WHEN RECORDED MAIL TO:

MR. RICHARD W. KENNEDY
18 WINDSONG
SANDY, UT 84092

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS SALT LAKE COUNTY, UTAH

THIS DECLARATION ("Declaration"), made this 11th day of September, 2013, by the PEPPERWOOD HOMEOWNERS ASSOCATION, a Utah Non-Profit Corporation, hereinafter referred to as "Declarant" to amend and replace the Original Declarations now in force:

WITNESSETH:

WHEREAS, the Lot Owners and Developer of certain real property in the Pepperwood Subdivision more particularly described as:

Lots 1 through 52 inclusive in Pepperwood Subdivision Phase I; Lots 201 through 289 inclusive in Pepperwood Subdivision Phase II; Lot 200 in Pepperwood Phase 2; Lots 201A through 204A inclusive in Pepperwood Subdivision Phase 2A; Lots 301 through 340 inclusive in Pepperwood Subdivision Phase III; Lots 401 through 454 inclusive in Pepperwood Subdivision Phase IV; Lots 501 through 525 inclusive in Pepperwood Subdivision Phase V; Lot 526A in Pepperwood Subdivision Phase 5A; Lots 601 through 630 inclusive in Pepperwood Subdivision Phase 6; Lots 601A through 610A inclusive in Pepperwood Subdivision Phase 6A; Lots 631 through 641 inclusive in Pepperwood Subdivision Phase 6B; Lots 642 through 655 inclusive in Pepperwood Subdivision Phase 6C; Lots 656 through 659 inclusive in Pepperwood Subdivision Phase 6D; Lots 660 through 663 inclusive in Pepperwood Subdivision Phase 6E; Lots 701 through 715 inclusive and Lots 792 through 799 inclusive in Pepperwood Subdivision Phase 7A; Lots 744 through 757 inclusive in Pepperwood Subdivision Phase 7B; Lots 716 and 717 and Lots 780 through 791 inclusive in Pepperwood Subdivision Phase 7C; Lots 718 through 727 inclusive and Lots 771 through 779 inclusive in Pepperwood Subdivision Phase 7D; Lots 735 through 743 inclusive and Lots 758 through 765 inclusive in Pepperwood Subdivision Phase 7E; Lots 728 through 734 inclusive and Lots 766 through 770 inclusive in Pepperwood Subdivision Phase 7F; Lots 800, 801, and 806 in Pepperwood Subdivision Phase 8A; Lots 802, 803, and 805 in Pepperwood Subdivision Phase 8B; Lots 807 through 814 inclusive in Pepperwood Subdivision Phase 8C; Lots 827 through 835 inclusive in Pepperwood Subdivision Phase 8E; Lots 901 through 921 inclusive in Pepperwood Subdivision Phase 9; Lots 1001 through 1030 inclusive and Lot "B" in Pepperwood Subdivision Phase 10A; Lots 1031 through 1052 inclusive in Pepperwood Subdivision Phase 10B; Lots 1053 through 1064 inclusive in Pepperwood Subdivision Phase 10C; Lots 1065 through 1084 inclusive in Pepperwood Subdivision Phase 10D; Lots 1 through 13 inclusive in Trendland Meadows; Lots 1085 through 1090 inclusive in Pepperwood Subdivision Phase 10E; and Lots 1104 through 1106 inclusive and Lots 1109 through 1111 inclusive in Pepperwood Subdivision Phase 11 B;

have deemed it desirable to impose a general plan for the improvement and development of the portion of said tract and all of the property described herein and the adoption and establishment of covenants, conditions, and restrictions upon said real property and each and every Lot and portion thereof and upon the use, occupancy, and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability, and attractiveness of said tract; and

WHEREAS, the Lot Owners and Developer have deemed it desirable for the efficient preservation of the value, desirability, and attractiveness of the portion of said tract and any additional property which may be annexed thereto, pursuant to the provisions of this Declaration, to create a corporation to which should be delegated and assigned the powers of maintaining and administering the common area and administering and enforcing these covenants, conditions and restrictions and collecting and disbursing funds pursuant to the assessment and charges hereinafter created and referred to; and

WHEREAS, Pepperwood Homeowner's Association, a nonprofit corporation, has been incorporated under the laws of the State of Utah for the purpose of exercising the powers and functions aforesaid; and

WHEREAS the Pepperwood Homeowners Association has received title to certain of the real property within the Pepperwood Subdivision, in accordance with the protective covenants, condition, and restrictions set forth in the original Declaration of Covenants, Covenants, and Restrictions dated the 27th day of July, 1973 and the subsequent Declarations pertaining to the Lots and Phases of the Pepperwood Subdivision set out above (collectively, the "Original Declarations," which are listed in Addendum A to this document); and

WHEREAS the Pepperwood Homeowners Association has received authority pursuant to the said Original Declarations to amend those Original Declarations; and

WHEREAS the Pepperwood Homeowners Association has determined that it is in the best interests of the Association and the Lot Owners to amend and restate those Original Declarations so as to make them consistent across all Phases; and

WHEREAS the Lot Owners have given their consent to such amendment in the fashion required in those Original Declarations; and

WHEREAS, the Developer has conveyed or will convey title to all of said Lots in said tract subject to certain protective covenants, conditions, and restrictions hereinafter set forth;

NOW THEREFORE, Declarant and the Developer hereby covenant, agree, and declare that all of said Lots and property described above and such additions thereto as may hereafter be made pursuant to Article II hereof shall be held, sold, and conveyed subject to the following covenants, conditions, restrictions, and easements (hereinafter generally "Covenants") which are hereby declared to be for the benefit of the whole tract and all of the property described herein and the Owners thereof, their successors and assigns. These Covenants shall run with the described real property and shall be binding on all parties having or acquiring any right, title, or

interest in the described real property or any part thereof and shall inure to the benefit of each Owner thereof and are imposed upon said real property and every part thereof.

ARTICLE I: DEFINITIONS

The following terms used in this Declaration shall be applicable to this Declaration and also to any supplemental declaration recorded pursuant to Article II hereof and are defined as follows:

Section 1.1. "Association" or "Declarant" shall mean the Pepperwood Homeowner's Association, a nonprofit corporation, incorporated under the laws of the State of Utah, its successors, and assigns.

Section 1.2. "Covenants" shall mean the covenants, conditions, restrictions, and easements (hereinafter sometimes "CC&Rs") set out in this Declaration, unless the context of a particular Section requires otherwise.

Section 1.3. "Common area" and "common facilities" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association including, but not limited to, private streets.

Section 1.4. "Lot" shall mean and refer to a recorded Lot within the existing property or any other properties annexed pursuant to this Declaration, upon which there has been or will be constructed a single family residence, but shall not mean or include any common area. If any recorded Lot was created out of a division or combination of two or more former lots, but is now shown on the records of the County Recorder of Salt Lake County as a separate lot, it shall be considered as one, separate, Lot for all purposes herein. See, also, Section 10.14 on subdivision restrictions.

Section 1.5. "Member" shall mean and refer to every person or entity which holds membership in the Association.

Section 1.6. "Notice" shall be given by any method that provides fair and reasonable notice, including electronic means such as email or the Association's website. Notice of annual meetings and meetings to amend the Association's By-Laws or these CC&Rs shall be sent to each owner via the United States Post Office unless consent has previously been given by the owner for another method (such as email).

Section 1.7. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities (or, if applicable, the holder of a life estate in the property, the majority shareholder of a corporation (or member who owns the majority interest in an LLC or partner who owns the majority interest in a partnership) which owns the property, the grantor or primary beneficiary of a trust which owns the property, or the spouse of any of the preceding) of a fee simple interest in any Lot which is a part of the properties, including contract buyers, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.8. "Developer" shall mean and refer to Scandia Investment, L.L.C., Autumn Ridge Development, L.L.C., and their successors and assigns.

Section 1.9. "Deed of trust" shall mean a deed executed in conformity with Utah real property law to a trustee in trust to secure the performance of an obligation of the trustor or other person named in the deed to a beneficiary.

Section 1.10. "Conveyance" shall mean and refer to conveyance of a fee simple title to any Lot.

ARTICLE II: ANNEXATION OF ADDITIONAL PROPERTY

Any real property may be annexed to and become subject to this Declaration by any of the methods set forth hereinafter in this Article, as follows:

Section 2.1. Annexation Without Approval. For Developer:

(a) Any real property may be annexed to and become subject to this Declaration and subject to the jurisdiction and a part of the Association without the approval, assent or vote of the Association or its members, providing and on condition that, prior to the conveyance of title by the Developer to any improved Lots within the real property to be annexed to individual purchasers thereof, fee simple title or right-of-way to the common area within said real property shall be conveyed to the Association, free and clear of any and all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration. Immediately and automatically upon such annexation by Developer, all easements and other rights granted by Developer to the Association in connection with such annexed real property shall be deemed accepted by the Association.

(b) A Supplementary Declaration of Covenants, Conditions and Restrictions, as described below, covering said real property to be annexed, shall be executed and recorded by Developer, the owner of said real property, or its successors and assigns. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the said real property described therein, making said annexed real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter all of the owners of lots in said real property shall automatically be members of the Association.

(c) Such Supplementary Declarations may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such Supplementary Declaration merger or consolidation, revoke,

modify or add to the covenants established by this Declaration within the existing property, except as hereinafter otherwise provided.

Section 2.2. Annexation Pursuant to Approval. For anyone other than Developer: any real property may be annexed to and become subject to this Declaration and subject to the jurisdiction and a part of the Association upon approval in writing of the Association, upon approval in writing of the Association, pursuant to a two-thirds majority vote of those present at a meeting for this purpose that has been duly called of members including proxies who are entitled to vote, provided that:

(a) prior to the conveyance of title to any improved Lots within the real property to be annexed to individual purchasers thereof, fee simple title or right-of-way to the common area within said real property shall be conveyed to the Association, free and clear of any and all encumbrances and liens, except current real property taxes, which taxes shall be prorated to the date of transfer, and easements, covenants, conditions and restrictions then of record, including those set forth in this Declaration; and

(b) prior to the conveyance of title to any improved Lot within the real property to be annexed to individual purchasers thereof, a supplementary Declaration of Covenants, Conditions and Restrictions, as described hereinafter in Section 3 of this Article, covering said real property, shall be executed and recorded by the Owner of said real property, or its successors and assigns. The recordation of said Supplementary Declaration shall constitute and effectuate the annexation of the said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter all of the Owners of Lots in said real property shall automatically be members of the Association; and

(c) upon annexation, compensation shall be paid to Developer for a prorated share of the common area that Developer provided which services said real property being annexed, including but not limited to a proportional share of the value of the private roads and utilities leading to the annexed property and a proportional share of the value of the recreational amenities.

Section 2.3. Supplementary Declarations. The additions authorized under the foregoing Sections shall be made by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions, or similar instrument (collectively, "Supplementary Declarations"), with respect to the additional property which shall extend the plan of this Declaration to such property.

(a) Such Supplementary Declarations contemplated above may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added property and as are not inconsistent with the plan of this Declaration. In no event, however, shall any such Supplementary Declarations cause a merger or consolidation, revoke, modify or add to the covenants established by this Declaration within the existing property, except as hereinafter otherwise provided.

