all members not less than thirty (30) days, nor more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence at the meeting of members or of proxies, entitled to cast sixty percent (60%) of all of the votes of each class of members entitled to be cast at such a meeting shall be necessary and sufficient to constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at any subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

8.6 COMMENCEMENT DATE OF ANNUAL ASSESSMENTS.

(a) The Annual Assessments as to any Lot shall commence on the earlier of (i) the date the Lot is conveyed to any person or entity other than the Declarant or a Builder or (ii)

the date a Use and Occupancy Permit is issued by the proper authorities of Murray City to the Declarant or a Builder. The Annual Assessments shall be due and payable on a monthly basis on the first (1st) calendar day of each month, and shall be a lien for any month after the fifteenth (15th) day of that month.

(b) The due date of any Special Assessment under Section 8.4 shall be fixed in the resolution authorizing such Special Assessment.

#### 8.7 DUTIES OF THE BOARD OF DIRECTORS.

(a) The Board of Directors shall determine the amount of the maintenance assessments annually, but may do so at more frequent intervals should circumstances so require. Upon resolution of the Board of Directors, installments of Annual Assessments may be levied and collected on a quarterly, semi-annual or annual basis rather than on the monthly basis herein above provided for. Any member may prepay one or more installments of any maintenance assessment levied by the Association, without premium or penalty.

(b) The Board of Directors shall prepare, or cause the preparation of an annual operating budget for the Association, which shall provide, without limitation, for the yard and sprinkler maintenance required by Article VI. The Board of Directors of the Association shall make reasonable efforts to fix the amount of the annual maintenance assessment against each Lot for each assessment period at least thirty (30) days in advance of the beginning of such period and shall, at that time, prepare a roster of the Lots and the annual maintenance assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to the Board of Directors. Written notice of the annual maintenance assessments shall thereupon be sent to all members of the Association. The omission by the Board of Directors, before the expiration of any assessment period, to fix the amount of the annual maintenance assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any member from the obligation to pay the annual maintenance assessment, or any installment thereof; for that or any subsequent assessment period; but the annual maintenance assessment fixed for the preceding period shall continue until a new maintenance assessment is fixed. No member may exempt itself from liability for maintenance assessments by abandonment of any Lot owned by such member or by the abandonment of such member's right to the use and enjoyment of the Common Area.

(c) The Association shall, upon demand at any time, furnish to any Owner liable for assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A charge not to exceed Ten Dollars (\$10.00) may be levied in advance by the Association for each certificate so delivered.

#### 8.8 ADDITIONAL ASSESSMENTS. Additional assessments may be fixed against

any Lot only as provided for in this Declaration. Any such assessments shall be due as provided by the Board of Directors in making any such assessment.

8.9 NONPAYMENT OF ASSESSMENT. Any assessment or portion thereof not paid within thirty (30) days after the due date thereof shall be delinquent and shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and shall be subject to a late charge of Ten Dollars (\$10.00) per month until paid, or ten percent (10%) of the assessment, whichever is greater, and the Board of Directors shall have the right to declare the entire balance of the assessment and accrued interest thereon to be immediately due and payable. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or without waiving any other right, at equity to foreclose the lien against the Lot in the same manner and subject to the same requirements as are specified by the law of Utah for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and there shall be added to the amount of such assessment the reasonable costs of preparing and filing the complaint of such action, and in the event that judgment is obtained, such judgment shall include interest on the assessment as above provided, late fees and reasonable attorneys' fees to be fixed by the court together with the cost of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of such Owner's Lot.

8.10 SUBORDINATION OF LIEN TO MORTGAGE. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage(s) or deed(s) of trust now or hereafter placed upon the Lot subject to assessment; provided, however, that the sale or transfer of any Lot pursuant to mortgage or deed of trust 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. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such future assessment.

8.11 ENFORCEMENT OF LIEN. The Association may establish and enforce the lien for any assessment, annual, special, or otherwise, pursuant to the provisions of this Declaration. The lien is imposed upon the Lot against which such assessment is made. The lien may be established and enforced for damages, interest, costs of collection, late charges permitted by law, and attorneys' fees provided for herein or awarded by a court for breach of any of the covenants herein.

