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CALLEEN B. PESHELL, Recorder
Filed By JPT
For WATT HOMES
TODELE COUNTY CORPORATION

**UPON RECORDING,
PLEASE RETURN TO:**
William R. Richardson
Watt Homes, Utah Division
3653 West 1987 South
Building 7
Salt Lake City, Utah 84104

**DECLARATION
OF
COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR**

**THE VILLAGE AT COUNTRY CROSSING NEIGHBORHOOD
PHASE A, PLAT A,**

**THE COTTAGE AT COUNTRY CROSSING NEIGHBORHOOD
PHASE A, PLAT 1, AND**

A PORTION OF LAKESIDE SUBDIVISION NO. 3

July 14, 2000

**ARTICLE I
RECITALS**

NOTE: Capitalized terms found throughout this instrument shall have the meaning given at the first point in this instrument where such term is utilized and defined or as defined in Article III hereof, "Definitions."

A. W L HOMES, L.L.C., a Delaware limited liability company, d.b.a. Watt Homes, Utah Division (hereafter the "Grantor") is the owner of certain land situated in Tooele County, Utah, platted and known as The Village at Country Crossing Neighborhood Phase A, Plat A; The Cottage at Country Crossing Neighborhood Phase A, Plat 1; and Lots 1-32, 42-43, 66-124, Lakeside Subdivision No. 3, according to the official plat thereof of record in the office of the County Recorder, Tooele County, Utah, said land being more particularly described as follows (hereafter the "Subdivision"):

**THE VILLAGE AT COUNTRY CROSSING NEIGHBORHOOD
PHASE A, PLAT A**

Commencing at the East quarter corner of Section 21, Township 2 South, Range 4 West, Salt Lake Base and Meridian, thence South 89°47'00" West along center line of said Section for 446.046 feet; thence South 00°13'00" East perpendicular to said Section line for 79.976 feet to a point on South right-of-way of Village Boulevard, said point also being the point of beginning; thence North 89°47'13" East for 84.945 feet along said right-of-way; thence with a curve to the right having a radius of 15.000 feet, a central angle of 90°12'47" (chord bearing and distance of South 45°06'23" East 21.253 feet) and for an arc distance of 23.618 feet; thence South for 525.766 feet; thence West for 120.000 feet; thence North for 350.000 feet; thence North 20°08'05" East for 58.101 feet; thence North for 135.900 feet to the point of beginning.

**THE COTTAGE AT COUNTRY CROSSING NEIGHBORHOOD
PHASE A, PLAT 1**

Commencing at the East quarter corner of Section 21, Township 2 South, Range 4 West, Salt Lake Base and Meridian, thence South 89°47'00" West along Center line of said Section for 1669.656 feet; thence South 00°13'00" East perpendicular to said Section line for 39.897 feet to a point on the South right-of-way of Village Boulevard, said point also being the point of beginning, thence South 00°12'47" East for 886.042 feet; thence South 89°47'13" West for 180.000 feet; thence North 00°12'47" West for 7.192 feet; thence South 89°47'13" West for 109.310 feet; thence North 00°12'47" West for 285.863 feet; thence South 89°47'13" West for

50.690 feet; thence North 00°12'47" West for 180.000 feet; thence North 89°47'13" East for 160.000 feet; thence North 00°12'47" West for 397.988 feet; thence with a curve to the left having a radius of 15.000 feet, a central angle of 90°00'00" (chord bearing and distance of North 45°12'47" West 21.213 feet) and for an arc distance of 23.562 feet; thence North 89°47'13" East along said right-of-way for 195.000 feet to the point of beginning.

LAKESIDE SUBDIVISION NO. 3

Lots 1-32, 42-43, 66-124, Lakeside Subdivision No. 3, according to the official plat thereof of record in the office of the County Recorder, Tooele County, Utah.

B. The Grantor desires to subject the Subdivision to the covenants, conditions, restrictions, easements, reservations, limitations and equitable servitudes set forth in this Declaration of Covenants, Conditions, Restrictions and Easements for The Village at Country Crossing Neighborhood Phase A, Plat A, The Cottage at Country Crossing Neighborhood Phase A, Plat 1, and a Portion of Lakeside Subdivision No. 3 (hereafter the "Declaration") in order to: (i) insure the enhancement and preservation of property values, (ii) provide for the proper design, development, improvement and use of the Subdivision by the Grantor and all other persons or entities who may subsequently acquire an interest in the Subdivision consistent with a general master plan approach, and (iii) create a residential development of high quality.

C. As additional land owned or which may become owned by the Grantor adjacent to or in the vicinity of the Subdivision is platted and developed for uses similar to that of the Subdivision, upon election by the Grantor, such land may become subject to the terms of this Declaration by annexing the same as provided herein.

D. In order to achieve the objectives and desires of the Grantor, the Grantor will control the management and government of the Subdivision and the non-profit association of Owners to be created (the "Association") until such time as the Owners take over the management functions through the Association in accordance with the management transfer terms and conditions more particularly set forth in this Declaration.

ARTICLE II DEFINITIONS

As used in this Declaration, unless the context otherwise specifies or requires, the following words and phrases shall be defined as follows:

AC: Architectural Control.

AC Rules and Standards: The written rules and standards developed and adopted, initially by the Grantor, and subsequently by the Board pursuant to the powers granted under Article VI hereof, as amended from time to time.

Annexation: The process by which additional tracts or parcels of land, including platted lots improved with single family dwellings, not initially a part of the Subdivision, are made subject to this Declaration.

Assessment: A payment required of Association members, including Regular, Special or Limited Assessments, as provided in this Declaration.

Association: The Country Crossing Neighborhood Owners Association, Inc., a Utah non-profit corporation. The Association shall not own common area or other properties but is organized for the purpose and to have the powers enumerated in Section 6.05 herein.

Board: The duly elected and qualified Board of Trustees of the Association.

Building: A structure constructed on a Lot on a temporary or permanent basis and, unless specified to the contrary, shall include all other appurtenances and improvements thereto or used in connection therewith.

By-Laws: The By-Laws of the Association, including any amendments thereto duly adopted by the Board.

County: Tooele County, State of Utah.

Declaration: This instrument as it may be amended from time to time.

Development: The project to be undertaken by the Grantor resulting in the improvement of the Subdivision or any additional property annexed hereunder, including, but not limited to, landscaping, amenities, construction of roadways, utility services and other Improvements.

Development Agreement: That certain development agreement pertaining to the development of the Subdivision entitled "Development Agreement for Watt Homes & Leucadia Financial, Country Crossing Neighborhood (Amended) Development Project," dated December 21, 1999, by and among Tooele County, Utah, WL Homes L.L.C., and Leucadia Financial Corporation, Recorded on December 23, 1999, as Entry No. 141732, in Book 0603, Page 0573, of Records, Tooele County, Utah.

Family: Persons related by blood or marriage or by legal adoption.

Grantor: The undersigned owner and its successors and assigns of the land comprising the Subdivision.

Improvements: All structures and appurtenances thereto of all kinds and types, including but not limited to, Buildings, roads, driveways, parking lots, sidewalks, walkways, walls, fences, screens, landscaping, poles, signs and lighting. Improvements shall not include those items which are located totally on the interior of a Building and cannot be readily observed when outside thereof.

Improvement District: The Stansbury Park Improvement District, an improvement district providing water, sewer and storm drainage services within its service area, including Stansbury Park, Utah.

Initial Construction: The first construction of permanent Improvements on a Lot following the sale of that Lot by the Grantor to an Owner, and intended for residential occupancy.

Limited Assessment: An Assessment levied by the Association upon one or more Lots, but not upon all Lots within the Subdivision, for the purpose of securing payment by the Owner(s) thereof of amounts expended by the Association to correct a condition prohibited or to cure an Owner's breach hereunder.

Lot: A portion of the Subdivision which is a legally described tract or parcel of land within the Subdivision or which is designated as a Lot on any recorded subdivision plat relating to the Subdivision.

Manufactured Homes: Homes which are built in a manufacturing plant and transported in one or more sections on a permanent chassis.

Master Plan: The master development plan for the Subdivision (as amended and expanded from time to time to include additional property annexed to the Subdivision and to accommodate reasonable variations from the original master concepts for subdivisions within the Subdivision and to meet the requirements of governmental authorities having jurisdiction over the development of the Subdivision), which development plan has been created by the Grantor, reviewed by and conceptually accepted by appropriate governmental authorities, and includes single-family detached residence subdivisions, combined with certain recreational and open-space uses. Modification of the Master Plan shall be within the sole discretion of the Grantor subject to the requirement that any such modifications shall not result in a material inconsistency in property use or material departure from the overall master plan and conceptualization of the overall community encompassed by the Subdivision.

Member: Any person or entity who or which is an Owner of a Lot within the Subdivision.

Mortgage: Any mortgage or deed of trust or other hypothecation of land located in the Subdivision to secure the performance of an obligation. Unless otherwise specifically provided, the reference to a "Mortgage" in this Declaration shall be limited to a first mortgage, including a first deed of trust, on a Lot.

Mortgagee: The holder of a Mortgage or the beneficiary under a deed of trust, including an assignee(s) thereof, which Mortgage or deed of trust encumbers a Lot in the Subdivision owned by an Owner. Unless otherwise specifically provided, the reference to a "Mortgagee" in this Declaration shall be limited to a holder of a first mortgage, including a beneficiary under a first deed of trust on a Lot.

Occupant: Any person, association, corporation or other entity who or which is an Owner, or has leased, rented, been licensed, or is otherwise legally entitled to occupy and use any Building or Improvement on a Lot whether or not such right is exercised, including their heirs, personal representatives, successors and assigns.