(b) The recordation of said Supplementary Declarations shall constitute and effectuate the annexation of the said real property described therein, making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of the Association, and thereafter all of the Owners of Lots in said real property shall automatically be members of the Association.

Section 2.4. Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, as provided in its Articles of Incorporation, the Association's properties, rights, and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights, and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants, conditions, and restrictions established by this Declaration within the existing property, together with the covenants and restrictions established upon any other property, as one plan.

ARTICLE III: MEMBERSHIP

Section 3.1. Membership. Every person or entity who is a record Owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, shall be a member of the Association. The terms and provisions set forth in this Declaration, which are binding upon all Owners of all Lots and all members in the Association, are not exclusive, as the member shall, in addition, be subject to the terms and provisions of the Articles of Incorporation and the By-Laws of the Association, insofar as they are not inconsistent with this Declaration. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership for each Lot owned. Membership shall be appurtenant to and may not be separated from the fee Ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 3.2. Transfer. The membership held by any Owner of a Lot shall not be transferred, pledged, or alienated in any way, except upon the sale or encumbrance of such Lot, and then automatically transferred only to the purchaser or deed of trust holder of such Lot. Any attempt to make a prohibited transfer is void, and will not be reflected upon the books and records of the Association. In the event the Owner of any Lot should fail or refuse to transfer the membership registered in his name to the purchaser of such Lot, the Association shall have the right to transfer such membership and record the transfer upon the books of the Association.

Section 3.3. Restrictions. All voting rights shall be subject to the restrictions and limitations provided herein and in the Articles of the Association, as well as federal, state, and local laws and ordinances.

ARTICLE IV: PROPERTY RIGHTS IN THE COMMON AREAS

Section 4.1. Members' Easements of Enjoyment. Every Owner (and if such Owner is an entity, such Owner's members, shareholders, managers, and officers, as the case may be) shall have a right and easement of enjoyment in and to the common area, and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

(a) The right of the Association to establish uniform rules and regulations pertaining to the use of the common area including but not limited to private streets and the recreational facilities thereof.

(b) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the common area and facilities and to aid thereof, to mortgage said property, provided that the rights of such mortgages shall be subordinate to the rights of the members.

(c) The right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless a written instrument pursuant to a two-thirds majority vote of those present at a meeting for this purpose that has been duly called of members including proxies who are entitled to vote has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than ten (10) days in advance. However, and notwithstanding anything in this Declaration to the contrary, Declarant, by a majority vote of its Board, or the Developer, with respect to property owned by the Developer, may grant easements over the road system or any other designated utility easement areas for utility purposes without the need to obtain any acceptance or approval from any other party with respect to such easements.

(d) The right of Developer (and its sales agents and representatives) to the non-exclusive use of the common area and the facilities thereof, for display and exhibit purposes in connection with the sale of residential units within the tract or any property annexed hereto. No such use by Developer or its sales agents or representatives shall otherwise restrict the members in their use and enjoyment of the common areas of facilities thereof.

Section 4.2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, such owner's right of enjoyment to the common area and facilities to the members of such Owner's family, tenants, or contract purchasers who reside on the property.

Section 4.3. Waiver of Use. No Owner may exempt himself/herself/itself from personal liability for assessments duly levied by the Association, nor release the Lot owned by such Owner from the liens and charges hereof, by waiver of the use and enjoyment of the common area and the facilities thereon or by abandonment of such Owner's Lot other than by sale thereof.

ARTICLE V: ASSESSMENTS

Section 5.1. Creation of the Lien and Personal Obligation of Assessments. Each Owner, immediately and automatically upon taking title to any property subject to this Declaration, whether by deed or otherwise, is deemed to covenant and agree to pay to the Association: (1) regular assessments or charges, (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided, and (3) other fees assessed as set out herein. The regular and special assessments, together with fees and interest thereon and costs of collection thereof, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment together with such interest, costs of collection and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to successors in title unless expressly assumed by them unless a notice of lien has been recorded with respect to such property.

Section 5.2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the members of the Association and, in particular, for the improvement and maintenance of the properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the common area, including gates and gatekeepers.

Section 5.3. Regular Assessments. The amount and time of payment of regular assessments shall be determined by the Board of Trustees of the Association pursuant to the Articles of Incorporation and By-Laws of said Association after giving due consideration to the current maintenance costs and future needs of the Association. Written notice of the amount of an assessment, regular or special, shall be sent to every Owner, and the due date for the payment of same shall be set forth in said notice.

Section 5.4. Special Assessments.

(a) For Capital Improvements. In addition to the regular assessments, the Association may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than ten (10) days in advance of the meeting, setting forth the purpose of the meeting.

(b) For Failure to Comply. Special fees shall be levied by the Board against a Lot and its Owner to reimburse the Association for costs incurred by the Association in bringing an Owner into compliance with the provisions of this Declaration, the Articles, and/or the By-Laws of the Association.

Section 5.5. Uniform Rate of Assessment. Both regular assessments and special assessments for operations, repairs, and capital projects shall be fixed at a uniform rate for all Lots and may be collected on a monthly or annual basis.

Section 5.6. Date of Commencement of Regular Assessments and Fixing Thereof. The regular assessments provided for herein shall commence as to all Lots on the first day of the month following the purchase of each Lot to an individual Owner. Monthly or annual assessments will be payable at times determined by the Board of Trustees of the Association.

Section 5.7. Certificate of Payment. The Association shall, upon demand, furnish to any Owner liable for said assessment, a certificate in writing signed by an officer of the Association, setting forth whether the regular and special assessments on a specified Lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 5.8. Providing Payoff Information. The Association shall, upon request pursuant to U.C.A. §57-81-106, furnish within five (5) days to any Owner (or closing agent of such Owner) selling the Owner's property, a certificate in writing signed by an officer of the Association, setting forth whether the regular and special assessments on a specified Lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. Any liability disclosed in the Payoff Certificate shall be paid at closing by the seller and the new Owner shall have no rights of membership until such liability has been paid.

Section 5.9. Providing Statement of Unpaid Assessment. The Association shall, upon request pursuant to U.C.A. §57-81-206, furnish within ten (10) days to any Owner, a certificate in writing signed by an officer of the Association, setting forth whether the regular and special assessments on a specified Lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. An Owner shall have no rights of membership until such liability has been paid.

Section 5.10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein:

(a) All properties dedicated to and accepted by a local public authority;

(b) the common area;

(c) all properties owned by a charitable or nonprofit organization exempt from taxation as a public charity by the laws of the United States or the State of Utah; and

(d) any property owned by Developer and not yet annexed pursuant to Article II above.

Section 5.11. Fines. The Association may assess a fine against a Lot Owner for a violation of the Association's governing documents upon completion of the notice and hearing requirements of U.C.A. § 57-8a-208, and such fines shall be considered a fee for purposes of the lien set out in this Article V.

Section 5.12. Components of the Lien. The lien set out herein in favor of the Association shall include all assessments and all fees or fines that the Association imposes against the Owner of a Lot, charges, and costs associated with collecting an unpaid assessment, including court costs and reasonable attorneys' fees, late charges, interest, and any other amount that the association is entitled to recover under this Declaration, the laws of the State of Utah, or an administrative or judicial decision.

ARTICLE VI: NON-PAYMENT OF ASSESSMENTS

Section 6.1. Delinquency. Any assessment provided for in this Declaration, which is not paid when due, shall be delinquent. With respect to each assessment not paid within fifteen (15) days after its due date, the Association may, at its election, require the Owner to pay a late charge or fine in a sum to be determined by the Association. If any such assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of 18% per annum, and the Association may file a lien for such amount and, at its option, either 1) cause a Lot to be sold through nonjudicial foreclosure as though the lien were a deed of trust, or 2) foreclose the lien through judicial foreclosure, or 3) bring an action at law against the Owner personally obligated to pay the same, or 4) request a court to grant equitable or other relief, as appropriate, or 5) may choose to take action under any combination of the above alternatives. There shall be added to the amount of such assessment the late charge, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include said interest and a reasonable attorneys' fee, together with the costs of action, plus any costs of collection of such judgment. Each Owner vests in the Association or its assigns, the right and power to bring all actions at law or equity or lien foreclosure against such Owner or other Owners for the collection of such delinquent assessments.

Section 6.2. Notice of Lien. No action shall be brought to foreclose said assessment lien or to proceed under the power of sale herein provided less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, postage prepaid by certified or registered mail, and addressed to the Owner of said Lot.

Section 6.3. Foreclosure Sale. Any such foreclosure and subsequent sale provided for above is to be conducted in accordance with the laws of the State of Utah relating to liens, mortgages, and deeds of trust. The Association, through its duly authorized agents, shall have the power to bid on the Lot at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

Section 6.4. Curing of Default. Upon the timely curing of any default for which a notice of claim of lien was filed by the Association, the officers of the Association are hereby authorized to file or record, as the case may be, an appropriate release of such notice, upon payment by the defaulting Owner of a fee, to be determined by the Association, to cover the costs of preparing and filing or recording such release, together with the payment of such other costs, interest or fees as shall have been incurred.

Section 6.5. Cumulative Remedies. The assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments or equitable remedies such as injunctions, as provided herein.

Section 6.6. Subordination of Assessment Liens. If any Lot subject to a monetary lien created by any provision of this Declaration ("assessment lien") shall be subject to the lien of a deed of trust: (1) the foreclosure of any lien created by anything set forth in this Declaration shall not operate to affect or impair the lien of such deed of trust; and (2) the foreclosure of the lien of deed of trust or the acceptance of a deed in lieu of foreclosure of the deed of trust shall not operate to affect or impair the lien created in this Declaration, except that the assessment lien for said charges as shall have accrued up to the foreclosure or the acceptance of the deed in lieu of foreclosure shall be subordinate to the lien of the deed of trust, with the foreclosure-purchaser or deed-in-lieu-grantee taking title free of the assessment lien for all said charges that have accrued up to the time of the foreclosure of deed given in lieu of foreclosure, but subject to the assessment lien for all said charges that shall accrue subsequent to the foreclosure or deed given in lieu of foreclosure.

Section 6.7. Termination of a Delinquent Owner's Rights. The Association may terminate the rights of a Lot Owner who is delinquent in payment of any assessment hereunder, of access to and use of recreational facilities. In addition, the Board may suspend the obligated Owner's right to vote on any matter at regular or special meetings of the Association for the entire period during which any assessment or other amount due under any of the provisions of the Declaration remains delinquent.

Section 6.8. Subordination of Rental Payments. If a Lot Owner is delinquent on the payment of any assessment herein for a period of more than 60 days after the assessment is due and payable, the Association may require a tenant under a lease with said Lot Owner to pay the Association all future lease payments due to the Lot Owner, until all delinquent assessments have been paid; provided however that only the amount of such lease payments as is greater than amounts being escrowed for mortgage or trust deed payments, taxes, and insurance on the property, shall be paid to the Association.

ARTICLE VII: DUTIES AND POWERS OF THE ASSOCIATION

Section 7.1. Duties and Powers. In addition to the duties and powers enumerated in the Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

(a) Own, and maintain or otherwise manage, all of the common areas and all facilities, improvements and landscaping thereon, including but not limited to the private streets and street fixtures, guard houses at the entrances to the common area, and all other property acquired by the Association.