8.12 EXEMPT PROPERTY. The Common Area and all Lots owned by the Association or dedicated to and accepted by a public authority and all property owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Utah shall be exempt from the assessments created herein.

8.13 RESERVES FOR REPLACEMENTS.

(a) The Association shall establish and maintain a reserve fund for repairs and replacements of the Common Area by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Board of Directors. Such fund shall be conclusively deemed to be a common expense of the Association and may be deposited with any banking institution, the accounts of which are insured by an agency of the United States of America or may, in the discretion of the Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

(b) The Association may establish such other reserves for such other purposes as the Board of Directors may from time to time consider to be necessary or appropriate. The proportional interest of any member of the Association in any such reserves shall be considered an appurtenance of such Owner's Lot and shall not be separated from the Lot to which it appertains and shall be deemed to be transferred with such Lot.

8.14 INITIAL CAPITAL CONTRIBUTION. At settlement for each Lot, an amount equal to two (2) months of the current Assessment amount for that type of Lot shall be paid from each prospective member of the Association (other than the Declarant or a Builder), for the purpose of start-up expenses and operating contingencies. Such amount shall be in addition to any pro rata share of Assessments due and adjusted at settlement.

**ARTICLE IX**  
**INSURANCE AND CASUALTY LOSSES**

9.1 TYPES OF INSURANCE MAINTAINED BY ASSOCIATION. During the Development Period, the Association may obtain the following types of insurance:

(a) a public liability insurance policy covering the Association, its officers, directors and managing agents, having at least a One Million Dollar (\$500,000.00) limit per total claims that arise from the same occurrence, including but not limited to liability insurance for the recreational facilities located in the Community, or in an amount not less than the minimum amount required by applicable law, ordinance or regulation;

(b) workers' compensation insurance, if and to the extent required by law; and

(c) fidelity bond or bonds covering all Directors, officers, employees and other persons handling or responsible for the funds of the Association, in such amounts as the Board of Directors deems appropriate.

After the conclusion of the Development Period, the Board of Directors shall have the authority to and shall obtain the insurance described above.

9.2 PREMIUMS FOR INSURANCE MAINTAINED BY ASSOCIATION.

Premiums for all insurance and bonds required to be carried under Section 9.1 hereof or otherwise obtained by the Association shall be an expense of the Association, and shall be included in the Annual Assessments. Premiums on any fidelity bond maintained by a third party manager shall not be an expense of the Association.

9.3 DAMAGE AND DESTRUCTION OF COMMON AREA.

(a) Immediately after any damage or destruction by fire or other casualty to all or any part of the insurable improvements on the Common Area, the Board of Directors, or its agent, shall proceed with the filing and adjustment of all claims arising under the fire and extended coverage insurance maintained by the Association and obtain reliable estimates of the cost of repair or reconstruction of the damaged or destroyed improvements. Repair or reconstruction means repairing or restoring the improvements to substantially the same condition in which they existed prior to the fire or other casualty.

(b) Any damage or destruction to insurable improvements on the Common Area shall be repaired or reconstructed unless at least seventy-five percent (75%) of the members present at a meeting of the membership held within ninety (90) days after the casualty shall decide not to repair or reconstruct.

(c) If, in accordance with subsection (b), the improvements are not to be repaired or reconstructed and no alternative improvements are authorized by the members, then and in that event the damaged Common Area shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition. In such event, any excess insurance proceeds shall be paid over to the Association for the benefit of the Property, which proceeds may be used and/or distributed as determined by the Board of Directors, in its discretion, or as otherwise provided in the Articles of Incorporation and/or the Bylaws of the Association.

9.4 REPAIR AND RECONSTRUCTION OF COMMON AREA. If any improvements on the Common Area are damaged or destroyed, and the proceeds of insurance received by the Association are not sufficient to pay in full the cost of the repair and reconstruction of the improvements, the Board of Directors shall, without the necessity of a vote of the members, levy a Special Assessment against all Owners in order to cover the deficiency in the manner provided in Article VIII hereof. If the proceeds of insurance exceed the cost of repair, such excess shall be retained by the Association and used for such purposes as the Board of Directors shall determine.