Owner: The record owner, whether one or more persons or entities, of fee simple title to a Lot in the Subdivision, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation, but including any Mortgagee (of any priority) or other security holder provided said Mortgagee or other security holder is in actual possession of a Lot as a result of foreclosure or otherwise, and any person taking title through such Mortgagee or other security holder by purchase at foreclosure sale or otherwise.

Plat: A final subdivision plat covering any real property in the Subdivision, as recorded in the office of the Tooele County Recorder, Tooele, Utah, as the same may be amended by duly recorded amendments thereto.

Regular Assessment: An assessment levied by the Association to provide funds to pay the ordinary estimated expenses of the Association.

Service Agency: The Stansbury Service Agency, an interlocal agency created by interlocal agreement by and between the Stansbury Recreation Service Area of Tooele County and the Stansbury Greenbelt Service Area of Tooele County to provide recreation and greenbelt services within its boundaries in Stansbury Park, Utah, or its successors and assigns.

Special Assessment: An assessment levied by the Association other than a Regular or Limited Assessment.

Stansbury ACC: The architectural control committee established pursuant to Article II, Section 6 of the Stansbury CCRs.

Stansbury CCRs: The Stansbury Village Protective Land Use Covenants, filed by Terracor on December 11, 1969, applicable to the land more particularly described therein, being situated in what is commonly known as the community of Stansbury Park, Tooele County, Utah. A portion of the land which is subject to the covenants and restrictions of the Stansbury CCRs as described therein is also included within the Subdivision as described herein; wherefor, the Owners and Occupants of said land are subject to the Stansbury CCRs as well as this Declaration.

Supplemental Declaration: The additional or different conditions, covenants, conditions, restrictions and easements relating to a particular tract or parcel of real property within the Subdivision promulgated by the Grantor and recorded in the official records of Tooele County, Utah. Unless specifically provided to the contrary, or unless the context otherwise requires, a reference to "Declaration" shall include "Supplemental Declaration."

Subdivision: The whole of the real property described in Article I A. herein, platted and known as The Village at Country Crossing Neighborhood Phase A, Plat A; The Cottage at Country Crossing Neighborhood Phase A, Plat 1; and Lots 1-32, 42-43, 66-124, Lakeside Subdivision No. 3, according to the official plat thereof of record in the office of the County Recorder, Tooele County, Utah, including, as of the date hereof, both subdivided land and unsubdivided land that shall hereafter be subdivided, and any additional land annexed thereto as provided herein, including any such additional land as may be platted and annexed hereunder under a different name.

The Country Crossing Neighborhood Owners Association, Inc.: The Utah non-profit corporation organized by the Grantor and comprised of Members as defined herein, existing for the purpose of: (i) reviewing and approving the construction, alteration, modification, removal or destruction of any Improvements within the Subdivision, and (ii) enforcing the terms and provisions of this Declaration, also referred to as the "Association."

ARTICLE III DECLARATION

The Grantor hereby declares that the Subdivision and each lot, tract or parcel thereof (hereafter called "Lot" unless specified to the contrary), is and shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following covenants, conditions, restrictions, easements, reservations, limitations and equitable servitudes (hereafter collectively called "Covenants and Restrictions"), all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance, improvement and sale of the Subdivision or any Lot therein, and to enhance the value, desirability and attractiveness thereof. The Covenants and Restrictions set forth herein shall run with the land and each estate therein and shall be binding upon all persons having or acquiring any right, title or interest in the Subdivision or any Lot therein; shall inure to the benefit of every Lot in the Subdivision and any interest therein; and shall inure to the benefit of and be binding upon the Grantor and its successors-in-interest, and may be enforced (i) by the Grantor, or (ii) by any Owner, or (iii) by the Association on behalf of the Owners, as hereafter provided.

Notwithstanding the foregoing, no provision of this Declaration shall be construed or enforced to prevent or limit the Grantor's right to complete development of the Subdivision in accordance with the plan therefor as the same exists or may be modified from time to time by the Grantor, nor to prevent normal construction activities during the construction of Improvements upon any Lot in the Subdivision. No development or construction activities shall be deemed to constitute a nuisance or violation of this Declaration by reason of noise, dust, presence of

vehicles or construction machinery, erection of temporary structures, posting of signs or similar activities, provided that the same are actively, efficiently and expeditiously pursued to completion. In the event any dispute concerning the foregoing shall arise, a temporary waiver of the applicable provision(s) of this Declaration may be granted by the Board provided that such waiver shall be for a reasonable period of time. Any such waiver need not be recorded and shall not constitute an amendment of this Declaration.

In the event of any conflicts between the provisions of this Declaration and the requirements of the applicable ordinances of Tooele County, Utah, the Improvement District, the Service Agency and/or any municipality which may hereafter be incorporated to encompass or may otherwise annex any portion of the Subdivision (as to that portion or portions), the more restrictive provisions shall control.

ARTICLE IV PURPOSE

The Subdivision is hereby made subject to the covenants, conditions, restrictions, easements, reservations, limitations and equitable servitudes contained in this Declaration, all of which shall be deemed to be imposed upon and run with the land and each and every Lot and parcel thereof, and shall apply to each and every Owner and Occupant thereof and their respective successors-in-interest and assigns, to insure the proper design, development, improvement, use and maintenance of the Subdivision for the purpose of:

- (a) Insuring Owners and Occupants of Buildings of such quality of design, development, improvement, use and maintenance as shall protect and enhance the investment and use of all Lots and Improvements.
- (b) Preventing the erection in the Subdivision of Improvements of improper design or construction with improper or unsuitable materials or with improper quality and methods of construction.
- (c) Encouraging and insuring the erection of quality and attractive Improvements appropriately located within the Subdivision to assure visual quality and harmonious appearance and function.
- (d) Securing and maintaining proper set-backs from streets and open areas in the Subdivision and adequate free spaces between Improvements.
- (e) Integrating the development of the different Lots by setting common general standards consistent with the AC Rules and Standards existing from time to time.
- (f) Insuring attractive landscaping and the conservation of existing natural features with minimum adverse impact on the ecosystem.

- (g) Taking advantage of and utilizing, for purposes of promoting all of the foregoing and further enhancing the value and quality of each Owner's and each Occupant's interest in the Subdivision or in any Lot or Lots therein, a master planned residential community concept accommodating a diversity of residential property uses and designs within a common and harmonious community plan with recreational and open space uses supportive of the overall planned community concepts envisioned by the Grantor.

As used hereafter, "Project Objectives" shall mean the foregoing specified purposes.

**ARTICLE V
PERMITTED USES AND PERFORMANCE STANDARDS**

SECTION 5.01. Use. Unless otherwise specified in a Supplemental Declaration covering a particular Lot(s) or parcel(s), Lots shall be used only for residential purposes and such uses as are customarily incidental thereto.

SECTION 5.02. Buildings. The Master Plan contemplates that no Lot shall be improved except with one (1) single family dwelling unit. Each detached dwelling unit shall have an attached or fully enclosed garage adequate for a minimum of two (2) and a maximum of four (4) standard size automobiles. No carports or front-yard (meaning anywhere closer to the front property line of the Lot than the front-most portion of the Building) parking pads shall be allowed. Unless otherwise specified in a Supplemental Declaration recorded after the date of this Declaration, the following shall be the minimum square footage requirements for detached dwelling units (excluding basements) within the Subdivision:

Single Story	900 Square Feet
Split Level	950 Square Feet
Two Story	1,200 Square Feet

SECTION 5.03. Approval of Use and Plans. The overall architectural style and detailing of each Improvement (including each Building) and the associated landscaping and site use is subject to Board review and approval. Extraordinarily stylized or unique building shapes or styles, including, but not limited to, Manufactured Homes, geodesic dome homes, A-Frame homes, cubic block homes or log homes, are prohibited. The determination of whether or not a proposed Building is within this prohibited category of unique building styles shall rest with the Board and such determinations shall be made in the sole and absolute discretion of the Board; provided, that in making such determination, the Board may consult with Owners of Lots in the immediate surrounding area of the Lot where the subject Building is proposed. No Initial Construction, including any site preparation or excavation of the Lot or other preparatory construction of Improvements for such Initial Construction shall be undertaken, built, constructed, erected or placed on a Lot unless and until the plans, specifications and site plan therefor have been reviewed in advance and approved by the Board in accordance with the

provisions of Article VII, below. After Initial Construction, no other work of construction, excavation, or any material alteration to Improvements on a Lot shall be undertaken without obtaining the same advance approvals as are required with respect to Initial Construction. Two (2) sets of site, building, all four elevations, fencing, and landscaping plans are to be submitted to the Board for approval.

SECTION 5.04. Prohibited Buildings. No trailer or other vehicle, tent, shack, garage, barn, accessory building or out-building shall be used as a temporary or permanent residence. No old or secondhand structures shall be moved onto any property or Lot within the Subdivision, it being the intention hereof that all dwellings and other buildings to be erected on said property or Lots within said Subdivision shall be new construction of good quality workmanship and materials.

SECTION 5.05. Nuisances. No noxious or offensive activities shall be conducted on any Lot nor shall anything be done or any use made thereon or thereof which may be or become an unreasonable annoyance or nuisance to the Occupant(s) of the other Lots within the Subdivision by reason of unsightliness or the excessive emission of fumes, odors, glare, vibration, gases, radiation, dust, liquid waste, smoke or noise.

SECTION 5.06. Antennae. No exterior radio antennae, television antennae or other antennae, including a satellite dishes larger than 24 inches, shall be erected or maintained on a Lot without the prior written approval of the Board.