(b) Establish and maintain street entrance ways on corner Lots, including maintenance of street signs and special lighting which may exist. Watering and weeding of planting areas shall be the responsibility of Lot Owners as specified in Articles IX and X.

(c) Pay any real and personal property taxes and other charges assessed against the common areas.

(d) Have the authority to obtain, for the benefit of all of the common areas, all water, gas and electric services and refuse collection.

(e) Grant and/or accept easements where necessary for utilities and sewer facilities over the common areas to serve the common areas and the Lots.

(f) Maintain such policy or policies of insurance as the Board of Trustees of the Association deems necessary or desirable in furthering the purposes of and protecting the interests of the Association and its members.

(g) Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, provided that any contract with a person or firm appointed as a manager or managing agent shall provide for the right of the Association to terminate the same at the first annual meeting of the members of the Association.

(h) Have the power to establish and maintain both a working capital and a Reserve Fund in an amount to be determined by the Board of Trustees of the Association, or as required by Utah Statute.

(i) Maintain the streets, guard houses, parking, and other improvements within the common area.

(j) Implement reasonable rules and regulations as to the use or improvement of the common area and the enforcement of these Covenants, By-Laws of the Association, or any regulations adopted, including the right to levy additional, special, or irregular assessments or fees or fines against any property or its Owner found to be in

violation of the aforesaid conditions or which are violated by the Owner, or such Owner's family, tenants, or occupants.

(k) Use its reasonable judgment to enforce these governing documents, in accordance with U.C.A. § 57-8a-213.

(l) Appoint an Architectural Control Committee, which shall approve building and landscape plans on behalf of the Board.

(m) Appoint such other Committees as shall seem necessary or appropriate to carry out the provisions of these Covenants.

Section 7.2. Other Duties and Powers. The Association shall have such other duties and powers as are conferred by Utah statute or local ordinance.

ARTICLE VIII: EASEMENTS

Section 8.1. Easements and Lot Owners. The rights and duties of the Owners of Lots with respect to sanitary sewer and/or water connections, or electricity, gas, telephone, Cable Television, internet, or other communication or utility lines or drainage facilities shall be governed by the following:

(a) Wherever sanitary sewer connections and/or water connections or electricity, gas, telephone, Cable Television, internet, or other communication or utility lines or drainage facilities are installed within the properties, which connections, lines or facilities, or any portion thereof lie in or upon Lots owned by Association or other than the Owner of a Lot served by said connections, the Association and the Owners of any Lot served by said connections, lines, or facilities shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lots or to have utility companies enter upon the Lots within the properties in or upon which said connections, lines or facilities, or any portion thereof, lie, to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

(b) Wherever sanitary sewer connections and/or water connections or electricity, gas, telephone, Cable Television, internet, or other communication or utility lines or drainage facilities are installed within the properties, which connections, lines or facilities serve more than one Lot, the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his Lot.

Section 8.2. Common Areas. Easements over the Lots and common area properties for the installation and maintenance of sanitary sewer connections and/or water connections or electricity, gas, telephone, Cable Television, internet, or other communication or utility lines or drainage facilities, and street entrance ways as shown on the recorded tract map of the properties, or other documents of record, have been (or hereby are) assigned to the Declarant and are hereby

granted to the Developer (with respect to property not yet annexed by Developer), together with the right to grant and transfer the same for the use and benefit of the members of the Association.

Section 8.3. Perimeter. Easements for the purpose of installing and maintaining the security of the perimeter fencing have been (or hereby are) assigned to Declarant and are hereby also granted to the Developer (with respect to property not yet annexed by Developer), together with the right to grant and transfer the same. See, also, Section 10.13 herein.

Section 8.4. Drainage. Easements over the Lots and common area for the purpose of drainage, the installation and maintenance of drainage facilities and ingress and egress for the purpose of such installation and maintenance have been (or hereby are) assigned to Declarant. With respect to property not yet annexed by Developer, Developer retains the same easements for the purpose of drainage, the installation and maintenance of drainage facilities and ingress and egress for the purpose of such installation and maintenance, together with the right to grant and transfer the same.

Section 8.5. Bicycle Path & Utility Easements. The provisions of Article IX herein relating to maintenance of lots and improvements apply to all bicycle paths and utility easements. No vehicles or any other objects shall be permitted to obstruct the easement area, either temporarily or permanently. Fencing, if erected, shall not be installed closer than seven and one-half (7.5) feet from the property line where such path easements exist unless installed at the Lot Owner's own risk. Such fencing within the easement may be removed and the cost for removal and replacement shall become the responsibility of and charged to the Lot Owner. Landscaping within said easements shall be limited to sod or similar low growing ground cover. If fencing is installed, the Lot Owner shall be responsible to install and maintain, in an attractive manner, all landscaping between the path and fence. Additional requirements apply to the bicycle path and utility easements pertaining to certain Lots, as set out in Addendum D, and the affected Lots are subject to the terms and conditions set forth in Addendum D, attached hereto and made a part hereof, as applicable. Any ordinance adopted by the City of Sandy or other governmental agency may vary these conditions so as to enable the access of emergency, utility, or maintenance vehicles..

Section 8.6. Bureau of Reclamation Right of Way. THE UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation, Department of the Interior, herein called the UNITED STATES, and the METROPOLITAN WATER DISTRICT OF SALT LAKE CITY, herein called the DISTRICT, has a right-of-way to construct, reconstruct, operate, and maintain an aqueduct and appurtenant structures and blow off lines which are located on a part of Lots 284-289, 301-302, 322-324, 401-409, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 903, 904, 905, 906, 907, 908, 911, 912, 1001, 1030, 1031, 1032, 1065, 1066, 1086, 1087, and a part of the road identified as Lone Hollow or Lot "A", and such other lots on which such a right-of-way shall subsequently be placed Plans for landscaping and other development that may affect or hinder operation and maintenance of the aqueduct shall be submitted to the UNITED STATES and the DISTRICT for review and approval. The affected Lots identified above are subject to the terms and conditions set forth in Addendum B, attached hereto and made a part hereof, as applicable.

Section 8.7. Big Willow Creek. Special requirements apply to Lots along Big Willow Creek. Any changes to Lots along Big Willow Creek shall be coordinated and approved by Salt Lake County Flood Control. Fences shall not be allowed within the Big Willow Creek channel.

Section 8.8. Lot "B" (Water Utility Lot). Lot "B" is a non residential and non dues paying Lot that contains water equipment and a diversion structure for irrigation purposes. As such, the Owner of Lot "B" is not entitled to use the recreation facilities within the development, and is limited to use the streets (Lot "A") within Pepperwood only as necessary and reasonable to maintain its equipment and facilities. Other than the foregoing, Lot "B" is subject to all Articles of this Declaration. The Owner of Lot "B" shall landscape and fence, in a safe and attractive manner, Lot "B". All landscaping and fencing shall be continually maintained by the Owner in a safe and attractive manner.

Section 8.9. Lot 1005 (Sandy City Lot). Lot 1005 in Phase 10A is a non residential and non dues paying Lot owned by Sandy City for a pump station and related facilities. As such, the Owner of Lot 1005 is not entitled to use the recreation facilities within the development, and is limited to use the streets (Lot "A") within Pepperwood only as necessary and reasonable to maintain its equipment and facilities located on such Lot 1005. Other than the foregoing, Lot 1005 is subject to all Articles of this Declaration. The Owner of Lot 1005 shall landscape and fence, in a safe and attractive manner, Lot 1005. All landscaping and fencing shall be continually maintained by the Owner in a safe and attractive manner.

Section 8.10. Special Utility Easements and Rights of Way. A twenty foot wide right-of-way stub with crash gate (as part of Lot "A") is located between lots 661 and 662 for emergency vehicle ingress and egress. No vehicles (other than emergency vehicles), structures, or obstructions of any kind shall be permitted upon said utility easement/right-of-way, either temporarily or permanently. Further, a turn-around easement to facilitate vehicles shall be provided on Lot 916.

Section 8.11. Other Easements, Rights of Way, and Restrictions. Certain Lots are or may in the future be subject to easements, rights of way, or restrictions imposed by governmental authorities (for example, hillside building restrictions or flood control measures). Nothing in this Declaration is intended to impinge on those governmental requirements.

ARTICLE IX: ARCHITECTURAL CONTROL GENERALLY

Section 9.1. Architectural Control Committee.

(a) The Architectural Control Committee shall consist of not less than three (3) members. In the event of the death or resignation of any member of the Committee, the Board of Trustees of the Association shall appoint such member's successor. The members of such Committee shall not be entitled to any compensation for services performed pursuant to this covenant.

(b) In connection with its duties, the Architectural Control Committee shall have the authority to hire an independent architectural consultant in reviewing applications and plans presented to such Committee if such Committee determines such consulting would be helpful in the discharge of the Committee's duties. The costs and expenses for such consultant shall be borne by the Owner making application to such Committee.

Section 9.2. Architectural Approval. No improvements, including but not limited to dwelling houses, swimming pools, carriage houses, parking areas, fences, walls, tennis courts, garages, drives, landscaping, curbs, walks, or television, radio, or other electronic antenna or device of any type, nor any exterior addition to or change or alteration thereto, shall be erected, meaningfully altered or permitted to remain on any lands within the subdivision, unless the plans and specifications showing the nature, kind, shape, size, height, materials, and location of the same, including plot and landscaping plans, shall have been submitted to and approved in writing by the Architectural Control Committee prior to the commencement of such work.

(a) All plans and specifications and other materials shall be submitted in quadruplicate to the Architectural Control Committee, which shall determine whether the plans and specifications meet the requirements of these CC&Rs. Plans and resubmittals thereof shall be approved, disapproved, or otherwise acted upon in writing within thirty (30) days. Failure of the Architectural Control Committee to respond to a submittal or resubmittal of plans or materials within thirty (30) days shall be deemed to be an approval of plans as submitted or resubmitted. However, if the Architectural Control Committee is unable to decide or act, due to special circumstances, any plans in question shall be referred to the Pepperwood Homeowners Association Board of Trustees for consideration and an additional fifteen (15) days shall be granted for a decision.

(b) If the Architectural Control Committee or the Board submits the plans to an architect for an opinion on whether the plans meet the requirements of these CC&Rs, the timing provisions set out herein shall be suspended during the time that the architect takes to make his determination, plus an additional fifteen (15) days.

(c) Three sets bearing the stamped approval of the Architectural Control Committee or the Board of Trustees shall be returned to the Lot Owner. Of the three stamped approved sets:

(i) One stamped approved set shall be provided to Sandy City as required for city permitting purposes;

(ii) One stamped approved set must be maintained at the construction site during all times work is being completed pursuant to the plans as "stamped work plans." The "stamped work plans" must be available for inspection on site at any time upon request by any member of the Architectural Control Committee or Board. Failure to comply with this Section 9.2(c)(ii) will result in an immediate "Stop Work Order" which shall remain in effect until a set of "stamped work plans" is on site and all work being done complies with the "stamped work plans"; and

(iii) While a "Stop Work Order" is in effect, no tradesman or person will be allowed to enter Pepperwood to perform work subject to the "Stop Work Order."

(d) Approval of any variance from the language of this Declaration by the Architectural Control Committee shall be by unanimous vote. If the vote is not unanimous, the plans shall be submitted to the Board, which may approve or reject the plans by majority vote, or may refer the plans to an architect for an opinion on whether the plans meet the requirements of these CC&Rs.