9.5 HAZARD INSURANCE ON IMPROVED LOTS. Each Owner of an improved Lot at all times shall maintain fire and extended coverage insurance or other appropriate damage and physical loss insurance, in an amount equal to not less than one hundred percent (100%) of the current replacement value of the improvements on the Lot.

9.6 OBLIGATION OF LOT OWNER TO REPAIR AND RESTORE.

(a) In the event of any damage or destruction of the improvements on a Lot, the insurance proceeds from any insurance policy on an improved Lot, unless retained by a Mortgagee of a Lot, shall be applied first to the repair, restoration or replacement of the damaged or destroyed improvements. Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such improvements originally approved by the Declarant or the Architectural Review Committee; unless the Owner desires to construct improvements differing from those so approved, in which event the Owner shall submit plans and specifications for the improvements to the Architectural Review Committee and obtain its approval prior to commencing the repair, restoration or replacement.

(b) If any Owner of an improved Lot fails to maintain the insurance required by Section 95 of this Article, the Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Owner shall be personally liable to the Association for any costs incurred by the Association in obtaining such insurance, to the same extent as such Owner is liable for assessments levied against its Lot, and, upon the failure of the Owner to pay such costs within ten (10) days after such Owner's receipt of a written demand therefor from the Association, the Association may establish a lien therefor upon the Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

**ARTICLE X**  
**RIGHTS OF MORTGAGEES**

10.1 GENERAL.

(a) Regardless of whether a Mortgagee in possession of a Lot is its Owner, (i) such Mortgagee in possession shall have all of the rights under the provisions of this Declaration, the Plat, the Articles of Incorporation, the By-Laws and applicable law, which would otherwise be held by such Owner, subject to the operation and effect of anything to the contrary contained in its Mortgage, and (ii) the Association and each other Owner or person shall be entitled, in any matter arising under the provisions of this Declaration and involving the exercise of such rights, to deal with such Mortgagee in possession as if it were the Owner thereof.

(b) Any Mortgagee in possession of a Lot shall (subject to the operation and effect of the provisions of this Declaration, the Articles of Incorporation, the By-Laws and applicable law) bear all of the obligations under the provisions thereof which are borne by its Owner provided, that nothing in the foregoing provisions of this Section shall be deemed in any way to relieve any Owner of any such obligation, or of any liability to such Mortgagee on account of any failure by such Owner to satisfy any of the same.

10.2 INSPECTION; STATEMENT AND NOTICE. A Mortgagee shall, upon delivery of a written request to the Association, be entitled to:

- (a) inspect the Associations books and records during normal business hours;
- (b) receive an annual financial statement of the Association within ninety (90) days after the end of any fiscal year of the Association;
- (c) be given timely written notice of all meetings of the Membership, and designate a representative to attend all such meetings;
- (d) be given timely written notice of the occurrence of any substantial damage to or destruction of the Common Area, or if the Common Area is made the subject of any condemnation or eminent domain proceeding or the acquisition thereof is otherwise sought by any condemning authority; and
- (e) be given timely written notice by the Association of failure to pay assessments by the Owner of such Mortgagee's Lot which is not cured within thirty (30) days after such default commences, but the failure to give such notice shall not affect the validity of the lien for any assessments levied pursuant to this Declaration.

**ARTICLE XI**  
**MISCELLANEOUS**

11.1 TERM. This Declaration shall run with the land and shall be binding for a period of seventy five (75) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years each unless and until an instrument has been recorded, by which this Declaration, in whole or in part, is amended, modified or revoked pursuant to the provisions of Section 11.9.

11.2 ENFORCEMENT.

- (a) Enforcement of this Declaration shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain the violation or to recover damages, or both. In acquiring title to any Lot in the Community, the purchaser or purchasers violating or attempting to violate any covenant, agree to reimburse the Association and/or any Owners for all costs and expenses for which it or they may be put as a result of the said violation or attempted violation, including but not limited to, court costs and attorneys' fees.
- (b) These Covenants shall inure to the benefit of and be enforceable by the Association or by the Owner(s) of any land included in the Community and their respective legal representatives, successors and assigns, and all persons claiming by, through or under them.