SECTION 5.07. Easements. Certain easements, as hereinafter described, are hereby reserved for the use and benefit of the Grantor and granted for the use and benefit of each Lot, and for the use and benefit of each Owner and Occupant, and for the use and benefit of the Association and/or the County, Service Agency, Improvement District and other public utility companies, and their successors and assigns, for the purposes incident to such use, development and maintenance of the Subdivision, in conformance with the following:

- (a) The easements are as follows:
 - (i) An easement for the installation and maintenance of public utility facilities of all kinds, including radio and television and transmission cables, including the easements so designated on the recorded Plat(s) for the Subdivision.
 - (ii) An easement for the purpose of permitting the Grantor, public utility companies, the Service Agency, Improvement District and/or the County, their contractors and agents, to enter onto those portions of Lots contiguous to any property owned by the public utility company, Service Agency, Improvement District and/or the County to

maintain, replace and restore landscaping and other Improvements within the public utility company, Service Agency, Improvement District and/or County property.

- (iii) Reciprocal appurtenant easements of encroachment, not to exceed one foot (1'), as between each Lot and any property owned by the public utility company, Service Agency, Improvement District and/or the County adjacent thereto, or between adjacent Lots, due to the unintentional placement or settling or shifting of the Improvements constructed thereon, which easements of encroachment shall be valid so long as they exist; and the rights and obligations of Owners shall not be altered in any way by said encroachments, settling or shifting; provided, however, that in no event shall a valid easement for encroachment occur due to the willful act or acts of an Owner.
 - (iv) Any additional easements, if any, as shown and designated on the recorded Plat(s) for the Subdivision.
- (b) Except as provided herein, the above easement areas (excluding any equipment or appurtenances owned by the Grantor, the County, public utility company, Service Agency, and or Improvement District located thereon) herein reserved shall be maintained by the Owner of the Lot upon which they are situated.
 - (c) No Improvements shall be placed or permitted to remain on such easement areas located within any Lot which shall interfere with the intended use or purpose of such easement(s), and no other activity shall be undertaken on any Lot which may interfere with the use and access intended to be provided by such easement or the installation or maintenance of the utilities or other facilities, if any, located thereon or therein.
 - (d) The easements reserved to the Grantor hereunder shall be fully assignable or otherwise transferrable by the Grantor to a public utility company, the Service Agency, the Improvement District and/or the County at the sole discretion of the Grantor.

SECTION 5.08. Lighting. All exterior lighting and interior lights reflecting outside shall not be placed in any manner which shall cause glare or excessive light spillage on any neighboring Lot(s).

SECTION 5.09. Animals. No animals, livestock, birds, insects or poultry of any kind shall be raised, bred, or kept on any Lot, except as follows:

- (a) Not more than two (2) domesticated dogs and/or cats, or other small household pets shall be allowed so long as said animals do not unreasonably bother or constitute a nuisance to others, and provided that they are not kept, bred or maintained for any commercial purpose.
- (b) Dogs and other similar pets shall be on a leash when not confined to an Owner's Lot and shall otherwise be controlled and kept pursuant to applicable ordinances of the County.

SECTION 5.10. Commercial Use Prohibited. No Lot shall be used for commercial or business activity; provided, however, that the Grantor or persons authorized by the Grantor may use a Lot(s) for development and sales activities relating to the Subdivision, model homes or real estate sales. As used herein, "commercial or business activity" shall not include the rental by an Owner of a Lot and the Improvements thereon for residential purposes or the incidental use of a Lot and the Improvements thereon by an Occupant for purposes incidental to a commercial or business activity, and such activity shall not be a use in violation of this Section, provided that: (i) such Lot is not used for storage of commercial or business items, (ii) employees, customers, clients, patrons and similar persons related to such commercial or business activity are not present on the Lot on a regular basis, and (iii) no exterior signage (except for one non-illuminated, non-dayglo, non-fluorescent or non-reflective sign of a maximum one square foot in a window may be permitted by the Board). This Section specifically prohibits the use of a Lot for the commercial repair or sale of any vehicle, equipment, boat or other fuel operated equipment.

SECTION 5.11. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon and Lot.

SECTION 5.12. Maintenance. The following provisions shall govern the maintenance of Lots and all Improvements thereon:

- (a) Each Owner of a Lot shall maintain all Improvements located thereon in good and sufficient repair and shall keep the Improvements thereon painted or stained, lawns cut, shrubbery trimmed, windows unbroken and glazed, rubbish and debris removed, weeds cut and otherwise maintain the same in a neat and aesthetically pleasing condition.
- (b) Each Owner of a Lot shall have the responsibility for all upkeep and maintenance of their Lot to the back of the curb, whether sidewalk Improvements have been constructed or not.

- (c) All damage to any Improvements shall be repaired as promptly as is reasonably possible.
- (d) A Building which is vacant for any reason shall be kept locked and the windows glazed in order to prevent entrance by vandals.
- (e) All structures, facilities, equipment, objects and conditions determined by the Board, in its sole discretion, to be offensive, shall be enclosed within an approved structure or be appropriately screened from public view.
- (f) No Lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. No trash, debris, garbage, or refuse shall be kept on any Lot unless the same shall at all times be kept in a covered container. All such containers shall be kept on a Lot within an enclosed structure or screened from public view. No rubbish, trash, papers, junk or debris shall be burned upon any Lot.
- (g) No articles, goods, machinery, materials or similar items shall be stored, kept or maintained on a Lot in the required set-back area along a public or private right-of-way or otherwise kept in the open or exposed to public view.
- (h) Any event or condition on a Lot which, in the sole discretion of the Board, creates an unsightly or blighting influence, shall, in a manner satisfactory to the Board, be corrected, removed or screened from public view, as the case may be, by the Owner of the Lot, notwithstanding the fact that such event or condition may not be specifically described and/or prohibited in this Declaration.
- (i) In the event that any Owner shall permit any Improvement, including any landscaping, which is the responsibility of such Owner to maintain, to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, the Board and/or its assignees, upon fifteen (15) days prior written notice to the Owner of such Lot, shall have the right to correct such condition, and to enter upon said Lot and into any building or structure thereon, if necessary, for the purpose of correcting or repairing the same, and such Owner shall promptly reimburse the Association for the cost thereof. The Owner of the offending Lot shall be personally liable, and such Owner's Lot may be subject to a mechanic's lien for all costs and expenses incurred by the Association in taking such corrective action, plus all costs incurred in collecting the amounts due. Each Owner shall pay all amounts due for such work within ten (10) days after receipt of written demand therefor, or the amounts may, at the option of the Board, be levied as a Limited Assessment against said Lot and shall be

enforceable in the same manner as other assessments as set forth in Article IX of this Declaration.

The foregoing provisions shall not apply to any subdivided land owned by builders or by the Grantor, that is used for agriculture, open space, or is otherwise in a pre-development status.

SECTION 5.13. Boats, Campers and Other Vehicles. Trailers, mobile homes, trucks larger than standard pickups, boats, tractors, campers, garden or maintenance equipment and vehicles other than automobiles, when not in actual use, shall be kept at all times in a garage, full enclosure or behind an authorized fence in order to screen the view of the same, and at no time shall any of said vehicles or equipment be parked or stored on any Lot or public or private right-of-way within the Subdivision. The parking or storage of commercial equipment, including, but not limited to, truck trailers or cabs, construction or excavation equipment, etc., is prohibited. The primary purpose of the garage required on each Lot is for the parking and storage of automobiles and other vehicles (hereafter "Automobiles"). No other use of a garage or conversion of a garage, which prohibits or limits the use of a garage for the parking or storage of the number of Automobiles for which it is designed, shall be permitted. Parking on the lawn or unpaved portion of the Lot or in a public right-of-way within the Subdivision, other than for temporary purposes (as determined by the Board), is prohibited. No inoperative vehicle shall be parked or stored at any time on a Lot unless wholly within an enclosed structure. A minimum of two (2) off-street parking spaces for Automobiles shall be provided on each Lot in addition to the garage spaces, provided that no parking in the front yard setback area of the Lot shall be allowed only in space directly in front of the garage.

SECTION 5.14. Garage Doors. Garage doors shall be kept closed except when open for a temporary purpose.

SECTION 5.15. Exterior Materials and Colors. All exterior materials and colors shall be selected and used as approved in writing by the Board. No gravel roofs shall be permitted.

SECTION 5.16. External Energy Devices. No energy producing devices including, but not limited to, solar panels and generators of any kind, shall be constructed, installed or maintained on any Lot without the prior written approval of the Board, except as follows:

- (a) Heat pumps, air conditioning compressors, evaporative coolers, or similar appliances shown on the plans approved by the Board shall be authorized.
- (b) The use of generators and other external energy producing devices shall be authorized on a temporary basis in the event and during the period of an emergency.

SECTION 5.17. Signs. Except as provided in Section 5.10 (iii), no commercial billboard or advertising of any character shall be posted, painted, or displayed to the public view on or from any Lot. Notwithstanding the foregoing, Owners may advertise a dwelling unit and Lot for rent or for sale by displaying a single, neat, customarily and reasonably sized "Vacancy,"

“For Rent” or “For Sale” sign thereon. Signs advertising the name of the builder and the name of the institution providing financing may be displayed on a Lot during construction of the Improvements. Lighted, moving or flashing signs for any purposes are prohibited. Directional signs may be used to give directions to traffic or pedestrians or give special instructions. Any directional or identification sign in the Subdivision shall be permitted, provided the same is approved by the Board prior to installation. The Board may promulgate sign guidelines that would regulate project and builder signage. The Board shall have authority to remove any “Vacancy,” “For Rent” or “For Sale” signs determined by it to be contrary to customary and reasonable dimensions and/or design.