(e) In approving variances, the Architectural Control Committee shall consider at least the following criteria: Lot size and shape, Lot location (such as a corner Lot), terrain constraints, size of the home, aesthetics and whether the exception would be in keeping with the harmonious nature of the community.

(f) In addition to the outlined powers of the Association, the President of the Board or trustees, any member of the Architectural Control Committee, or the Manager as directed by any of the preceding, shall have the authority to issue a STOP WORK ORDER, requiring the owner or builder of the improvement, to comply with the approved plans prior to making further progress on the construction of the improvement.

Section 9.3. Maintenance of Lots and Improvements. Each Owner shall maintain such Owner's Lot, including the dwelling, accessory buildings, fence, walls, landscaping, etc., in an attractive and safe manner so as not to detract from the community. Maintenance includes, inter alia, adequately watering the landscaping. Acknowledging that one or more feet between the road pavement and individual Lots is common area, each Lot Owner shall be responsible to landscape and maintain said common area where it adjoins such Owner's Lot according to the specifications of the Architectural Control Committee. The general requirement where no curb or gutter exists shall be to create a sodded swale or depression between the road(s) and Lot line, which shall serve as a small collection pond during rainfall and thawing of snow. Each swale shall be no less than 7-1/2 feet wide and shall extend along all streets designated as Lot "A" where no curb or gutter exists except where a driveway or sidewalk connects to a street. The swale shall be no less than one foot lower than the pavement along its entire length. Each Lot shall be required to retain its own water and proportionate share of water from the road(s). The Association may require Lot Owners to take additional flood prevention measures to prevent flood waters from damaging other properties.

(a) All Lot Owners shall be responsible to maintain, according to the standards established by the Pepperwood Homeowners Association, the Common Area along the roads designated as "Lot A." If the Owner of a corner Lot faces his dwelling toward a street and desires to fence such Owner's side yard along the other street, fence plans therefor shall conform to guidelines established for such fencing and shall first be approved in writing by the Architectural Control Committee. If such fencing is permitted, Lot Owners shall continue to maintain, in an attractive manner, the area between the fence and street.

(b) Owners of Lots that adjoin bicycle paths or utility easements may at their own risk landscape to the paved area of the easement, but shall not plant trees or install any permanent structures, including fences, within the easement areas except as provided for herein or as by Sandy City ordinance.

Section 9.4. Maintenance of Entrance Ways and Cul-de-Sacs. Commencing at the time of occupancy or completion of the dwelling, each Owner of corner Lots shall be responsible to maintain in an attractive manner any special landscaping emplaced at street entrances by the Developer or the Association. Such maintenance shall include watering and weeding of planting areas. Commencing at the time of occupancy or completion of the dwelling, each Owner of Lots at the closed end of the cul-de-sacs shall be responsible to maintain in an attractive manner any special landscaping emplaced at the end of the cul-de-sac by the Developer or the Association. Such maintenance shall include watering, weeding, and maintenance of planting areas. The Association shall be responsible for maintenance of signs and special lighting as outlined in Article VII. The Association may, if budget allows, either reimburse Lot Owners for the water used for such entrance ways and cul-de-sac plantings or may contract for such watering, landscaping, and maintenance and pay for such out of the yearly expense budget.

Section 9.5. Building and Landscaping Time Restrictions.
The exterior construction of all structures shall be completed within a period of one (l) year following commencement of construction. Completion shall include finished roof, exterior walls including masonry and trim, finished driveway and walkways, front landscaping and final inspection by City officials. Side and rear yards shall be landscaped within a period of one (1) year following completion of each dwelling or within two (2) years following commencement of construction, whichever is sooner. Areas covered with natural foliage (e.g. scrub oak) will be considered landscaped. If landscaping cannot be completed within said one (or two) year period, due to winter weather conditions, application for a reasonable extension of time to complete landscaping may be made to, and in the discretion of such Committee may be granted by, the Architectural Control Committee.

Section 9.6. Vacant Lots. All members of the Association possessing vacant Lots shall be responsible for keeping such Lots clean in appearance and free from all refuse and potential fire hazards. No vacant Lot shall be used for storage of any kind except during the construction period. If a Lot is found to be in violation of this provision, the Board shall have power to contract for the removal of refuse, debris, stored materials, and fire hazard, and shall bill the Lot Owner for such costs; in the event of non-payment, such costs shall be a lien upon the property as provided in this Declaration.

ARTICLE X: USE RESTRICTIONS

Section 10.1. Residential Lots Exclusively. All Lots in the tract and in such property as shall be annexed thereto shall be known and described as residential Lots and shall be used for no purpose other than residential purposes, save and except the Lots owned by the Community Association (i.e., the community area Lots on which there are located or will be placed,

landscaping and recreational facilities and private streets), Lot "B" (Water Utility Lot), and Lot 1005 (Sandy City Lot). No Lots shall be used for other than a single family dwelling and improvements related to that purpose.

Section 10.2. Use of Dwelling Unit. Each residence may be occupied by no more than one family consisting of persons related by blood, marriage, or adoption, or no more than two unrelated persons living together as a single housekeeping unit. Related family members, household employees living in (i.e., maid, butler, nurse, etc.) shall be permitted. Private offices intended for the home work of the occupants shall also be permitted.

Section 10.3. Commercial, etc. Activities. No part of the properties shall be used for any commercial, manufacturing, mercantile, storing, vending, or other such non-residential purposes. Developer, its successors or assigns, and the Owners of any tract annexed pursuant to Article II hereof, may use the properties for a model home site, display, and sales office during the construction and sales period.

Section 10.4. Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the properties or any Lot, except one sign for each building site, of not more than eight square feet, advertising the property for sale or rent and except for signs used by Developer, its successors or assigns, to advertise the property during the construction and sales period.

Section 10.5. Nuisance. No noxious or offensive trade or activity shall be carried on upon any Lot or any part of the properties, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective dwelling unit or which shall in any way increase the rate of insurance of the other Owners or the Association.

Section 10.6. Other restrictions. No trailer, basement, tent, shack, garage, barn, structure of a temporary character, or other out building shall be used on any Lot at any time as a residence, either temporarily or permanently. No trailer, camper, boat, truck larger than 3/4 ton, or similar equipment shall be permitted to remain upon any property within the properties, unless placed or maintained within a garage and screened (via fencing or landscaping) so that such items are obscured from view from the common area and neighboring Lots, and are parked to the rear of the average front line of the dwelling, unless written approval is given by the Board of Trustees.

Section 10.7. Animals. No horses, fowl, or other animals or livestock of any kind shall be raised, bred, or kept on any Lot, except that dogs or cats or other small pets (such as hamsters, canaries, goldfish, koi, etc.) may be kept on the Lots as household pets provided they are not kept, bred, or maintained for any commercial purpose or kept in unreasonable numbers. Said dogs or cats shall be limited in number to three (3) only of any particular species, except newborns up to the age of four (4) months. Notwithstanding the foregoing, no animals or fowl may be kept on the properties which result in an annoyance or are obnoxious to residents in the vicinity. All pets must be kept within a fenced yard or shall be kept on a leash while using the Common Areas. All owners or persons accompanying a pet shall clean up after the pet.

Section 10.8. Minerals. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, or mineral excavations or shafts be permitted upon the surface of any Lot. No derrick or other structure designed for use in boring for water, oil, or natural gas shall be erected, maintained or permitted upon any Lot except by Declarant or the Developer, its successors or assigns for the benefit of the Association. No vehicle of any size which transports inflammatory or explosive cargo may be kept within the subdivision at any time.

Section 10.9. General Rule for Lot Watering, Mowing, and Maintenance. Each Lot Owner shall mow, water, and maintain the landscaping and vegetation on his Lot in a living and attractive manner. Each Lot Owner shall mow and maintain the landscaping and vegetation on his Lot in such a manner as to control weeds, grass, and/or other unsightly growth. All rubbish, dead or infected trees or vegetation, trash and garbage, and construction debris shall be regularly removed from the properties, and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, woodpiles, storage areas and machinery and equipment shall be prohibited upon any Lot unless they are in the rear yard area and obscured from view of adjoining Lots and streets by a fence or appropriate screen.

(a) If after ten (10) days prior written notice an Owner shall fail to 1) water, mow, or maintain the landscaping and vegetation on his Lot as set out herein; 2) remove rubbish, trash, weeds, construction debris, or unsightly debris from his Lot; or 3) exercise reasonable care or conduct to prevent or remedy an unclean, untidy, or unsightly condition as set out herein, then the Association shall have the easement, right, and authority to enter onto that Lot and may cause the Lot to be watered, mowed, or maintained, or the weeds, grass, rubbish, trash, or construction or similar debris to be removed; and shall have the authority and right to assess and collect from the Lot Owner a reasonable fee for the watering, mowing, cleaning, and maintenance of such Lot upon each respective occasion of such watering, mowing, cleaning, or maintenance; and any assessment for the reasonable expenses of such watering, mowing, cleaning, and maintenance, together with interest and costs of collection thereon shall be a charge on the land and a personal continuing obligation upon the individual who was the Lot Owner at the time the assessment was made. Failure to pay such expenses shall result in a charge against the Lot Owner's account and may result in a lien against said Lot as outlined in this Declaration and/or a money judgment against the owner of the Lot.

Section 10.10. Agricultural Uses. Any agricultural uses shall be non-commercial (e.g. a private garden of row crops or grains, or a private orchard of vines or fruit trees) and shall be confined to the rear yard.

Section 10.11. Erosion and Drainage. Each Lot Owner or person in occupancy of a residence shall be responsible to ensure that no erosion or water drainage shall take place on his Lot which may adversely affect neighboring properties and/or roads.

Section 10.12. Ingress and Egress. No ingress or egress to the tract described herein shall be permitted for use of any person or vehicle except through designated gateways, unless

authorized in writing by the Board of Trustees. Any such authorization shall become null and void if the security of the Pepperwood community area is diminished. However, Developer, its successors or assigns, reserves the right to maintain and use or convey the right to use established easements and rights-of-way.

Section 10.13. Perimeter Fencing. Owners whose Lots are located along the perimeter of the tract described herein shall be responsible for maintaining the fencing according to its original state or replacing such with a wall or fence for the purpose of preserving or improving the security of the area. Replacement fencing of the same type is permitted without the approval of the Architectural Control Committee. Alternative fencing requires the prior written approval of the Architectural Control Committee.

(a) Notwithstanding the foregoing, there exists a decorative concrete wall separating Lots 1056, 1057, 1058, 1059, 1060, and 1061 from Wasatch Boulevard, which follows, more or less, the property line separating said lots from the public road. The wall belongs to the Association, which is responsible for its maintenance. Each of the foregoing Lot Owners is granted the right, subject to prior approval from the Architectural Control Committee, to change the color of the wall to harmonize with their home; this applies only to that portion of the wall facing their Lot (and not the side facing Wasatch Boulevard) and only within their side lot lines. The Lot Owners shall maintain the landscaping on their lots, but are not required to maintain the park strip between the wall and the public road, which belongs to Sandy City.