(c) Notwithstanding the foregoing, neither the Association nor any person acting or purporting to act on its behalf shall (a) file or otherwise commence, or prosecute, in any jurisdiction whatsoever, any (i) civil, criminal or administrative proceeding in or with any court or administrative body or officer, or (ii) appeal of or objection to any decision or other action made or taken by any court or administrative body or officer, in any judicial or administrative proceeding, or (b) testify or submit evidence (except where required by law, subpoena or formal order of such court, administrative body or officer), or otherwise take a formal position on any issue under consideration, in any such proceeding or appeal, in all cases until such action is approved in writing by, or by the vote of; both (x) members entitled to cast at least 75 percent of the votes held by all Owners other than Class B Members, and (y) (if such action would be taken during the Development Period), the votes of Class B Owners holding at least 75 percent of the votes held by all Class B Owners. Nothing in this subsection shall apply to a civil or administrative proceeding which the Association commences or prosecutes with a court or administrative body or officer (a) to collect an Assessment, or enforce or foreclose a lien securing an Assessment, or (b) otherwise to enforce the Association's rights or another person's obligations under the Declaration, By-Laws or Articles of Incorporation on account of a default or otherwise or (c) any action taken by the Declarant at any time or action undertaken by the Architectural Review Committee during the Development Period.

11.3 NO WAIVER. The failure or forbearance by the Association to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

11.4 INCORPORATION BY REFERENCE ON RESALE. In the event any Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall be deemed to contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration, whether or not the deed actually so states.

11.5 NOTICES. Any notice required to be sent to any member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postage paid, to the last known address of the person who appears as member or Owner on the records of the Association at the time of such mailing.

11.6 NO DEDICATION TO PUBLIC USE Nothing herein contained shall be construed as a dedication to public use or as an acceptance for maintenance of any Common Area by any public or municipal agency, authority or utility and no public or municipal agency, authority or utility shall have any responsibility or liability for the maintenance or operation of any of the Common Area.

11.7 SEVERABILITY. Invalidation of any one of these covenants or restrictions by judgment, decree or order shall in no way affect any other provisions hereof, each of which shall remain in full force and effect.

11.8 CAPTIONS AND GENDERS. The captions contained in this Declaration are for convenience only and are not a part of this Declaration and are not intended in any way to limit or enlarge the terms and provisions of this Declaration. Whenever the context so requires, the male shall include all genders and the singular shall include the plural.

11.9 AMENDMENT.

(a) For so long as there is a Class B membership of the Association, this Declaration may be amended by an instrument in writing, signed and acknowledged by the Declarant and by the President or Vice-President and Secretary or Assistant Secretary of the Association after approval of the amendment at a meeting of the Association duly called for such purpose. The vote (in person or by proxy) or written consent of (i) at least two-thirds (2/3) of the Class A members of the Association, if any, and (ii) the Declarant shall be required to add to, amend, revise or modify this Declaration. Following the lapse of the Class B membership in the Association, as provided in Article IV hereof, this Declaration may be amended by an instrument in writing, signed and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association with the approval, in the manner set forth above, of at least two-thirds (2/3) of the Class A members of the Association at a meeting of the Association duly called for such purpose.

(b) An amendment or modification shall be effective when executed by the President or Vice-President and Secretary or Assistant Secretary of the Association who shall certify that the amendment or modification has been approved as herein above provided. The amendment shall be recorded in the Recorder's Office. Unless a later date is specified in any such instrument, any amendment to this Declaration shall become effective on the date of recording. For the purpose of recording such instrument, each Owner, other than the Declarant, hereby grants to the president or Vice-President and Secretary or Assistant Secretary of the Association an irrevocable power of attorney to act for and on behalf of each and every Owner in certifying, executing and recording said instrument. Notwithstanding anything to the contrary contained herein, in no event may any of Declarant's rights or privileges under the Articles of Incorporation or By-Laws of the Association or this Declaration be terminated, altered or amended without Declarant's prior written consent.