SECTION 5.18. Subdividing. No Lot which has been platted and approved as a final building or residential lot (whether for single-family buildings or otherwise) may be further subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written consent of the Board; provided, however, that nothing herein shall be deemed to prevent an Owner from transferring or selling any Lot to more than one person to be held by them as tenants in common, joint tenants, tenants by the entirety, or as community property, or require the approval of the Board therefor. In addition, the conveyance of an insignificant portion(s) of a Lot to the Owner of the Lot which abuts said conveyed portion, for the purpose of correcting a common boundary or other similar purpose in a manner consistent with all applicable County ordinances, shall not be deemed to be a subdividing of a Lot within the prohibition contained in this Section 5.18.

SECTION 5.19. Fences. It is the intent of the Grantor to create an open, spacious and landscaped appearance throughout the Subdivision. Therefore, all fences, walls, hedges, high plantings, obstructions and other visual or privacy barriers (hereafter collectively “fences”) shall be constructed and installed in compliance with the applicable ordinances of the County, and in conformance with fencing standards and specifications to be promulgated by the Board. In the event there is a conflict between the requirements of the County ordinances and the Board standards and specifications, the more strict requirement shall control. OWNERS SHOULD NOT ORDER FENCE MATERIALS THAT ARE NOT IN COMPLIANCE WITH SUCH COUNTY ORDINANCES AND THE STANDARDS AND SPECIFICATIONS PROMULGATED BY THE BOARD. All fences constructed on Lots within the Subdivision shall be subject to the following additional conditions and restrictions:

- (a) Fences shall not project beyond the front yard setback or the principal Building (whichever distance is greater) on the Lot. No fence higher than six (6) feet shall be allowed without the prior approval of the Board.
- (b) Heavy foliage and fences are not allowed to interfere with the vision triangle of traffic. Accordingly, no fence, wall, hedge, shrub or other planting which obstructs sightlines at elevations between two (2) and six (6) feet above the roadway shall be placed or permitted to remain on any corner Lot within the area of a vision triangle, the boundaries of which are described as commencing at the point of the right angle of the Lot

- lines formed by the intersection of the two roadways and extending back from said intersecting point along the Lot lines on both sides of the triangle a linear distance of twenty five feet (25') to the point of connection with the hypotenuse of the triangle.
- (c) All fences shall be constructed, installed and maintained in good appearance and condition at the expense of the Owner of the Lot on which they are located, and all damaged fencing shall be repaired or replaced to original design, materials and color within a reasonable time after said damage occurs. In the event a fence is situated between two Lots in a location which is on or within an area reasonably adjacent to the common Lot line, then, unless otherwise agreed to in writing between the Owners of the Lots on both sides of the common fence, the cost of maintaining, repairing and replacing the fence as provided herein shall be shared equally, on a 50:50 basis, by the Owners of the Lots on both sides of the common fence; except that in the event any such damage is solely attributable to one or the other of the common Owners, the Owner responsible for such damage shall repair and replace the fence at his sole cost and expense.
 - (d) No fence shall interfere with the use and enjoyment of any easement reserved in this Declaration or shown on the recorded Plat(s) of the Subdivision.
 - (e) Fences installed by the Grantor shall not be altered or modified by any Owner or Occupant in any manner other than for routine maintenance (including painting, repair and replacement). Owners and Occupants shall not install fences parallel to those installed by Grantor.
 - (f) Except as provided herein, chain link fencing is not a permitted fence-type. Exceptions may be granted by the Board on a case-by-case basis where: (1) such fence would be limited to a small area (such as a dog run), and (2) the chain link fence is not used as a perimeter fencing method and would not be open to public view. In all events, uses of chain link fencing must receive prior approval by the Board in writing with respect to location, color and other compliance with the Board fencing standards and specifications. Notwithstanding the foregoing, the Grantor shall be authorized to utilize chain link fencing, in the sole discretion of the Grantor, as necessary for the Development.
 - (g) It is strongly encouraged that privacy between Lots be established by hedges, trees, shrubbery or other landscaping, provided that the same complies with the intent of this Declaration and the Board fencing standards and specifications.

SECTION 5.20. Landscaping of Lots. The following provisions shall govern the landscaping of Lots within the Subdivision:

- (a) The minimum landscaping requirements for Lots within the Subdivision shall be as follows:
- (i) An innovative landscape design, including sculptured planting areas, berms or other features with screening or bordering of foundations, fences (if any), curbs and other similar elements.
 - (ii) The initial landscaping shall include, as a minimum, the planting of lawn, trees and shrubs as follows: lawn in the front yard using sod or hydroseed; two (2), one and one-half (1-1/2) inch caliper trees in the front yard; and five (5) shrubs in the front yard.
 - (iii) Upon approval and/or completion of the landscaping plan pursuant to this Section, no healthy tree shall be removed, nor other major change made, without approval of the Board. However, notwithstanding this Section, all diseased trees must be removed by the homeowner and be replaced within a reasonable time after the diseased condition is discovered .
 - (iv) All yards shall be irrigated with an automatic underground sprinkler system.
- (b) Landscaping on a Lot as required herein shall be installed in the front yard of a Lot within one (1) year after occupancy of the Building by an Occupant, and in the back yard of a Lot within (2) years after said occupancy.

SECTION 5.21. Adoption of AC Rules and Standards. The Grantor, or in the event of the Grantor's failure to do so, the Board, shall have the power to promulgate AC Rules and Standards relating to the planning, construction, alteration, modification, removal or destruction of Improvements within the Subdivision as shall be deemed necessary or desirable by the Grantor, or the Board, as the case may be, to carry out the purposes of this Declaration.

SECTION 5.22. Exemption Of Grantor. Nothing herein contained shall limit the right of the Grantor to subdivide or re-subdivide any Lot or portion of the Subdivision or to grant licenses, reservations, rights-of-way or easements to utility companies, public agencies or others; or to complete excavation, grading and Development to or on any Lot or other portion of the Subdivision owned or controlled by the Grantor, or to alter the foregoing and its Development plans and designs, or construct additional Improvements as the Grantor deems advisable in the course of Development of the Subdivision. This Declaration shall not limit the right of the Grantor at any time prior to acquisition of title to a Lot by an Owner to establish on that Lot additional licenses, restrictions, reservations, rights-of-way and easements to itself, to utility companies, the Service Agency, the Improvement District, the County and to others, as may

from time to time be reasonably necessary. The Grantor need not seek or obtain Board approval of any Improvements constructed or placed within the Subdivision by the Grantor in connection with the Development of the Subdivision.

**ARTICLE VI
THE COUNTRY CROSSING NEIGHBORHOOD
OWNERS ASSOCIATION, INC.**

SECTION 6.01. Organization of the Association. The Association shall be organized by the Grantor as a Utah non-profit corporation and shall be charged with the duties and vested with the powers prescribed by law and set forth in its articles of incorporation, its by-laws and this Declaration. Neither said articles nor by-laws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

SECTION 6.02. Members. Each Owner, (including the Grantor) of a Lot by virtue of being such an Owner and for so long as such ownership is maintained, shall be a Member of the Association. No Owner shall have more than one membership in the Association, but shall have such voting rights as hereafter set forth. A membership in the Association shall not be assignable, except to the successor-in-interest of the Owner, and a membership in the Association shall be appurtenant to and inseparable from the Lot owned by such Owner. A membership in the Association shall not be transferred, pledged or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title to said Lot. Any attempt to make a prohibited transfer of a membership shall be void and shall not be reflected on the books of the Association.

SECTION 6.03. Classes of Membership and Voting Rights. The Association shall have two (2) classes of membership with voting rights as follows:

- (a) **Class A Members.** Class A Members shall be all Owners of Lots within the Subdivision, with the exception of the Grantor (who shall have membership rights as set forth in subparagraph (b) of this Section 6.03). Class A Members shall be entitled to one (1) vote per Lot for each Lot owned by any such Class A Member(s). When more than one Owner holds an interest in any Lot, all such Owners shall be Members. The vote for each Lot shall be exercised as such Class A Member(s) may determine, but in no event shall more than one vote be cast with respect to any Lot notwithstanding the fact that there may be more than one Owner of said Lot.
- (b) **Class B Members.** Class B Members shall be the Grantor, and its successor or successors-in-title to one or more Lots, which Lots are held by any such successor in an unimproved condition (i.e., without a residential dwelling thereon) for resale to a builder or other person for the purpose of constructing thereon a residential dwelling, and to which successor the Grantor has specifically granted rights of Class B membership in writing; provided, that if such membership rights are not

so granted, such successor shall be entitled to the membership rights of a Class A Member with respect to each Lot owned. Class B Members shall be entitled to three (3) votes for each Lot owned. Class B Membership shall cease and be converted to Class A Membership on the happening of any one of the following events, whichever occurs earlier:

- (i) when the total votes outstanding in the Class A Membership equal the total votes outstanding in the Class B Membership;
- (ii) when all of the Class B Members specifically relinquish, in writing, all Class B Memberships; or
- (iii) on 31 December 2010.