Section 10.14. Other Restrictions Applicable to Phases 4, 5, 8, and 9. Certain Lots located within Phases 4, 5, 8, and 9 are subject to certain additional restrictions, as more fully set forth in Addenda C and D, attached hereto and made a part hereof, as applicable.

10.16. Number and Parking of Vehicles.

(a) The number of vehicles per Lot shall be limited to those that may be parked in the garage and driveways. Other than in unusual circumstances, vehicles shall not be parked overnight on the street, and even in such unusual circumstances, vehicles belonging to the Owner must be parked in front of the Owner's residence. Any vehicle visible from the street must be in an operable condition.

(b) Parking for family or social events at a Lot Owner's residence shall be allowed on one side of the street only and shall not impede roadway access or passage of emergency or other vehicles.

(c) Parking for tradesmen involved in the construction, remodeling, or repair of improvements on a Lot shall be on that Lot or, if necessary, on one side of the street only and shall not impede roadway access or passage of emergency or other vehicles.

ARTICLE XI: LOT AND IMPROVEMENTS TECHNICAL REQUIREMENTS

Section 11.1. Single Family Dwellings and Other Improvements.

(a) All dwellings shall be single-family dwellings and may include the following accessory buildings and structures not used for residential occupancy: an attached private garage for the storage of not more than four (4) automobiles owned by persons residing on the premises; carriage houses; greenhouses for private use only; private swimming pools; pergolas and arbors.

(b) Size of Buildings. Each single story dwelling shall have at least two thousand six hundred (2,600) square feet on the ground floor level, exclusive of garage and basement, and each multi-story dwelling shall have at least three thousand four hundred (3,400) square feet on the combined ground and second (upper) floor levels, exclusive of garage and basement, provided that the garage is attached to the side of the dwelling and not located in the basement level. If the garage is located in the basement level, the minimum size of the home shall be increased by six hundred (600) square feet.

(c) Height Requirements. No single-family dwellings or accessory building shall be erected to a height greater than that determined by prevailing Sandy City ordinances.

(d) Garages. Every single-family dwelling shall have a minimum of a three car garage with the roof of the garage directly attached to the dwelling. All garages must be enclosed; no carports are allowed. No more than forty-five percent (45%) of the garage shall be in front of the average front line of the dwelling. The door or doors for any garage must face the side or rear yard; however, an exception of an additional garage may be allowed if the main garage is large enough to accommodate at least two cars with its door or doors facing the side yard, and the secondary garage is also connected to the house. In this case, the secondary garage may have its door or doors face the front yard. This exception will be considered only if the size, shape, location, door design and materials are approved by the Architectural Control Committee. No more than forty five percent (45%) of the garage space shall be in front of the average front line of the dwelling. Exceptions may be granted to these requirements by the Architectural Control Committee, if an Owner can show good cause as to why a variance should be granted.

(e) Exterior walls. Exterior walls of all dwellings shall be constructed of a minimum of fifty percent (50%) brick, stone, or cast stone, unless approved in writing by the Architectural Control Committee; the remaining fifty percent (50%) may be composed of wood, stucco, or Hardiboard (all of which may be painted); glass areas (such as doors and windows) are not considered in these calculations. No concrete and no metal or vinyl siding shall be permitted for use in exterior walls unless approved in writing by the Board of Trustees. In considering whether to grant approvals to use the materials otherwise prohibited under this paragraph, the Architectural Control Committee shall consider the types of materials typically associated with the design of the home in question. Approval must comply with the terms of Section 9.2 of this Declaration.

(f) Supplemental Garage or Carriage House. Subject to approval by the Architectural Control Committee and municipal authorities, an unattached, additional garage or carriage house may be permitted provided that such is designed to match the dwelling unit and is constructed of similar materials, colors, styles, and ratios to those approved and used in the dwelling unit. In no event shall any such garage or carriage house be permitted to be constructed as a substitute for the required attached garage for each dwelling unit.

(g) Temporary Buildings. Temporary buildings for use incidental to construction work shall be removed upon the completion or abandonment of the construction work. If such temporary buildings are in violation of this provision, the Board shall have power to contract for the removal of refuse, debris, stored materials, and fire hazard, and shall bill the Lot Owner for such costs; in the event of non-payment, such costs shall be a lien upon the property as provided in Section 5.1 herein and subject to all remedies at law and in equity set out herein.

(h) Driveways. No driveway access shall be allowed to the individual Lots or garages from Pepperwood Drive; driveways shall enter Lots and garages from lanes and connecting streets only. See Article XIII for exceptions.

(i) Interior furnishings. The Association does not have the right to regulate the interior furnishings or interior decor of any residence.

Section 11.2. Lots and Landscaping.

(a) Area Requirements. The minimum Lot area shall not be less than twenty thousand (20,000) square feet. No Lot may be divided, subdivided, or separated into smaller parcels or lots; provided, however, that with the prior written approval of the Board of Trustees and Sandy City, a portion of one lot may be transferred or sold to an adjoining property owner so long as the lot from which the portion is transferred remains at least 21,000 square feet in size and further provided that no additional dwellings are added to any such lots by reason of, or as a result of, such transfer or sale.

(b) Front Yard Requirements. The minimum depth of front yards for main buildings and garages shall be forty (40) feet from the right-of-way fronting the Lot unless the Lot Owner can demonstrate that a hardship would be created by this requirement. The minimum depth of front yards on irregular Lots shall be thirty (30) feet from the right-of-way unless the Lot Owner can demonstrate that a hardship would be created by this requirement. A hardship would involve unique factors associated with the Lot such as steep terrain and shall require written approval of the Architectural Control Committee. All accessory buildings (other than attached garages) shall be located to the rear of the main building. All Lots located within Phase 10C are considered to be irregular because of their size, shape, steepness or location to street intersections. The Architectural Control Committee, with the written approval of the Board, may designate other Lots as irregular. In addition, with respect to property being annexed pursuant to Article II, the Developer may designate property as irregular, for the purposes of this

paragraph, on the plat for such property and in the Supplementary Declarations recorded in connection therewith.

(c) No fences shall be allowed in the front yards from the average front line of the dwelling forward to the right of way. Hedges and landscaping shall be permitted as approved by the Architectural Control Committee.

(d) Rear Yard Requirements. The minimum depth of the rear yard for any main buildings shall be an average of twenty-five (25) feet from the rear Lot line. Accessory buildings shall be located at least one (1) foot from the property line provided the walls are constructed of fire-resistive materials of two (2) hours or more. Accessory buildings having walls which are not constructed of such fire-resistive materials shall have a rear yard of at least ten (10) feet. On corner Lots no accessory buildings may be closer to either street right-of-way than the distance allowed for dwellings.

(e) Side Yard Requirements. The minimum side yard for any single-family dwelling and garage shall be twelve (12) feet, and the total width of the two required side yards shall be not less than twenty-five (25) feet. One (1) foot side yard minimum shall be required for accessory buildings provided the walls are constructed of fire-resistive materials of two (2) hours or more. Accessory buildings having walls which are not constructed of such fire-resistive materials shall have a side yard of at least ten (10) feet. No accessory building shall be built closer than twenty (20) feet to a dwelling on an adjoining Lot.

(f) Hillsides: Any disturbance of hillsides shall be controlled by regulations of Sandy City or the Pepperwood Homeowner's Association. The Architectural Control Committee shall require a plot plan for landscaping of the front yard and hillsides and may require a plot plan for landscaping side or rear yards for other sensitive areas, such as by waterways. Grading plans, retaining hills, revegetation, etc. on hillsides shall be approved by the Association and Sandy City. Further restrictions related to hillside lots are set out in Addendum C, and the affected Lots are subject to the terms and conditions set forth in Addendum C, attached hereto and made a part hereof, as applicable.

(g) Potential water hazard. Within some areas of this subdivision lie layers of hard clay or shale. Where outcroppings of such layers exist, there is a potential for springs. During planning and construction, owners and contractors must plan for and complete safeguards such as French drains to prevent seepage into basement areas or flooding into common areas or roads.

(h) Lots along Pepperwood Drive. The median strip for Lots along Pepperwood Drive shall be maintained in accordance with Section 10.9 herein and Sandy City Ordinances. See Section 13.2(b) Grandfather Clause for exceptions.

Section 11.3. Special Provisions for Certain Lots. Due to terrain factors, certain Lots are subject to other restrictions ("Special Provisions"), as set out in Addendum D, attached hereto and made a part hereof, as applicable.

ARTICLE XII: GENERAL PROVISIONS

Section 12.1. Enforcement. The Association or any Owner or the successor in interest of an Owner shall have the right to enforce by proceedings at law or in equity (including by temporary restraining orders, injunctions, or writs of mandamus) all covenants, conditions, restrictions, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such covenants, conditions, restrictions, reservations, liens and charges and the right to recover damages or other dues for such violation; provided, however, that with respect to assessment liens, the Association shall have the exclusive right to the enforcement thereof. Failure by the Association or by any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 12.2. Severability. Invalidation of any one of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 12.3. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the Lots, and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument signed or approved by a sixty-seven percent (67%) majority of the then Owners of the Lots has been recorded, agreeing to change said covenants, conditions and restrictions in whole or in part.

Section 12.4. Construction of this Declaration. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform, consistent, and harmonious plan for the development of a residential community and for the maintenance of common recreational facilities and common areas and streets. All Addenda are an integral binding part of this Declaration. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Due deference shall be given to the written interpretations of this Declaration by the Board as set out on the website and in written policies, forms, and decisions.

Section 12.5. Amendments. This Declaration of Covenants, Conditions and Restrictions may be amended only by the affirmative assent or vote of not less than sixty-seven percent (67%) of the Owners, pursuant to UCA §57-8a-104, and further, this amendment provision shall not be amended to allow amendments by the assent or vote of less than sixty-seven percent (67%) of the Owners, pursuant to UCA §57-8a-104; provided, further, that Sections 6.6 and 12.6 shall not be amended without the consent of the lien holder under any first deed of trust. Any amendment or modification must be properly recorded.

Section 12.6. Mortgage Protection Clause. No breach of the covenants, conditions or restrictions herein contained nor the enforcement of any lien provisions herein, shall defeat or render invalid the lien of any deed of trust made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure of trustee's sale, or otherwise.

Section 12.7. Singular Includes Plural. Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine.

Section 12.8. Nuisance. The result of every act or omission, whereby any provision, condition, restriction, covenant, easement or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Association, or any other Owner in the Association. Such remedy shall be deemed cumulative and not exclusive.

Section 12.9. Breach or violation. All Owners shall comply with all terms and conditions of this Declaration, the By-Laws of the Association and any rules and regulations adopted thereunder. In the event of a failure to comply with any of the aforesaid by the Owner, the Owner's family, or any tenant or occupant, the Owner shall be responsible to the Association for all violations and shall pay all attorney's fees and costs incurred as a result of said non-compliance or violation.

Section 12.10. Conflict with By-Laws. In the event of any conflict between the terms and conditions of this Declaration and the terms and conditions of the By-Laws of the Association, the terms and conditions of this Declaration shall control in every respect.

ARTICLE XIII: EXCEPTIONS

Section 13.1. Exceptions. Any exceptions to this Declaration of Covenants, Conditions and Restrictions shall require the approval, in writing, of the Pepperwood Homeowners Association Board of Trustees, pursuant to the provisions of Section 9.2 herein. Such approval shall be valid only insofar as it does not conflict with the requirements of any federal, state, local, or municipal authorities, including requirements relating to utilities.