(c) Anything set forth above to the contrary notwithstanding, during the Development Period the Declarant shall have the absolute unilateral right, power and authority to amend, modify, revise or change any of the terms or provisions of this Declaration, By-Laws, Articles of Incorporation, Plat or any other document relating to the Community, all as from time to time amended or supplemented, without the consent of any Owner, Mortgagee or other person, which in its reasonable opinion, is needed to (i) correct obvious typographical, mathematical or similar errors therein, or (ii) cause any of the foregoing documents to conform to any requirement now or hereafter imposed by the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Department of Housing and Urban Development, Department of Veterans Affairs or any other similar authority, in

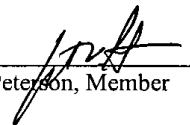
connection with any mortgage insurance or guaranty, secondary mortgage market, or other program applicable to the issuance or sale of Mortgages.

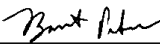
(d) Declarant may at any time during the Development Period, acting in its sole discretion and without the consent or joinder by the Association, Owner, Mortgagee or other person, (i) amend or supplement the Plat if and to the extent that the declarant, in its sole discretion, deems necessary or desirable in connection with development of the Community (including, but not limited to, altering the locations, boundaries or property-type designation of any Lots, open spaces, Common Areas or similar areas, easement areas and setback or building restriction lines set forth thereon), or (ii) amend or supplement this Declaration to reflect any such alteration previously made by an amendment, revision or supplement of the Plat under the preceding clause, or release from the legal effect of this Declaration all or part of the real property then subject thereto. Any such amendment, revision or supplement of the Plat shall become effective for purposes of this Declaration on being signed by Declarant and any other person whose approval thereof is required by law as a condition thereto, and recorded.

(e) An amendment may not modify a right expressly reserved in this Declaration for Declarant's benefit, without the Declarant's prior written consent.

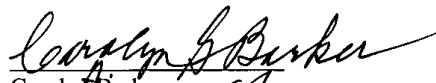
(f) Nothing in this Section shall be construed in derogation of any requirement in this Declaration that all or a specified number of Mortgagees approve specified actions of the Association.

RANCHES AT STONE CREEK, L.L.C.

By   
Justin Peterson, Member

By   
Barrett Peterson, Member

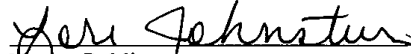
Consenting Lot Owner:

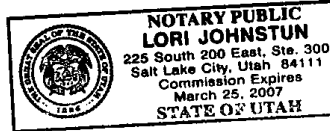
  
Carolyn Barker  
Owner of Lot 106 in  
The Ranches No. 1 Subdivision

STATE OF UTAH )  
 )  
COUNTY OF SALT LAKE )

On the 18<sup>th</sup> day of November, 2003, Justin Peterson, a member of Ranches at Stone Creek, L.L.C., a Utah limited liability company, acknowledged before me that he signed the foregoing instrument for and on behalf of said limited liability company.

SEAL:

  
Notary Public

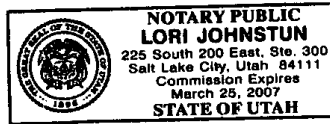


STATE OF UTAH )  
 )  
COUNTY OF SALT LAKE )

On the 18<sup>th</sup> day of November, 2003, Barrett Peterson, a member of Ranches at Stone Creek, L.L.C., a Utah limited liability company, acknowledged before me that he signed the foregoing instrument for and on behalf of said limited liability company.

SEAL:

  
Notary Public

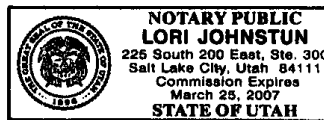


STATE OF UTAH )  
 )  
COUNTY OF SALT LAKE )

On the 18<sup>th</sup> day of November, 2003, Carolyn Barker acknowledged before me that she signed the foregoing instrument.

SEAL:

  
Notary Public



**COURTESY RECORDING**

This document is being recorded solely as a courtesy and an accommodation to the parties named therein. INTEGRATED TITLE INSURANCE SERVICES LLC hereby expressly disclaims any responsibility or liability for the accuracy or the content thereof.