SECTION 6.04. Governance, Board of Trustees and Officers. The governance of the Association shall be as follows:

- (a) Upon the effective date of the Association's articles of incorporation and thereafter during the initial period of governance and voting control by the Class B Members, the Association shall be governed by a Board of Trustees appointed by the Class B Members. The Trustees so appointed need not be Owners.
- (b) Upon termination of the Class B Memberships, the Class A Members shall thereupon elect the Board of Trustees. Each person elected to the Board of Trustees by the Class A Members shall be an Owner.
- (c) The officers of the Association shall be elected by the Board from among the members of the Board.
- (d) The members of the Board may receive compensation for services rendered upon execution of an agreement with the Board relative to such compensation, and may be reimbursed for actual expenses incurred by them in the performance of their duties as members of the Board.

SECTION 6.05. Powers and Purpose of the Association. The Association, acting through its Board of Trustees, shall have all powers of a non-profit corporation organized under the laws of the State of Utah subject only to such limitations as are expressly set forth in the articles, the By-laws and this Declaration. Subject to the provisions of Article VII, Section 7.12, it shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under the articles, by-laws and this Declaration, and to do and perform any and all acts which may be necessary or proper for, or incident to, the purpose for which the Association is formed and the performance of its responsibilities in connection therewith, including, but not limited to, the following:

- (a) Architectural Control. The Board shall have the power to review and approve any construction, alteration, modification, removal or destruction of any Improvements of any nature whatsoever, whether real or personal in nature, within the Subdivision.
- (b) Enforcement of Covenants, Conditions, Restrictions and Rules. The Board shall have the power to perform such other acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce any of the provisions of this Declaration and the Association's articles, by-laws and AC Rules and Regulations.
- (c) Rules and Regulations. The Board shall have the power to adopt, amend, and repeal the AC Rules and Standards and such other rules and regulations as the Association deems reasonable; provided, however, Association rules shall not discriminate among Owners and shall not be inconsistent with the articles, By-laws and this Declaration. Such AC Rules and Standards shall be developed and shall contain rules and standards governing the use of Association property, if any, which will promote high quality architectural, design, engineering and building standards while incorporating a reasonable degree of variety and flexibility and while maintaining an overall design and conceptual consistency congruent with a master planned community concept. A copy of AC Rules and Standards and such other Association rules as may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to the Owners and Occupants of each Lot, except that only one copy of the same need be mailed to each Lot at the street address of said Lot. Upon such mailings, said Association rules shall have the same force and effect as if they were set forth in and were part of this Declaration. In the event of any conflict between the AC Rules and Standards, or any other Association rule, or any provision of the articles, By-laws or this Declaration, the conflicting provisions of the Association rules shall be deemed superseded to the extent of any such inconsistency; however, in all cases, this Declaration shall control.
- (e) Services Fees and Charges. The Board shall have the power to impose fees and charges for architectural review and other services rendered by the Association, all as deemed necessary and reasonable by the Board.
- (f) Assessments. The Board shall have the power to levy Regular, Special and Limited Assessments on the Owners and/or Lots and to enforce payment thereof in accordance with the provisions of this Declaration.
- (g) Delegation of Powers. The Board shall have the authority to delegate its power and duties to any officer, committee, or employee, or to any person, firm or corporation to act as manager.

- (h) Fiscal Year. The Board shall have the right to elect a fiscal year for the Association instead of a calendar year for budget, Assessment and accounting purposes.

ARTICLE VII ARCHITECTURAL CONTROL AND ENFORCEMENT

SECTION 7.01. Approval Required. No construction, erection, alteration, modification, removal or destruction of any Improvements of any nature whatsoever, whether real or personal in nature, shall be initiated, maintained or otherwise permitted to continue or exist within the Subdivision without the prior express written approval of the Board.

SECTION 7.02. Variances. The Board may authorize variances from compliance with the requirements of any conditions and restrictions contained in this Declaration, the AC Rules and Standards, or any prior approval when, in the sole discretion of the Board, circumstances such as topography, natural obstructions, aesthetics or environmental considerations or hardship may so require. Such variances must be evidenced in a writing signed by at least two (2) members of the Board. If a variance is granted as provided herein, no violation of this Declaration, AC Rules and Standards or prior approval shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration or the AC Rules and Standards for any purpose except as to the particular subject matter of the variance thereof and the specific Lot covered thereby. The Board shall have the right to consider and grant a variance as herein provided either with or without notice to other Owners or a hearing of Owners thereon. The granting of a variance by the Board pursuant to this Section shall not relieve the Owner from the obligation to fully comply with the applicable laws and ordinances of the State, County, or any incorporated or annexing municipality and all applicable development standards and other conditions of approval for the Subdivision.

SECTION 7.03. Application. To request Board approval for the construction, erection, alteration, modification, removal or demolition of any Improvements within the Subdivision, the Owner shall submit a written application in conformance with the following:

- (a) The application shall be in a form required by the Board, which must be dated and signed by the Owner and contain all information requested and be accompanied by all other material to be submitted as hereafter provided.
- (b) All applications must contain, or have submitted therewith, two (2) copies of each of the following (collectively called "Plans and Specifications") prepared in accordance with acceptable architectural standards and submitted with the application form, if any, approved by the Board:
- (i) Site Plan. A site plan showing the location of the Building(s) and all other structures and Improvements including fences and walls on the

Lot, Lot drainage, and all set backs, curb cuts, driveways, parking areas and other pertinent information relating to the Improvements, at a scale no smaller than 1 inch = 20 feet.

- (ii) Building Plan. A building plan at a scale no less than 1/4 inch = 1 foot. Building elevation drawings of the north, south, east and west sides, and detailed specifications which shall indicate, by sample if required by the Board, all exterior colors, materials and finishes, including roof, to be used.
- (iii) Landscape Plan. A landscaping plan in conformance with the requirements of Section 5.21, at a scale no smaller than 1 inch = 20 feet.
- (c) The Board, in its discretion, may require the Owner to furnish such other specifications, drawings, material samples, and information, in addition to the Plans and Specifications, as the Board in its sole discretion reasonably exercised, shall deem necessary or convenient for the purpose of assisting the Board in reviewing and processing the application.

SECTION 7.04. Decision. In reviewing the application and the materials submitted therewith and in reaching a decision thereon, the Board shall use its best efforts and judgment to insure that all Improvements shall produce and contribute to an orderly and aesthetically complementary design and appearance and be of the quality required to maintain the Subdivision as a quality residential development. Unless extended by mutual consent of the Owner and the Board, the Board shall render its decision with respect to an application within forty-five (45) days after the receipt of a properly submitted and complete application. The decision of the Board may be in the form of an approval, a conditional approval or denial, as follows:

- (a) The decision of the Board shall be in writing, signed by a member of the Board, dated, and a copy thereof mailed to the Owner at the address shown on the application.
- (b) In addition to the requirements of Section 7.04(a), a conditional approval shall set forth with particularity the conditions upon which the application is approved, and the Owner shall be required to affix a copy of said conditions to the working drawings or blueprints which are to be kept on the job site during the entire course of the work to which said plans relate.
- (c) In addition to the requirements of Section 7.04(a), a denial of an application shall state with particularity the reasons for such denial.

In the event the Board shall fail to render a decision within said forty-five (45) day period, the application shall be deemed denied.

SECTION 7.05. Inspection and Complaints. The Board, or a duly authorized agent of the Board, is empowered to inspect all work in progress on any Lot at any time and receive complaints from other Owners as follows:

- (a) Any inspection by the Board shall be for the purpose of determining whether the Owner is proceeding in accordance with the approved application or is deviating therefrom or is violating this Declaration or the AC Rules and Standards or the approved Plans and Specifications. Each owner or builder shall instruct their respective workers and employees to proceed with construction only per Board approved Plans and Specifications. Any modifications or deviations from approved Plans and Specifications must be re-approved by the Board prior to installation.
- (b) The Board is further empowered to receive from other Owners (“Complainants”), complaints in writing involving deviations from approved applications or violations of this Declaration or any applicable AC Rules and Standards. In the event the Board receives such a complaint from a Complainant:
 - (i) It shall first determine the validity of such complaint by inspection or otherwise. Should the Board determine that there has been a substantive deviation or a violation, it shall promptly issue a notice in writing thereof to the Owner with a copy to the Complainant, which notice shall specify the particulars of the deviation or violation and shall demand that the Owner conform to either or both of the following directives:
 - (A) The Owner shall immediately cease the activity which constitutes a deviation or violation.
 - (B) The Owner shall adhere to the corrective measures set forth in the written notice.
 - (ii) Should the Board determine there has been no substantive deviation or violation, it shall promptly issue a notice of such determination to the Owner with a copy to the Complainant.

SECTION 7.06. Formal Hearing. An Owner submitting an application under Section 7.03, or an Owner served with a written notice of deviation or violation, or a Complainant, shall have the right to a formal hearing to be held by the Board for the purpose of presenting facts and information to the Board relative to the application, deviation or violation or complaint, as the case may be.

- (a) A request for a formal hearing shall be in writing and shall be delivered by mail to the Secretary of the Board within ten (10) days from the date of the original decision on the application or complaint by the Board. Said request shall be dated

and shall contain the name of the Owner and the Complainant, as the case may be, together with a copy of the written decision or determination of the Board.