Section 13.2. Grandfather Clause. Although the provisions of this Declaration apply to all Lots, the following exception applies to architectural and maintenance requirements.

(a) Any improvements to any Lot in the Pepperwood Subdivision, including but not limited to dwelling houses, swimming pools, carriage houses, parking areas, fences, walls, tennis courts, garages, drives, landscaping, antennae, curbs, and/or walks, which was allowable under any prior Covenants, Conditions, and Restrictions pertaining to the Phase of the Pepperwood Subdivision within which that Lot is situated and any such improvements which were previously approved by the Association, shall continue to qualify as allowable under this Declaration; provided, however, that if any such improvement is to be meaningfully altered, such meaningful

alteration shall be submitted for architectural approval pursuant to Article IX and shall thereafter be subject to this Declaration.

(i) If a residence in a prior Phase of this subdivision is remodeled without meaningful alteration, it may continue to meet the square footage requirements of such prior Phase. However, if a residence in a prior Phase of this subdivision is torn down and replaced with a new residence, such new residence shall meet all requirements of this Declaration, including those pertaining to minimum square footage.

(ii) The term "meaningful alteration" refers to exterior alterations which: 1) increase or decrease the footprint of the residence by more than 400 square feet; 2) increase the height of the residence, garage, carriage house, or other structure by more than three (3) feet; or 3) add an additional improvement (such as a garage, swimming pool, carriage house, or other improvements similar to those listed in Section 9.2. or this Section 13.2 of these CC&Rs).

(iii) The term "meaningful alteration" does not refer to: 1) normal maintenance activities such as painting, plumbing or electrical repairs, recarpeting or reflooring, replacement of appliances or fixtures, or similar activities; 2) normal repair or replacement of existing brick, rock, stucco, concrete, fencing, windows, or trim portions of the improvement with similar materials of equivalent or better quality; 3) replanting of landscaping to replace items of previously existing landscaping, which have died or were damaged or destroyed; or 4) interior improvements which do not noticeably change the exterior of a residence or other improvement.

(b) Pepperwood Drive and Bike Path Maintenance. To the extent that a yearly budget is passed allowing for such expenses, the Association may contract for or reimburse expenses for landscaping, watering, mowing, snow removal, and/or maintenance along Pepperwood Drive, the entranceways and ends of cul-de-sac streets, and the paved portions of the bike and utility easements. See Addendum D, attached hereto.

Declarant
Pepperwood Homeowners Association

By: Doug Haymore
President
Pepperwood HOA Board of Trustees
10900 South 2200 East
Sandy, UT 84092

STATE OF UTAH)
) ss
COUNTY OF SALT LAKE)

On this 11th day of September, 2013, before me, the undersigned, a Notary Public in and for said County and State, appeared Doug Haymore, known to me to be the President of the Pepperwood Homeowners Association, the corporation that executed the above instrument and known to me to be the person who executed the above instrument on behalf of the said corporation, and acknowledged to me that the said corporation have executed the above instrument.

Witness my hand and official seal.

Notary Public in and for
said County and State
My commission expires: 5/12/17

PRESTON MECHAM
NOTARY PUBLIC-STATE OF UTAH
COMMISSION# 666181
COMM. EXP. 05-12-2017

Developers:
Scandia Investment, L.L.C.,
a Utah Limited Liability Company

By: M. GORDON JOHNSON, MANAGER

c/o Ensign Properties
716 East 4500 South, Suite N260
Murray, UT 84107

Autumn Ridge Development, L.L.C.,
a Utah Limited Liability Company

By: M. GORDON JOHNSON, MANAGER

c/o Ensign Properties
716 East 4500 South, Suite N260
Murray, UT 84107

State of Utah)
) ss.
County of Salt Lake)

The foregoing instrument was acknowledged before me this 11th day of September, 2013, by m. Gordon Johnson, the manager of Scandia Investment, L.L.C., a Utah limited liability company, and of Autumn Ridge Development, L.L.C., a Utah limited liability company, for and on behalf of each such company.

Notary Public
Residing at: Salt Lake City Utah
My commission expires: April 3, 2017

Notary Public
JANET FARNSWORTH
Commission #666237
My Commission Expires
April 3, 2017
State of Utah

ADDENDUM A: RECORDING INFORMATION

This Declaration is designed to amend and replace all of the following Declarations and Supplemental Declarations of Covenants, Conditions, and Restrictions of the Pepperwood subdivision set out below, all of which were recorded in the Office of the County Recorder of Salt Lake County:

Phase	Lots (inclusive)	Recordation Date	Book/Page
1, 2	1-52; 201-289	September 11, 1973	7969/1817
1, 2	1-52; 201-289 (amendment)	September 11, 1975	3415/342
2	200	November 12, 1996	7533/723
2A	201A-204A	April 24, 1986	5759/2202
3	301-340	June 24, 1975	3897/372
4	401-454	August 19, 1976	4307/82
5	501-525	January 8, 1979	4796/1137
5A	526A	September 15, 1988	6064/954
6	601-630	April 24, 1986	5759/2197
6A	601A-610A	September 15, 1988	6061/960
6B	631-641	January 5, 1990	6189/165
6C	642-655	July 18, 1990	6237/2942
6D	656-659	January 25, 1991	6285/14
6E	660-663	March 27, 1992	6431/1612
7A	701-715, 792-799	August 15, 1991	6346/1530
7B	744-757	February 15, 1994	6873/663
7C	716-717, 780-791	May 1, 1992	6470/2811
7D	718-727, 771-779	April 27, 1992	6447/377

7E	735-743, 758-765	June 23, 1993	6692/133
7F	728-734, 766-770	June 8, 1993	6601/2244
8A	800, 801, 806	August 15, 1991	6346/1530
8B	802, 803, 805	January 4, 2002	8551/2517
8C	807-814	March 17, 1994	6895/1463
8E	827-835	May 25, 1994	6947/1283
9	901-921	June 21, 1989	6137/1544
10A	1001-1030, Lot "B"	March 26, 1999	8262/2184
10B	1031-1052	April 29, 2002	8592/2628
10C	1053-1064	March 20, 2006	9268/4759
10D	1065-1084	April 15, 2004	8973/6208
Trendland Meadows 1-13		April 7, 1999	8266/4406
10E	1085-1090	November 20, 2009	9781/4923
11B	1104-1106, 1109-1111	August 2, 2013	11697068

ADDENDUM B: BUREAU OF RECLAMATION RIGHT OF WAY PROVISIONS

For Lots in Phases 7E and 7F: Bureau of Reclamation Right-of-Way.

The purchasers of lots 732 through 741 inclusive hereby acknowledge the prior rights of the United States of America, acting by and through the Bureau of Reclamation, Department of the Interior (herein called THE UNITED STATES) and the Metropolitan Water District of Salt Lake City (herein called THE DISTRICT) to construct, reconstruct, operate, and maintain the Salt Lake Aqueduct and appurtenant structures, above and below ground surface within those portions of the aqueduct right-of-way as shown on the official plat of said lots. Any increase in the cost to reconstruct, operate, maintain, and repair the aqueduct and appurtenant structures which might result from the construction of a dwelling, accessory building, and other physical structures and improvements shall be borne by the lot owner or successors in interest. Any costs to THE DISTRICI' or THE UNITED STATES which result from the construction of Plans for landscaping and other development that may affect or hinder operation and maintenance of the aqueduct shall be submitted to THE UNITED STATES and THE DISTRICT for review and written approval.

Owners of lots 732 through 741 inclusive agree that forty-eight (48) hours prior to excavation for construction of any homes or appurtenant improvements on said lots shall be staked in the field and THE UNITED STATES AND DISTRICT shall be notified to permit inspection and approval to avoid any encroachment on the aqueduct right-of-way.

Lot owners agree to indemnify and hold THE UNITED STATES and THE DISTRICT harmless against all claims of every character arising out of or in connection with the construction, operation or maintenance of the subdivision lot and improvements and the lot owner further agrees to release THE UNITED STATES and THE DISTRICT from all claims for damage to the improvements or utilities which may hereafter result from the construction, operation, or maintenance of the Salt Lake Aqueduct. This will not be construed to include negligent or wrongful acts of THE UNITED STATES, THE DISTRICT, or their agents or assigns.

PROTECTION CRITERIA FOR THE SALT LAKE AQUEDUCT (LOTS 732, 733, 734):

(a) Surface structures that generally will be allowed to be constructed within United States rights-of-way include drainage channels, walkways, driveways, patios, tennis courts, fences with gated openings (no masonry block walls), and similar surface and overhead structures. However, where United States system pipe having an "A" cover designation is involved (4-5 feet), the special requirements for driveways crossing over the pipe shall be obtained from the UNITED STATES for the maximum allowable external loading. However, it is understood that all surface structures shall be analyzed and considered on an individual basis.

(b) Structures that may not be constructed in, on or along United States rights-of-way include buildings, garages, carports, trailers, swimming pools, or other permanent structures as designated by THE UNITED STATES.

(c) No trees, vines, or deep-rooted plants will be allowed within fifteen (15) feet from each side of United States pipe conveyance systems.

(d) All temporary or permanent changes in ground surfaces within United States rights-of-way are to be considered to be encroaching structures and must be handled as such. Earth fills and cuts on adjacent property shall not encroach onto United States rights-of-way without prior approval by THE UNITED STATES and THE DISTRICT or Association.

(e) Existing gravity drainage of the United States rights-of-way must be maintained. No new concentration of surface or subsurface drainage may be directed onto or under the United States rights-of-way without adequate provision for removal of drainage water or adequate protection of the United States rights-of-way. Small transverse drainage channels may be unlined; however, major transverse drainage channels must be concrete lined or protected by adequately sized riprap for a distance of at least 20 feet normal to the centerline on each side of the facility or within the right-of-way, whichever is less.

(f) Prior to construction of any structure that encroaches within United States rights-of-way, an excavation must be made to determine the location of existing United States facilities. The excavation must be made by or in the presence of THE DISTRICT or Association or THE UNITED STATES.

(g) Any contractor or individual constructing improvements in, on, or along United States rights-of-way must limit his construction to the encroaching and the structure previously approved and construct the improvements strictly in accordance with plans or specifications approved by THE UNITED STATES, DISTRICT, or Association.

(h) The ground surfaces within United States rights-of-way must be restored to a condition equal to that which existed before the encroachment work began or as shown on the approved plans or specifications.

(i) The owner of newly constructed facilities that encroach on United States rights-of-way shall notify THE DISTRICT or Association and/or THE UNITED STATES upon completion of construction and shall provide THE DISTRICT or Association with one copy and THE UNITED STATES with two copies of as-built drawings showing actual improvements in, on, or along the rights-of-way.

(j) Except in case of ordinary maintenance and emergency repairs, an owner of encroaching facilities shall give THE DISTRICT or Association at least 10 Days notice in writing before entering upon United States rights-of-way for the purpose of reconstructing, repairing, or removing the encroaching structure or performing any work on or in connection with the operation of the encroaching structure.

(k) If unusual conditions are proposed for the encroaching structure or unusual field conditions within United States rights-of-way are encountered, THE UNITED STATES reserves the right to impose more stringent criteria than those prescribed herein.