EXHIBIT "A"

Real Property Located in Salt Lake County, Utah:

The Ranches No. 1 Subdivision:

Beginning at a point which is N89°55'35"W 172.07 feet, and South 769.20 feet from the North 1/4 Corner of Section 36, Township 2 South, Range 2 West, Salt Lake Base and Meridian, thence S46°32'17"E 471.00 feet; thence along the arc of a 31.50 foot radius curve to the right 49.48 feet (central angle = 90°00'00"), the chord of which bears S01°32'17"E-44.55 feet; thence S43°27'43"W 68.50 feet; thence N46°32'17"W 517.50 feet; thence N43°27'43"E 85.00 feet; thence along the arc or 15.00 radius curve to the right 23.56 feet (central angle = 90°00'00"), the chord of which bears N88°27'43"E-21.21 feet; to the point of beginning. Contains 1.1820 acres.

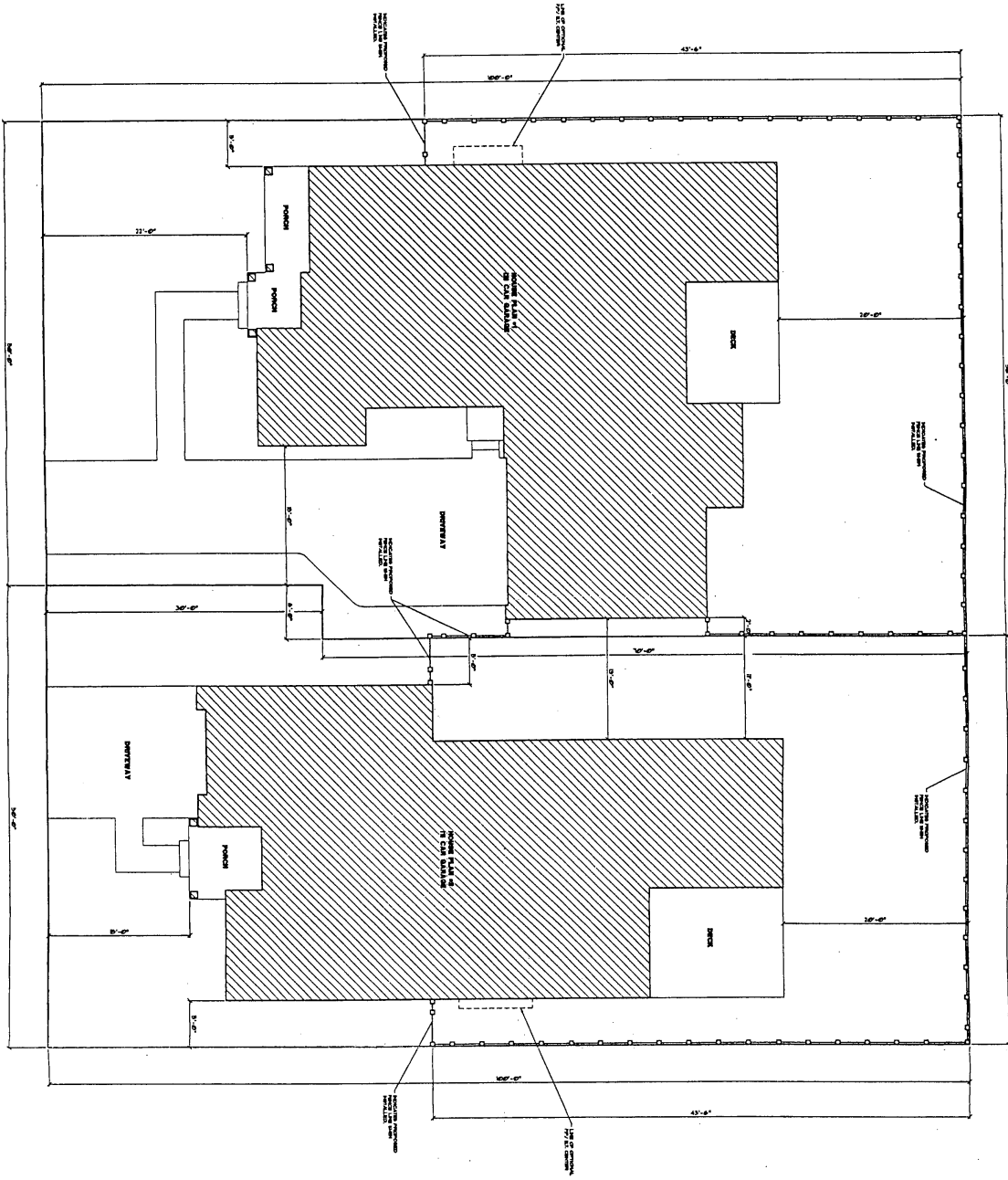
The Ranches No. 2 Subdivision:

BEGINNING AT A POINT WHICH IS NORTH 89 DEGREES 55'35" WEST 172.07 FEET ALONG SECTION LINE AND SOUTH 769.20 FEET FROM THE NORTH QUARTER CORNER OF SECTION 36, TOWNSHIP 2 SOUTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN; THENCE ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT 23.56 FEET ( CENTRAL ANGLE = 90 DEGREES 00'00"), THE CHORD OF WHICH BEARS SOUTH 88 DEGREES 27'43" WEST 21.21 FEET; THENCE SOUTH 43 DEGREES 27'43" WEST 85.00 FEET; THENCE SOUTH 46 DEGREES 32'17" EAST 517.50 FEET; THENCE SOUTH 43 DEGREES 27'43" WEST 165.00 FEET; THENCE NORTH 46 DEGREES 32'17" WEST 97.50 FEET; THENCE ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT 23.56 FEET ( CENTRAL ANGLE = 90 DEGREES 00'00"), THE CHORD OF WHICH BEARS NORTH 01 DEGREE 37'17" WEST 21.21 FEET; THENCE NORTH 46 DEGREES 32'17" 210.00 FEET; THENCE ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT 23.56 FEET (CENTRAL ANGLE = 90 DEGREES 00'00"), THE CHORD OF WHICH BEARS S88 DEGREES 27'43" WEST 21.21 FEET; THENCE NORTH 46 DEGREES 32'17" WEST 50.00 FEET; THENCE ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT 23.56 FEET (CENTRAL ANGLE = 90 DEGREES 00'00"), THE CHORD OF WHICH BEARS NORTH 01 DEGREE 32'17" WEST 21.21 FEET; THENCE NORTH 46 DEGREES 32'17" WEST 215.00 FEET; THENCE NORTH 43 DEGREES 27'43" EAST 50.00 FEET; THENCE ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT 23.56 FEET (CENTRAL ANGLE = 90 DEGREES 00'00"), THE CHORD OF WHICH NORTH 88 DEGREES 27'43" EAST 21.21 FEET; THENCE NORTH 43 DEGREES 27'43" EAST 170.00 FEET; THENCE ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT 23.56 FEET (CENTRAL ANGLE = 90 DEGREES 00'00"), THE CHORD OF WHICH BEARS NORTH 01 DEGREE 32'17" WEST 21.21 FEET; THENCE SOUTH 46 DEGREES 32'17" EAST 115.00 FEET TO THE POINT OF BEGINNING.

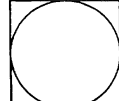
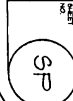
CONTAINS 2.3445 ACRES MORE OR LESS

EXHIBIT "B"

FENCING PLAN



**SITE PLAN (2) NESTED LOTS**  
SCALE: 1/8" = 1'-0"

		PREPARED BY DATE	CHECKED BY DATE
	DRAWN BY DATE	DATE	DATE

**SITE PLAN**  
**PETERSON DEVELOPMENT**  
 PLAN # 1 PLAN 2 NESTED  
 THE RANCHES # STONECREEK SUBDIVISION  
 WEST JORDAN, UTAH

**Carlson Engineering Services**  
 ARCHITECTURAL ENGINEERING & DETAILING SERVICES  
 1919 SOUTH 4000 EAST SUITE 10210  
 CENTERVILLE, UTAH 84014  
 PHONE: (801) 296-2184 FAX: (801) 296-6293