- (b) The failure of an Owner or Complainant to request a formal hearing by the Board in the manner and within the time herein provided shall terminate all rights of said Owner or Complainant to a formal hearing on said decision; whereupon, it shall be binding and enforceable.
- (c) The Board shall fix a date for the hearing, which date shall be not later than ten (10) days from the date of receipt of a request for hearing unless extended by the Board because of the unavailability of Board members. The Owner and Complainant, if any, shall be advised of the time and place of the hearing by a mailed written notice. Written notice of time and place for hearing shall also be served by mail upon each member of the Board.
- (d) At the hearing, the Owner or the Complainant, as the case may be, together with their representatives and other witnesses, shall present their position to the Board. Any party may be represented by an attorney at the hearing.
- (e) Upon receiving all of the evidence, oral and documentary, and following the conclusion of the hearing, the Board shall retire to deliberate and shall reconvene at a time and place determined by the Board, at which time the Board shall cast its official ballot and the decision shall be duly recorded in the minutes of the meeting. The Owner or the Complainant, as the case may be, shall be given written notice of the decision which shall be deemed given when deposited in the United States mail, postage prepaid and properly addressed.
- (f) If the Board incurs any costs or expenses in connection with the investigation, processing or hearing, including the costs of retaining legal counsel and other consultant(s) to advise the Board, such costs shall be paid by the party(s) requesting the hearing, unless the decision by the Board constitutes a substantial reversal of the original decision of the Board, in which event such costs shall be paid by the Association. If the party requesting the hearing is obligated to pay such costs, payment of the same shall be enforceable as provided in Section 7.07, below.
- (g) A decision of the Board at the conclusion of a formal hearing shall be final and shall not be subject to reconsideration or further appeal.

SECTION 7.07. Enforcement. The Board shall be authorized, on behalf and in the name of the Members of the Association, to commence such legal or equitable actions, suits and proceedings as are determined by it to be necessary or proper, from time to time, to restrain and enjoin any breach or threatened breach of this Declaration, the articles, by-laws, AC Rules and Regulations and/or other duly promulgated rules of the Association, and to correct, restrain or enjoin any activity or condition existing within the Subdivision, the continuation of which

violates the provisions of this Declaration, the articles, by-laws, AC Rules and Standards and other duly promulgated rules of the Association and/or the approved Plans and Specifications, and to enforce, by mandatory injunction or otherwise, all provisions thereof. Enforcement by the Board shall be subject to the following:

- (a) The Board shall not commence such legal or equitable proceedings until a written notice of the deviation or violation has been appropriately prepared and given to the Owner but thereafter the Board shall have the sole discretion to commence such proceedings.
- (b) The authority of the Board as herein provided shall include the power to retain legal counsel and expert witnesses, to pay filing fees, deposition costs; and/or witness fees and to incur all other ordinary expenses necessary in commencing and carrying out said legal or equitable proceedings, all of which costs shall be paid by the Association.
- (c) In the event the Board and/or Association shall prevail in any such legal or equitable proceedings, the Board may elect to require that all costs and expenses incurred in connection therewith including, but not limited to, attorneys' fees shall be reimbursed to the Association by the Owner against whom said proceedings are filed; and upon the failure of said Owner to reimburse the Association within ten (10) days after written demand therefor is mailed to the Owner, the Association shall have the right to levy a Limited Assessment against the Owner and the Lot owned by the Owner, which Assessment shall be equal to said costs and expenses incurred plus any additional costs and expenses incurred in levying the Assessment. Said Limited Assessment shall be due and payable at such time or in such installments as may be determined by the Board, in its sole discretion. The failure of the Owner to pay said assessments or any installment thereof when due, shall be enforceable in the manner provided in Article IX, below.

SECTION 7.08 Additional Damages. In addition to the costs and expenses to be reimbursed by the Owner or the Complainant, all other costs, expenses and damages determined by the Board to be proximately caused by the deviation or violation, or the costs and expenses incurred by the Association to correct the same, shall be assessed as a Limited Assessment against the Owner and the Lot owned by said Owner, or the Complainant and the Lot owned by the Complainant, as the case may be, which Limited Assessment shall be due and payable at such time or in such installments as determined by the Board, in its sole discretion. The right of the Board to enforce said Limited Assessment shall be the same as provided in Article IX, below.

SECTION 7.09. Non-Exclusive Remedy. The right of the Association to levy a Limited Assessment as described in Section 8.04, below, shall not be deemed to be an exclusive remedy of the Association; and it may, in its sole discretion, without waiver of any other legal or equitable remedy, pursue enforcement of the lien of said Limited Assessment(s), proceed to

collect any amount due directly from the Owner, and/or pursue any other remedies available at law or in equity.

SECTION 7.10. Private Rights. The Association shall not have the right to mediate or litigate private disputes between Owners where there is a legal or equitable remedy available to resolve said dispute when, in the sole discretion of the Board, the interests of the Association or a substantial number of the Owners would not be benefitted thereby.

SECTION 7.11. Non-liability of Board and Committee Members. Neither the Association, the Board, nor any member thereof, nor the Grantor, nor any partner, officer, employee, agent, successor or assign thereof, nor any member of any committee, nor any person or persons appointed by the Board to whom any powers have been delegated pursuant to Section 6.05(g) herein, shall be liable to the Association, any Owner, or any other person for any loss, damage, prejudice or injury arising out of or connected with the performance by the Board or committee of its duties and responsibilities by reason of a mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve an application, or any other act, error or omission, provided that said Board member, committee member, officer, manager or other person has, upon the basis of such information as was available, acted in good faith without willful or intentional misconduct. Every person who submits an application to the Board for approval of plans and specifications agrees, by submission of such an application, and every Owner or Occupant of any Lot agrees, by acquiring title thereto or an interest therein, not to bring any action or suit against the Association, the Board or committee of the Board, or any member thereof, or the Grantor or any officer, partner, employee, agent, successor or assign thereof, to recover such damages.

SECTION 7.12. Lands Additionally Subject to Stansbury CCRs. The following-described land within the Subdivision is also subject to the covenants and restrictions of the Stansbury CCRs:

Lots 1-32, 42-43, and 66-124, Lakeside Subdivision No. 3,
according to the official plat thereof of record in the office of the
County Recorder, Tooele County, Utah.

Pursuant to that certain Architectural Control Agreement entered into by and among W L Homes, L.L.C., a Delaware limited liability company, d.b.a. Watt Homes, Utah Division. The Country Crossing Neighborhood Owners Association, Inc., a Utah non-profit corporation, the Stansbury Park Homeowners Association, Leucadia Financial Corporation, a Utah corporation, and the Stansbury Architectural Control Committee, a copy of which is attached as EXHIBIT "A" hereto (the "AC Agreement"), the Stansbury ACC and Leucadia have assigned all of the rights and powers and delegated all of the duties and obligations which they may have under the Stansbury CCRs to the Association with respect to land described in this Section 7.12. The Owners and Occupants of said land shall be subject to the terms and provisions of the AC Agreement as well as this Declaration. Should the AC Agreement, for any reason, be determined by a court of law to be unenforceable, the Owners and Occupants of said land shall be subject to the terms and provisions of the Stansbury CCRs as well as this Declaration. In the

event of any inconsistency between the terms and provisions of the Stansbury CCRs and this Declaration, the terms and provisions of the Stansbury CCRs, being first recorded, shall govern and control.

ARTICLE VIII ASSESSMENTS

SECTION 8.01. Covenant to Pay Assessments. Each Owner hereby, and by acceptance of a deed to a Lot, whether or not it shall be so expressed in such deed, covenants and agrees to pay when due all Regular, Special and Limited Assessments or charges levied by the Association, in such amounts as the Board shall determine to be necessary, in conformance with the provisions hereof. All such Assessments, together with interest, costs and reasonable attorneys' fees which may be incurred in collecting the same, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment is made, and shall also be the personal obligation of the Owner of such Lot at the time when the Assessment becomes due and payable; provided, however, that all such assessments shall be junior and subordinate to the lien of a first Mortgage or first deed of trust encumbering the Lot. The personal obligation for delinquent Assessments shall not pass to an Owner's successors in title unless expressly assumed by them. No Owner may waive or otherwise avoid liability for any Assessment by abandonment of his Lot. All properties dedicated to, and accepted by, the County, Service Area, Improvement District, or other governmental authority, and all properties owned by a religious, charitable or non-profit organization exempt from taxation by the laws of the State of Utah shall be exempt from the payment of all assessments provided for herein.

SECTION 8.02. Regular Assessments. Although Regular Assessments shall not be levied initially, the Board shall have the authority, at its sole discretion, at any time in the future, and from time to time, to levy Regular Assessments. Regular Assessments, if and when levied, shall be levied in conformance with the following:

- (a) Regular Assessments shall be assessed on an annual or other basis as determined by the Board.
- (b) Regular Assessments shall be based upon advance estimates of annual cash requirements as determined by the Board to be necessary for the performance by the Association of its duties and responsibilities, but shall not be excessive. Such estimates may include, but shall not be limited to, expenses of management, administration and funding of Board activities, legal and accounting fees, and any deficit remaining from previous periods and the creation of a reserve, surplus and/or sinking fund(s), and other expenses or obligations incurred or expected as they may be required by the Association in compliance with this Declaration.
- (c) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual Regular Assessment shall be Sixty Dollars (\$60.00) per Lot. From and after January 1 of the year immediately following the

conveyance of the first Lot to an Owner, the maximum amount of the Regular Assessment may be increased each year by no more than five percent (5%) above the Regular Assessment levied for the previous year unless a higher increase is approved for such year by 100% of the Class B Members and by a vote of the Class A Members representing 2/3 or more of those Lots in the Subdivision which are represented in person or by proxy at a meeting duly called for this purpose at which a quorum is first present. The Board may levy a Regular Assessment without a vote within the parameters set forth herein.

SECTION 8.03. Special Assessments. In addition to Regular Assessments, the Association may levy at any time a Special Assessment payable over such period as the Board may deem appropriate for the purpose of curing a deficit in the common and ordinary expenses of the Association for which Regular Assessments for a given calendar or fiscal year are or will be inadequate to pay, as determined by the Board; provided that any such Special Assessment shall not be levied unless the same is approved by all of the Class B Members and by a vote of the Class A Members representing 2/3 or more of those Lots in the Subdivision which are represented in person or by proxy at a meeting duly called for this purpose at which a quorum is first present.