(l) All backfill material within United States rights-of-way shall be compacted to 90 percent of maximum density unless otherwise shown. Mechanical compaction shall not be allowed within 6 inches of the projects works whenever possible. In no case will mechanical compaction using heavy equipment be allowed over the project works or within 18 inches horizontally of the projects works.

(m) That the backfilling of any excavation or around any structure within the United States rights-of-way shall be compacted in layers not exceeding 6 inches thick to the following requirements: (1) cohesive soils to 90 percent maximum density specified by ASTM Part 19, D-698, method A; (2) non-cohesive soils to 70 percent relative density specified by ANSI/ASTM Part 19, d-2049, par. 7.1.2, wet method.

(n) Any nonmetallic encroaching structure below ground level shall be accompanied with a metallic strip within the United States rights-of-way.

(o) Owners of encroaching facilities shall notify the UNITED STATES and the DISTRICT or Association at least forty-eight (48) hours in advance of commencing construction to permit inspection by the UNITED STATES and/or the DISTRICT or Association.

(p) No use of United States lands or rights-of-way shall be permitted that involve the storage of hazardous material, septic tanks, or any other form of contamination.

(q) Notwithstanding anything stated herein to the contrary, these provisions, shall not be amended, rescinded or exceptions allowed, without the prior written approval of the District and the United States.

For Lots in Phase 9: Bureau of Reclamation Right-of-Way.

THE UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation, Department of the Interior, herein called the UNITED STATES, and the METROPOLITAN WATER DISTRICT OF SALT LAKE CITY, herein called the DLSTRICT, has a right-of-way to construct, reconstruct, operate, and maintain an aqueduct and appurtenant structures and blow off lines which are located on a part of lots 903, 904, 905, 906, 907, 908, 911, 912 and on a part of the road identified as Lone Hollow or Lot "A." Plans for landscaping and other development that may affect or hinder operation and maintenance of the aqueduct shall be submitted to the UNITED STATES and the DISTRICT for review and approval.

Structures that may not be constructed in, on, or along United States rights-of-way include buildings, garages, carports, trailers, swimming pools, patios, tennis courts, masonry block walls or other permanent structures as designated by the United States. Protection Criteria guidelines may be obtained from the DISTRICT or Bureau of Reclamation.

Forty-eight (48) hours prior to excavation for construction of any homes or appurtenant improvements on Lots 903, 904, 905, 906, 907, 908, 911 and 912 shown on the official plat, the location of said homes or improvements shall be staked in the field and the UNITED STATES and the DISTRICT shall be notified to permit inspection and approval to avoid any encroachment on the Aqueduct right-of-way.

Any increase in the cost to reconstruct, operate, maintain and repair the Aqueduct and appurtenant structures which might result from the construction of homes and other physical structures on the right-of-way shall be borne by each lot owner and successors in interest and such costs shall constitute a lien on said lots until paid.

In accepting title to any lot upon which the UNITED STATES and DISTRICT have a claim as hereinabove described, such lot owners shall indemnify and hold the UNITED STATES and the DISTRICT harmless against all claims of every character arising out of or in connection with the construction, operation or maintenance of such lots and improvements which may hereafter result from the construction, operation, or maintenance of the Salt Lake Aqueduct or any other works of facilities of the Provo River Project or any other UNITED STATES project. This will not be construed to include negligent or wrongful acts of the UNITED STATES, the DISTRICT, or their agents or assigns.

For Lots in Phase 10A: Bureau of Reclamation Right-of-Way.

THE UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation, Department of the Interior, herein called the UNITED STATES, and the METROPOLITAN WATER DISTRICT OF SALT LAKE CITY, herein called the DISTRICT. has a right-of-way to construct, reconstruct, operate, and maintain an aqueduct and appurtenant structures and blow off lines which are located on a part of lots 1001, 1030, and on a part of the road identified as Lone Hollow or Lot "A." Plans for landscaping and other development that may affect or hinder operation and maintenance of the aqueduct shall be submitted to the UNITED STATES and the DISTRICT for review and approval.

The Owners of the affected Lots assume all liability for an claims whatsoever for personal injuries or damage to property, when such injuries or damages directly or indirectly arise out of the existence, construction, maintenance, repair, condition, use, or presence of the encroachment upon the easement of the United States, regardless of the cause of the said injuries or damages; provided, however, that this shall not be construed as releasing the United States or the District from responsibility for their own negligence. The Owners of the affected Lots agree that the Lot Owner is responsible and the United States shall not be responsible for any damage caused to facilities, equipment, structures, or other property of the Lot Owner, if damaged by reason of encroachment upon the easement of the United States by the Lot Owner.

Structures that may not be constructed in, on, or along United States rights-of-way include buildings, garages, carports, trailers, swimming pools, patios, tennis courts, masonry

block walls or other permanent structures as designated by the United States. Protection Criteria guidelines may be obtained from the DISTRICT or Bureau of Reclamation.

At least forty-eight (48) hours prior to excavation for construction of any homes or appurtenant improvements on Lots 1031 or 1032 shown on the official plat, the location of said homes or improvements shall be staked in the field and the UNITED STATES and the DISTRICT shall be notified to permit inspection and approval to avoid any encroachment on the Aqueduct right-of-way.

Any increase in the cost to reconstruct, operate, maintain and repair the Aqueduct and appurtenant structures which might result from the construction of homes and other physical structures on the right-of-way shall be borne by each lot owner and successors in interest and such costs shall constitute a lien on said Lots until paid.

In accepting title to any Lot upon which the UNITED STATES and DISTRICT have a claim as hereinabove described, such Lot Owners shall indemnify and hold the UNITED STATES and the DISTRICT harmless against all claims of every character arising out of or in connection with the construction, operation or maintenance of such Lots and improvements which may hereafter result from the construction, operation, or maintenance of the Salt Lake Aqueduct or any other works of facilities of the Provo River Project or any other UNITED STATES project. This will not be construed to include negligent or wrongful acts of the UNITED STATES, the DISTRICT, or their agents or assigns.

For Lots in Phase 10B: Bureau of Reclamation Right-of-Way.

THE UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation, Department of the Interior, herein called the UNITED STATES, and the METROPOLITAN WATER DISTRICT OF SALT LAKE CITY, herein called the DISTRICT. has a right-of-way to construct, reconstruct, operate, and maintain an aqueduct and appurtenant structures and blow off lines which are located on a part of lots 1031, 1032 and on a part of the road identified as Snow Forest Lane or Lot "A." Plans for landscaping and other development that may affect or hinder operation and maintenance of the aqueduct shall be submitted to the UNITED STATES and the DISTRICT for review and approval.

The Owners of the affected Lots assume all liability for an claims whatsoever for personal injuries or damage to property, when such injuries or damages directly or indirectly arise out of the existence, construction, maintenance, repair, condition, use, or presence of the encroachment upon the easement of the United States, regardless of the cause of the said injuries or damages; provided, however, that this shall not be construed as releasing the United States or the District from responsibility for their own negligence. The Owners of the affected Lots agree that the Lot Owner is responsible and the United States shall not be responsible for any damage caused to facilities, equipment, structures, or other property of the Lot Owner, if damaged by reason of encroachment upon the easement of the United States by the Lot Owner.

Structures that may not be constructed in, on, or along United States rights-of-way include buildings, garages, carports, trailers, swimming pools, patios, tennis courts, masonry block walls or other permanent structures as designated by the United States. Protection Criteria guidelines may be obtained from the DISTRICT or Bureau of Reclamation.

At least forty-eight (48) hours prior to excavation for construction of any homes or appurtenant improvements on Lots 1031 or 1032 shown on the official plat, the location of said homes or improvements shall be staked in the field and the UNITED STATES and the DISTRICT shall be notified to permit inspection and approval to avoid any encroachment on the Aqueduct right-of-way.

Any increase in the cost to reconstruct, operate, maintain and repair the Aqueduct and appurtenant structures which might result from the construction of homes and other physical structures on the right-of-way shall be borne by each lot owner and successors in interest and such costs shall constitute a lien on said Lots until paid.

In accepting title to any Lot upon which the UNITED STATES and DISTRICT have a claim as hereinabove described, such Lot Owners shall indemnify and hold the UNITED STATES and the DISTRICT harmless against all claims of every character arising out of or in connection with the construction, operation or maintenance of such Lots and improvements which may hereafter result from the construction, operation, or maintenance of the Salt Lake Aqueduct or any other works of facilities of the Provo River Project or any other UNITED STATES project. This will not be construed to include negligent or wrongful acts of the UNITED STATES, the DISTRICT, or their agents or assigns.

For Lots in Phase 10D: Bureau of Reclamation Right-of-Way.

THE UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation, Department of the Interior, herein called the UNITED STATES, and the METROPOLITAN WATER DISTRICT OF SALT LAKE CITY, herein called the DISTRICT, has a right-of-way to construct, reconstruct, operate, and maintain an aqueduct and appurtenant structures and blow off lines which are located on a part of lots 1065 and 1066. Plans for landscaping and other development that may affect or hinder operation and maintenance of the aqueduct shall be submitted to the UNITED STATES and the DISTRICT for review and approval.

The Owners of the affected Lots assume all liability for an claims whatsoever for personal injuries or damage to property, when such injuries or damages directly or indirectly arise out of the existence, construction, maintenance, repair, condition, use, or presence of the encroachment upon the easement of the United States, regardless of the cause of the said injuries or damages; provided, however, that this shall not be construed as releasing the United States or the District from responsibility for their own negligence. The Owners of the affected Lots agree that the Lot Owner is responsible and the United States shall not be responsible for any damage caused to facilities, equipment, structures, or other property of the Lot Owner, if damaged by reason of encroachment upon the easement of the United States by the Lot Owner.

Structures that may not be constructed in, on, or along United States rights-of-way include buildings, garages, carports, trailers, swimming pools, patios, tennis courts, masonry block walls or other permanent structures as designated by the United States. Protection Criteria guidelines may be obtained from the DISTRICT or Bureau of Reclamation.

At least forty-eight (48) hours prior to excavation for construction of any homes or appurtenant improvements on Lots 1031 or 1032 shown on the official plat, the location of said homes or improvements shall be staked in the field and the UNITED STATES and the DISTRICT shall be notified to permit inspection and approval to avoid any encroachment on the Aqueduct right-of-way.

Any increase in the cost to reconstruct, operate, maintain and repair the Aqueduct and appurtenant structures which might result from the construction of homes and other physical structures on the right-of-way shall be borne by each lot owner and successors in interest and such costs shall constitute a lien on said Lots until paid.

In accepting title to any Lot upon which the UNITED STATES and DISTRICT have a claim as hereinabove described, such Lot Owners shall indemnify and hold the UNITED STATES and the DISTRICT harmless against all claims of every character arising out of or in connection with the construction, operation or maintenance of such Lots and improvements which may hereafter result from the construction, operation, or maintenance of the Salt Lake Aqueduct or any other works of facilities of the Provo River Project or any other UNITED STATES project. This will not be construed to include negligent or wrongful acts of the UNITED STATES, the DISTRICT, or their agents or assigns.

For Lots in Phase 10E: Bureau of Reclamation Right-of-Way.

THE UNITED STATES OF AMERICA, acting by and through the Bureau of Reclamation, Department of the Interior, herein called the UNITED STATES, and the METROPOLITAN WATER DISTRICT OF SALT LAKE CITY, herein called the DISTRICT, has a right-of-way to construct, reconstruct, operate, and maintain an aqueduct and appurtenant structures and blow off lines which are located on a part of lots 1086 and 1087. Plans for landscaping and other development that may affect or hinder operation and maintenance of the aqueduct shall be submitted to the UNITED STATES and the DISTRICT for review and approval.

The Owners of the affected Lots assume all liability for an claims whatsoever for personal injuries or damage to property, when such injuries or damages directly or indirectly arise out of the existence, construction, maintenance, repair, condition, use, or presence of the encroachment upon the easement of the United States, regardless of the cause of the said injuries or damages; provided, however, that this shall not be construed as releasing the United States or the District from responsibility for their own negligence. The Owners of the affected Lots agree that the Lot Owner is responsible and the United States shall not be responsible for any damage

caused to facilities, equipment, structures, or other property of the Lot Owner, if damaged by reason of encroachment upon the easement of the United States by the Lot Owner.

Structures that may not be constructed in, on, or along United States rights-of-way include buildings, garages, carports, trailers, swimming pools, patios, tennis courts, masonry block walls or other permanent structures as designated by the United States. Protection Criteria guidelines may be obtained from the DISTRICT or Bureau of Reclamation.

At least forty-eight (48) hours prior to excavation for construction of any homes or appurtenant improvements on Lots 1031 or 1032 shown on the official plat, the location of said homes or improvements shall be staked in the field and the UNITED STATES and the DISTRICT shall be notified to permit inspection and approval to avoid any encroachment on the Aqueduct right-of-way.

Any increase in the cost to reconstruct, operate, maintain and repair the Aqueduct and appurtenant structures which might result from the construction of homes and other physical structures on the right-of-way shall be borne by each lot owner and successors in interest and such costs shall constitute a lien on said Lots until paid.

In accepting title to any Lot upon which the UNITED STATES and DISTRICT have a claim as hereinabove described, such Lot Owners shall indemnify and hold the UNITED STATES and the DISTRICT harmless against all claims of every character arising out of or in connection with the construction, operation or maintenance of such Lots and improvements which may hereafter result from the construction, operation, or maintenance of the Salt Lake Aqueduct or any other works of facilities of the Provo River Project or any other UNITED STATES project. This will not be construed to include negligent or wrongful acts of the UNITED STATES, the DISTRICT, or their agents or assigns.

Certain Other Lots: Bureau of Reclamation Right-of-Way.

Although not specifically covered in previous CC&Rs, Lots 284-289, 301-302, 322-324, and 401-409 are also subject to Bureau of Reclamation easements as disclosed on the official plat maps and deeds of title filed in the Office of the County Recorder of Salt Lake County.

ADDENDUM C: HILLSIDE RESTRICTIONS

This subdivision Lies within the Sandy City Sensitive Area Overlay Zone. Specific conditions apply and approvals must be secured from Sandy City and the Pepperwood Architectural Control Committee prior to any removal of vegetation or commencement of any excavation or construction activity. Grading plans, disturbance of hillsides, retaining hills, revegetation, etc. shall be approved and controlled by Sandy City.

Addendum C, Section 1. Hillside Restrictions For Lots 501-514.

(a) For Lots 501-514, no construction of any kind shall take place and no natural vegetation shall be removed beyond 100 feet from the front property line, without special consideration and written approval by the Architectural Control Committee. Each property owner shall be responsible to ensure that no erosion or water drainage shall take place on his lot which may adversely affect neighboring properties and/or roads.

(b) Any disturbance of hillsides shall be controlled by the Pepperwood Homeowner's Association. Grading plans, retaining hills, revegetation etc. shall be approved by Sandy City. With respect to lots 513, 514, 523, 524 and 525, a grading plan of a scale at least 1 inch = 10 feet shall be submitted to Sandy City for approval and no grading or disturbance shall take place until such approval is granted.

Addendum C, Section 2. Hillside Restrictions for Lots in Phase 9.

(a) Maximum Impervious Material Coverage. The maximum impervious material coverage that shall be allowed upon lots shall be 30 percent of the total lot area or 5,000 square feet, whichever is smaller, including accessory buildings, patios, and driveways; provided, however, that the maximum impervious material coverage may exceed 30 percent or 5,000 square feet upon review and approval by the Planning Commission.

(b) Usable Land. Single family dwelling structures shall be located only upon areas constituting usable land, which area shall be fully contiguous and shall be at least 5,000 Square feet in size, and shall have a minimum dimension, either length or width, of 50 feet.

(1) Location of a dwelling structure shall not be within an average of 20 feet (no point being closer than 10 feet) of a continuous hillside slope (upslope or downslope) of 30% or greater. The Sandy City Engineering Department may require greater setbacks from the slopes based on unusual circumstances.

(2) Dwelling structures shall be set back no further than 250 feet from a public or private street.

(c) Grading. Cuts and Fill.

(1) Exposed unstable surfaces of an excavation or fill shall not be steeper than one vertical to two horizontal.

(2) ALL permanent fill shall be located so that settlements, slidings, or erosions shall not damage or cover streets, curbs, gutters, sidewalks or buildings.

(3) The top and bottom edges of slopes caused by an excavation or fill up to 10 vertical feet shall be at 3 horizontal feet from the property line.

(4) The maximum vertical height of all cuts or fills shall be 10 feet. Fills for slumps or other natural depressions may exceed 10 feet if approved by the Sandy City Planning Commission. Cuts and fills greater than 10 feet shall have the recommendation of the Sandy City Engineering Department.

(5) ALL structures, except retaining walls or soil stabilization improvements, shall have a setback from the crest of the fill or base of the cut of a minimum distance equal to the depth of the fill or the height of the cut, unless a structurally sound retaining wall is built for the cut or fill slope. Retaining walls may be a part of the dwelling unit.

(6) No grading, cuts, fills, or terracing will be allowed on a continuous hillside, crest (upslope or downslope) or a slope of 30% or greater unless otherwise determined by the Sandy City Planning Commission upon recommendation of the Engineering Department.

(d) On-site Development. Each property owner shall be fully responsible for making all improvements in accordance with the development site approval; e.g., drainage, erosion and vegetation constraints.

(e) Driveways. The Sandy City Planning Commission conceptually approves the construction of a driveway up a slope of not more than 15%. If the driveways to the buildings on lots 901 and 902 cut across any 30% slope area, such plans shall be submitted to the Planning Commission for approval.

(f) Construction. Grading and Contour Map and Issuance of Building Permits. There shall be no construction, development or grading upon development sites until final approval has been granted and building permits issued. Before the construction of dwelling units upon lots shall be allowed, a plot plan drawn to a scale (at least 1" 10') for such lots shall be submitted to the Sandy City Planning Commission or the designated representative, which plot plan shall show Lot lines, existing and proposed contours at two foot intervals, location or proposed dwelling units, walks, driveways, patio areas. The plot plan will also show vegetative, drainage, and erosion controls and such plot plan shall be attached to the building permit.

(g) Vegetation and Re-vegetation. All areas on development sites cleared of natural vegetation in the course of construction of offsite improvements shall be replanted with revegetation which has good erosion control characteristics. Vegetation shall be removed only when absolutely necessary, e.g., for the construction of buildings, drives and cut or filled areas. No vegetation shall be removed on a continuous hillside, crest or a slope 30% or greater unless

otherwise determined by the Sandy City Planning Commission. The property owner shall be fully responsible for any destruction of native or applied vegetation identified as necessary for retention and shall be responsible for such destroyed vegetation. He shall carry the responsibility both for employees and subcontractors. The property owner shall replace all destroyed vegetation with varieties of vegetation approved by the Sandy City Planning Commission. The property owner shall assume responsibility upon purchase of the lot.

ADDENDUM D: OTHER RESTRICTIONS FOR CERTAIN LOTS

Addendum D, Section 1. Lots Along Pepperwood Drive. For lots along the south side of Pepperwood Drive, the Association will reimburse the Lot Owner for the costs of watering the median strip or, at its discretion, pay for the watering and maintenance of the median strip. For lots along the north side of Pepperwood Drive where the rear or side of the lot abuts Pepperwood Drive, the Association will at its discretion, reimburse the Lot Owner for the costs of watering the median strip or pay for the watering and maintenance of the median strip.

Addendum D, Section 2. Bicycle Path and Utility Easements: In addition to the requirements set out in the main body of these covenants, conditions and restrictions, certain Lots have further restrictions, as follows:

(a) Bicycle path and utility easements, which may also be utilized by emergency vehicles, have been located between lots 634 and 635; lots 636 and 637; 643 and 644; 646 and 647; 653 and 654; 658 and 659; 711 and 712; 720, 721, and 722; 723 and 724; 732 and 733; 737 and 738; 753 and 754; 755 and 756; 764 and 765; 775 and 776; 776 and 777; 783 and 784; 786 and 787; 795 and 796. Said easements are fifteen (15) feet wide (seven-and-one-half feet wide on each lot). No fencing or any other improvements shall be permitted to encroach upon said easements and no vehicles or any other objects shall be permitted to obstruct the easement area, either temporarily or permanently. Fencing, if erected, shall not be erected closer than 7.5 feet from the property line where such path easements exist and landscaping within said easements shall be limited to sod or similar low growing ground cover.

(b) Bicycle path and utility easements, which may also be utilized by emergency vehicles, have been located between Lots 1009, 1010, and 1040 and 1041; 1042 and 1045; 1043 and 1044. Said easements are twenty-five (25) feet wide (twelve-and-one-half feet wide on each Lot). No vehicles or any other objects shall be permitted to obstruct the easement area, either temporarily or permanently. Fencing, if erected, shall not be installed closer than five (5) feet from the property line where such path easements exist unless installed at the Lot Owner's own risk. Such fencing within the easement may be removed and the cost for removal and replacement shall become the responsibility of and charged to the Lot Owner. Landscaping within said easements shall be limited to sod or similar low growing ground cover. If fencing is installed, the Lot Owner shall be responsible to install and maintain, in an attractive manner, all landscaping between the path and
fence.

(c) The Association will continue to maintain the paved portion of all bike paths.

Addendum C, Section 3. Special Terrain Restrictions: Due to terrain factors, certain Lots are subject to other restrictions ("Special Provisions"), as follows:

(a) With respect to Lots 412 to 423 inclusive and 501 to 514 inclusive, and Lots 520 to 525 inclusive, no construction of any kind shall take place and no natural

vegetation shall be removed beyond 100 feet from the front property line, without special consideration and written approval by the Architectural Control Committee. Each property Owner shall be responsible to ensure that no erosion or water drainage shall take place on his Lot which may adversely affect neighboring properties and/or roads.

(b) With respect to Lots 412 to 423 inclusive, 513, 514, 523, 524, and 525, a grading plan of a scale at least 1 inch = 10 feet shall be submitted to Sandy City for approval and no grading or disturbance shall take place until such approval is granted.

(c) With respect to property to be annexed pursuant to Article II above, the plats and Supplementary Declarations for such property may contain certain additional requirements as required by Sandy City in connection with the development of such property to be annexed.

(d) These Special Provisions shall be applied as necessary to new Lots added to the subdivision after the date of this Declaration.