SECTION 8.04. Limited Assessments. In addition to Regular and Special Assessments, Owners shall pay Limited Assessments as follows:

- (a) **Maintenance and Repair.** In the event an Owner of a Lot shall fail and/or refuse to repair, maintain or restore any Improvements situated on said Lot in a manner satisfactory to the Board, in its sole discretion, within a reasonable time after written notice of the necessity thereof has been delivered by the Board to said Owner, then the Association, upon approval by a 2/3 vote of the members of the Board, shall have the right, through its agents and employees, to enter upon the Lot and to repair, maintain and restore the Lot or Improvements thereon as necessary in the opinion of the Board. Any costs or expenses incurred by the Association, including, without limitation, court costs and attorney's fees, arising out of or incident to such repair, maintenance and restoration and the Assessment therefor, shall be levied by the Board as a Limited Assessment against the Owner of the Lot and be collected as set forth herein.
- (b) **Correction of Violations.** In addition to maintenance and repair, the Board, upon certification from the Board of the failure or refusal of an Owner to correct a violation of this Declaration or the AC Rules and Standards, shall have the power to correct any such violation on a Lot or any Improvement on a Lot, or on Association property, and incur costs necessary in connection therewith. The cost of such corrective action, together with interest, related expenses and attorneys' fees shall be levied

by the Board as a Limited Assessment against the Owner of the Lot and be collected as set forth herein.

- (c) Limited Purpose. The Association shall have the power to levy a Limited Assessment against Owners of Lots for any limited special purpose which the Board believes necessary with respect to certain Lots but not an appropriate expense for payment by the Association. Such Limited Assessment shall not be made until the Owners of said Lots subject thereto have been given an opportunity, after notice, to participate in a formal hearing before the Board, pursuant to the provisions of Section 7.06, above, with respect to said Limited Assessment.

SECTION 8.05. Notice and Quorum for Action under Section 8.02 and 8.03. Written notice of any meeting called for the purpose of taking any action authorized under Sections 8.02 and 8.03 above shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of such meeting. At the first such meeting called, the presence of Class A Members and Class B Members, in person or by proxy, representing sixty (60%) of all Lots in the Subdivision shall constitute a quorum. If the required quorum is not present at the first meeting so called, another meeting may be called subject to the same notice requirement, and the presence of Class A Members and Class B Members, in person or by proxy, representing one-half (½) of the required quorum at the preceding meeting, shall constitute a quorum for such meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 8.06. Grantor Payment of Association Expenses. Lots owned by the Class B Members shall not be exempt from assessment. If the Grantor pays all or any portion of the expenses of the Association in excess of the amount assessed to Lots owned by the Grantor, such excess amounts so paid shall constitute a prepayment of Assessments (Regular and Special) to become due and payable on the Lots owned by the Grantor within the Subdivision; provided that unless such excess amounts so paid by the Grantor are paid pursuant to a written agreement with the Association to the contrary, the Grantor shall not be entitled to reimbursement in cash of any such Assessment credit nor shall such credit inure to an Owner purchasing a Lot from the Grantor, unless such person is the successor to substantially all of the interest of the Grantor in the Subdivision. Nothing herein contained shall obligate the Grantor to pay any Assessment with respect to a Lot within a separately platted phase or subdivision within the Subdivision in which the Grantor owns all of the Lots.

SECTION 8.07. Uniform Rate Or Assessment. Except as expressly provided to the contrary in this Declaration, Regular and Special Assessments of the Association shall be levied at a uniform rate for all Lots.

SECTION 8.08. Assessment Due Date. The due dates for Regular, Special and Limited Assessments shall be established in writing by the Board. Each installment of an Assessment shall be delinquent if not paid within fifteen (15) days after the due date thereof. Nothing herein contained shall prohibit the Board from requiring that Special or Limited Assessments be paid in

a lump sum instead of installments. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of issuance.

SECTION 8.09. Interest and Penalties. Any Regular, Special or Limited Assessment levied by the Association on Lots, if not paid when due, shall bear interest at an annual rate as shall be set by the Board from time to time, or if none is so set, at an annual rate of twelve percent (12%). Such interest shall commence on the date the Assessment becomes due and payable. In addition to the interest charge the Board may, in accordance with rules and regulations promulgated by it, impose additional fines, bad check and other charges for the failure of an Owner to timely pay any Assessment when due. The right of the Board to charge interest or impose additional fines or charges shall be in addition to, and not in lieu of, any other right of enforcement or sanction available to the Board in the event of non-payment of an Assessment.

SECTION 8.10. Budgets and Financial Statements. Financial statements for the Association shall be regularly prepared and copies distributed at the Association's annual meeting as follows:

- (a) A pro forma operating statement (budget) for each fiscal year.
- (b) Within ninety (90) days after the close of each fiscal year, the Association, or its agent, shall cause to be prepared a balance sheet as of the last day of the Association's fiscal year and an annual operating statement reflecting the income and expenditures of the Association for that fiscal year.

ARTICLE IX ENFORCEMENT OF ASSESSMENTS

SECTION 9.01. Right to Enforce Assessments. The right to collect and enforce the payment of the Assessments levied by the Association is vested in the Association. Each Owner of a Lot hereby agrees to the enforcement of the payment of all Assessments in the manner herein provided. In the event an attorney is employed for the collection of an Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of any of the terms and conditions of this Declaration, the Owner against whom such enforcement is sought shall pay reasonable attorneys' fees and court costs in connection therewith.

SECTION 9.02. Creation of Assessment Liens. There is hereby created a continuing lien with power of sale on each and every Lot to secure payment of any and all Assessments levied against any and all Lots in the Subdivision pursuant to this Declaration, together with interest thereon and all costs of collection which may be paid or incurred by the Association in

connection therewith, including reasonable attorneys' fees. Said lien shall be prior and superior to all other liens or claims created subsequent to the recordation of this Declaration except only for: (i) valid tax and special assessment liens on Lots in favor of any governmental unit assessing authority; (ii) a lien for all sums unpaid and secured by a first Mortgage or first deed of trust, duly recorded in the County, including all unpaid obligatory advances to be made pursuant thereto; and (iii) labor or materialman's liens, if the same are prior and superior by reason of applicable law. All other lien holders acquiring liens on any Lot after recordation of this Declaration shall be deemed to consent that such liens shall be inferior liens to the lien for Assessments levied by the Association, whether or not such consent be specifically set forth in the instruments creating such other liens.

SECTION 9.03. Notice of Delinquency. If an Owner fails to pay an Assessment within thirty (30) days of its due date, the Association shall prepare a written notice of delinquency setting forth the type of Assessment, the amount of the Assessment, the due date thereof, including the amount and due date of installments (if the same are permitted), the amount remaining unpaid at the time of filing, including penalties, interest and other fines and charges lawfully imposed, the name of the record Owner of the Lot and a legal description of the Lot. Such notice shall be signed by the President and Secretary of the Association, acknowledged by a notary public and recorded in the office of the Tooele County Recorder. At such time as a delinquent Assessment which is described in the notice is paid, the Association shall prepare and record a notice of satisfaction with respect thereto.

SECTION 9.04. Enforcement. Upon the failure of an Owner to pay an Assessment in accordance with its terms, the lien for Assessment herein created may be enforced by sale by the Association, such sale to be conducted in the manner provided by law in Utah for the exercise of the power of sale in deeds of trust or in any other manner permitted by law elected by the Board. The Owner shall be required to pay to the Association any Assessments against the Lot which shall become due during the period of foreclosure. In any foreclosure proceedings, the Owner shall be required to pay the costs and expenses of such proceedings, including all reasonable attorneys' fees. All such costs and expenses shall be secured by the lien being foreclosed. The sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to mortgage foreclosure or the exercise of the power of sale or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire and thereafter hold, convey, lease, rent, encumber, use and otherwise deal with and in said Lot as the Owner thereof. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereon.

SECTION 9.05. Notice Required. Notwithstanding anything to the contrary contained in this Declaration, no action may be brought to foreclose the lien for any Assessment, whether by power of sale or otherwise, until the expiration of thirty (30) days after written notice of default has been deposited in the United States mail, certified or registered mail, postage prepaid, return receipt requested, addressed to the Owner of the Lot described in such notice at the last known address of the Owner as shown on the books and records of the Association. Said notice

shall specify the amount and due date of the unpaid Assessment(s) and the legal description of the Lot.

SECTION 9.06. Term of Assessment. Unless sooner satisfied and released or the enforcement thereof initiated as provided in this Article, the lien for any Assessment levied under this Declaration or any applicable Supplemental Declaration shall expire and be of no further force or effect after a period of five (5) years from the later of (i) the date of said Assessment, or (ii) the date the last installment thereof is due and payable; provided, however, that the expiration of the lien as provided herein shall not release an Owner from the personal obligation to pay any Assessment.

SECTION 9.07. Non-Exclusive Remedy. The remedies set forth in this Article or elsewhere in this Declaration shall not be deemed to be exclusive remedies and the Association may pursue all other remedies available at law or in equity.

ARTICLE X PARKS AND OPEN SPACES

SECTION 10.01. Parks and Open Spaces. All parks and open spaces identified in the approved plan for the Subdivision will be owned by the Stansbury Recreation Service Area of Tooele County and/or the Stansbury Greenbelt Service Area of Tooele County, and be operated and maintained by the Service Agency.

ARTICLE XI ANNEXATION

SECTION 11.01. Annexation. Additional property may be annexed and brought within the provisions of this Declaration by the Grantor, at any time, without the approval of any Owner or the Association. To annex additional property, the Grantor shall record an amendment to this Declaration which shall describe the additional property to be annexed, and the Grantor may supplement this Declaration with additional or different covenants and restrictions applicable to the annexed property, as the Grantor may deem appropriate, and the Grantor may delete or modify such covenants as are contained herein which the Grantor deems inappropriate for the annexed property. Upon such annexation, the Owners of the Lots within the annexed property shall become members of the Association with the same rights, privileges and obligations as all other members. The amendment of this Declaration as authorized by this Section, to annex additional property, shall be controlled by the provisions of this Section and shall be expressly excluded from the requirements of Section 12.02 of this Declaration. Notwithstanding the foregoing, it is anticipated that each annexed parcel shall be developed and platted as a separate and distinct subdivision and the annexation thereof shall not, by virtue of such annexation, be considered an alteration, amendment or change to the plat for any prior subdivision comprising the Subdivision governed by the provisions of this Declaration.

SECTION 11.02. De-Annexation. The Grantor shall have the right to delete (de-annex) all or a portion of the Subdivision from the coverage of this Declaration and the jurisdiction of the Association, so long as the Grantor is the Owner of all of the property to be de-annexed and, provided further, that an appropriate amendment to this Declaration is recorded in the office of the Tooele County Recorder.

ARTICLE XII MISCELLANEOUS

SECTION 12.01. Term. This Declaration and all covenants, conditions, restrictions and easements contained herein shall run until December 31, 2030 (the "Initial Term"), unless amended as hereafter provided. After the First Term, said covenants, conditions, restrictions and easements shall be automatically extended for successive periods of ten (10) years each (the "Subsequent Terms"), unless extinguished by a written instrument executed by the Owners of at least three-fourths (3/4) of the Lots covered by this Declaration, and such written instrument is recorded with the Tooele County Recorder.

SECTION 12.02. Amendment. This Declaration may be amended as follows:

- (a) **By Grantor.** Until title to a Lot within the Subdivision is conveyed by the Grantor to an Owner, this Declaration may be amended or terminated by the Grantor by recordation of a written instrument signed by the Grantor and acknowledged setting forth such amendment or termination.
- (b) **By Owner(s).** Except where a greater percentage is required by an express provision in this Declaration, the provisions of this Declaration, may be amended during the Initial Term by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by a vote or written consent of ninety percent (90%) of the Class A Members and 100% of the Class B Members, and such amendment shall be effective upon its recordation with the Tooele County Recorder. The provisions of this Declaration, may be amended during any Subsequent Term by an instrument in writing, signed and acknowledged by the President and Secretary of the Association, certifying that such amendment has been approved by a vote or written consent of seventy-five percent (75%) of the Class A Members and 100% of the Class B Members and such amendment shall be effective upon its recordation with the Tooele County Recorder.

SECTION 12.03. Books and Records. All books, records and minutes of the Board and all other books and records maintained by the Association shall be made available for inspection and copying by any Owner or by his duly authorized representative, at any reasonable time and for a purpose reasonably related to his interest as a member in the Association, or at such other

place and time as the Board shall prescribe. All copying and other costs incurred by the Association, if any, in complying with such a request by an Owner, shall be paid for by the Owner at or prior to the time of receiving any such service or copies.

SECTION 12.04. Non-Waiver. The failure of the Grantor, the Board or any Owner in any one or more instances to insist upon the strict performance of any of the covenants and restrictions or other provisions of this Declaration or to exercise any right or option contained herein, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of such covenants and restrictions or other provision, but the same shall remain in full force and effect.

SECTION 12.05. Acceptance. Each Owner of a Lot, each purchaser of a Lot under a contract or agreement of sale and each holder of an option to purchase a Lot, by accepting a deed, contract of sale or agreement or option, accepts the same subject to all of the covenants and restrictions and other provisions set forth in this Declaration and agrees to be bound by the same.

SECTION 12.06. Indemnification of Board Members. Each member of the Board, and any member of any committee and any person or persons appointed by the Board to whom any powers have been delegated pursuant to Section 6.05(g) herein, shall be indemnified by the Owners against all expenses and liabilities, including court costs and attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which said member or person may be a party, or in which said member or person may become involved by reason of being or having been a member of the Board or a committee of the Board or a person to whom power has otherwise been delegated by the Board, or any settlement thereof, whether or not said person is a member of the Board or committee of the Board at the time such expenses or liabilities are incurred, except in such cases wherein said person is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties; provided that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being in the best interest of the Association or Owners. This Section shall extend to and apply also for the indemnification of the Grantor during the period that the governance of this Association is vested in the Grantor.

SECTION 12.07. Notices. Any notice permitted or required to be delivered as provided in this Declaration shall be in writing and shall be delivered either personally, by facsimile or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after the same has been deposited in the United States mail, postage prepaid, properly addressed.

SECTION 12.08. Interpretation. The provisions of this Declaration and any Supplemental Declaration shall be liberally construed to effectuate the Project Objectives set forth in Article IV, above, and shall be construed and governed by the laws of the State of Utah. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall include the masculine, feminine or neuter. All captions and titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the provisions hereof.

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EXHIBIT A
[ARCHITECTURAL CONTROL AGREEMENT]

prepared and recorded by Terracor, predecessor-in-interest to Leucadia, the original developer of the residential community in Tooele County, Utah, known as Stansbury Park (the "Stansbury CCRs"); and

WHEREAS, the covenants, conditions and restrictions set forth in the Declaration are generally more detailed and restrictive than those set forth in the Stansbury CCRs, and the Declaration provides a stricter mechanism for enforcement of the covenants, conditions and restrictions set forth therein than that which is set forth in Stansbury CCRs; and

WHEREAS, notwithstanding the fact that the Subject Property is subject to the Stansbury CCRs and the Declaration, the Subject Property is being developed as a single and distinctive real estate development project with other lands which are subject only to the Declaration; and

WHEREAS, to enhance the cohesiveness of the real estate project being developed by Watt Homes and to avoid unnecessary duplication, the Parties deem it to be in their best interest and in the best interest of the owners and occupants of the Subject Property that is subject to both the Stansbury CCRs and the Declaration to centralize authority of governance under the Stansbury CCRs and the Declaration in one body pursuant to this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. The above recitals are incorporated into and made a part of this Agreement as though expressly set forth herein.
2. Assignment and Delegation. The Stansbury HOA, Leucadia and the Committee hereby assign and delegate to the Country Crossing HOA any and all rights, powers, duties and obligations of architectural review, approval, control and oversight which they may have with regard to the Subject Property by virtue of the Stansbury CCRs.
3. Inconsistency. In the event of any inconsistency between the terms and provisions of the Declaration and the Stansbury CCRs, the more restrictive requirement will govern and be applied by the Country Crossing HOA.
4. Dispute Resolution. Should a dispute arise between the Country Crossing HOA and

any owner or occupant of land within the Subject Property with regard to the interpretation or applicability of any covenant, condition, limitation or restriction of the Stansbury CCRs, the final interpretation or applicability of the disputed covenant, condition, limitation or restriction shall be determined by a majority vote of the combined membership of the Country Crossing HOA and the Committee at a joint meeting at which a majority of the members of both entities are present.

5. Indemnification. The Country Crossing HOA shall indemnify and hold the Committee and its members harmless from and against any and all losses, charges, expenses, costs (including without limitation attorneys' fees), claims, actions, demands, damages, and liabilities imposed or claimed to be imposed upon the Committee or its members which result from, arise out of or are otherwise attributable, in any way, to any act or omission of the Country Crossing HOA and its officers, directors and agents in connection with its architectural review, approval, control and oversight responsibilities pertaining to the Subject Property.

6. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

7. Attorney's Fees. In the event that this Agreement or any provision hereof shall be enforced by an attorney retained by a Party hereto, whether by suit or otherwise, the fees and costs of such attorney shall be paid by the Party who breaches or defaults hereunder, including fees and costs incurred upon appeal or in bankruptcy court.

8. Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable, or unenforceable, such void, voidable or unenforceable term or provision shall not affect the enforceability of any other term or provision of this Agreement.

9. Entire Agreement. This Agreement constitutes the entire understanding and agreement by and among the Parties hereto, and supersedes all prior agreements, representations or understandings by and among them, whether written or oral, pertaining to the subject matter hereof.

10. Inducement. The making and execution of this Agreement has not been induced by any representation, statement, warranty or agreement other than those herein expressed.

11. Representation of Authority. The individuals executing this Agreement on behalf of


the Parties hereby represent that they have the requisite authority to execute this Agreement on behalf of the respective Parties and that the respective Parties have agreed to be and are bound hereby.

IN WITNESS WHEREOF, the Parties have hereunto set their hand the day and year first above written.

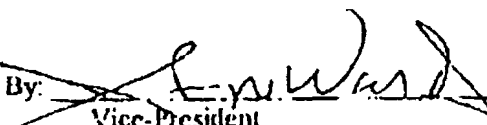
W.J. Homes L.I.C.,
d b a., Watt Homes, Utah Division

By: 
Divisional President

The Country Crossing Neighborhood
Owners Association, Inc.

By: 
President

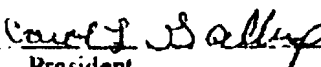
Leucadia Financial Corporation

By: 
Vice-President

Stansbury Architectural Control Committee

By: 
Chairman

Stansbury Park Homeowners Association

By: 
President