

DECLARATION FOR

THE MEADOWS AT HOBBLE CREEK

A Planned Unit Development

This DECLARATION is made this 2nd day of February, 1994, by BRUCE C. HAFEN, MARIE K. HAFEN, DON R. STRONG, MARK A. FULLMER, DONNA FULLMER, and JUDITH F. EDWARDS (collectively, the "Declarant"), who are presently the record owners of the Property, as hereinafter defined.

Recitals:

A. Declarant is the owner of certain real property in the City of Springville (the "City"), Utah County, State of Utah (the "Property") which is more particularly described as follows:

The Meadows of Hobble Creek, a Planned Unit Development as shown on the official plat thereof recorded as Entry No. 17399 in Book _____ at Page _____ of the official records of the Utah County Recorder's Office.

B. Declarant intends to subdivide the Property into ten (10) lots (the "Lots"), to make certain improvements to the Lots, and to create a planned development.

C. The Property and each Lot shall be held, conveyed, encumbered, used, occupied, and improved, subject to the limitations, restrictions, covenants, conditions, and other provisions set forth herein, all of which are declared and agreed to be for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property and for the purpose of fulfilling certain obligations to the City of Springville in conjunction with the Property.

D. As used hereinafter the terms "Lot Owner," "Owner," or "Owners" shall mean the person(s) who is/are the owner(s) of record (in the office of the Utah County Recorder) of a fee or an undivided interest in any Lot. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or similar instrument, the term Lot Owner, Owner, or Owners shall not mean or include the mortgagee or beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

NOW, THEREFORE, Declarant declares as follows:

ARTICLE 1. USE RESTRICTIONS AND COVENANTS

1.1 Land Use and Building Type. Lots shall be used only for single family residential purposes. Each Lot shall have not more than one detached single-family residence. No residence shall exceed two and one-half stories (excluding any basement) in height. Each residence shall have a two or more car fully enclosed garage. All construction is to be of new materials. Used brick may be used with prior written approval of the Architectural Control Committee, as defined in Article 2 herein.

1.2 Residence Size. The living area (as defined by Springville City Code 1991) of the residence on each Lot shall not be less than 2,200 square feet (excluding any basement and garage) for a one-story residence and shall not be less than 3,000 square feet (excluding any basement and garage) for a two story residence. Split entries, bi-level splits, tri-levels, one-and-one-half story residences, etc., shall all be reviewed and subject to square footage requirements reasonably established by the Architectural Control Committee consistent with the preceding standards for one and two story residences.

1.3 Temporary Structures. No structure of a temporary character (trailer, basement, tent, shack, garage, barn, or other out-building) shall be placed on a Lot or used as a residence on any Lot at any time. No structure shall be used as a residence unless it complies with the provisions of these covenants.

1.4 Completion of Landscaping. Front landscaping on each Lot shall be completed within six months following the time that the residence located thereon has been occupied. This duty to landscape shall not be applicable during the cold months (November through March).

1.5 Limitation on Landscaped Area. No more than an aggregate of one acre of any Lot shall be landscaped or cultivated. Except pursuant to written permission from the Superintendent of the City's water and sewer department, which permission shall be deemed granted for purposes of this Declaration unless the Superintendent reasonably determines that the application for which the permission is requested will contaminate the City's culinary water supply, no fertilizer or pesticide shall be applied on any portion of any Lot except that allowed to be landscaped or cultivated. For purposes of this Section 1.5, "landscaped or cultivated" shall not include (a) areas of a Lot used for pasture and from which a crop is not removed, or (b) any area which is not planted, such as, but without limitation, buildings, patios, driveways, sidewalks, and the portion of any recreational area which is not planted. Natural vegetation or pasture shall be allowed to grow in all portions of each Lot which are not landscaped or cultivated or otherwise improved.

1.6 Trash. Each Lot shall be kept free from junk, trash, and debris, including abandoned or unused vehicles. Trash or other waste shall be stored only in sanitary containers approved by the City. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

1.7 Hazardous Wastes. No portion of any Lot shall in any manner become a disposal site for toxic or hazardous wastes. Without limiting the generality of the foregoing, no gasoline, diesel fuel, motor oil, or petroleum products shall be dumped or disposed of on any portion of any Lot.

1.8 Parking.

1.8.1 No vehicles (excluding operable automobiles and pickups), equipment, or other units of any kind, including but not limited to trucks, buses, tractors, trailers, camping vehicles, boats, boat trailers, snowmobiles, motor homes, motorcycles, motorbikes, all-terrain vehicles, or other similar units and any part thereof (collectively the "units") shall be parked and/or stored in any driveway on a permanent or regular basis. Back or side yards may be used for storage of the units only when garages, sheds, and/or concrete parking pads have been provided for such storage. In no event, however, shall such units be parked and/or stored in any area which is located between the residence located on a Lot and Hobble Creek Canyon Road.

1.8.2 No vehicles shall be parked on the Hobble Creek Canyon Road.

1.8.3 On the Road, as defined in Article 4 herein, for the benefit of Lots 6 through 10, there shall be no overnight parking of vehicles and no parking of vehicles at any other time which might obstruct the passage of emergency vehicles or other vehicles using the Road for access and from any of said Lots.

1.9 Motorcycles, Etc. Motorcycles, motorbikes, snowmobiles, all-terrain units, and other similar units shall not be used or ridden on the Property for recreational or sport purposes to the extent such use or riding creates an unreasonable disturbance to the Owners of any Lots, except that the same may be used to transport persons to or from any residence located on a Lot. The purpose of this Section is to control so-called "joy riding" on the Property, to control undue noise, dust, and fumes, and to promote safety.

1.10 Lights, Poles, and Exterior Fixtures. No yard lights, mail boxes, window shades, awnings, planters, window guards, light fixtures, fans, or other similar items shall be installed outside the interior of any building on the Property without the prior written approval of the Architectural Control Committee. No

lighting device shall be installed or maintained on a Lot which causes an intensity or glare offensive to or interfering with any Owners or residents of another Lot. Exterior roof-mounted air conditioners, exterior side-mounted air conditioners, and antennas shall be installed only where they are not visible from Hobble Creek Canyon Road. Satellite dishes shall be installed only in rear yards and shall not exceed six (6) feet in height. Tower type radio, television, or telephone antennas shall not be allowed.

1.11 Maintenance of Lots. All Lots (improved or unimproved) shall be kept free of rubbish, weeds, and other unsightly items, and shall be maintained in such a manner as not to detract from the residential quality of the Property.

1.12 Business or Commercial Activities. No commercial or business activities of any nature shall be engaged in or conducted on the Property except as conducted entirely within a residence pursuant to a permit issued under Springville City Code 1991 Section 11-3-623 and any amendments thereto.

1.13 Animals. Household pets which are allowed as permitted uses in the City's R-1-10,000 Zone shall be permitted on the Property; provided, however, in no event shall more than three (3) dogs six (6) months of age or older be kept on any Lot. All animals except those household pets allowed as permitted uses in the City's R-1-10,000 Zone shall be kept on a Lot only in compliance with the following restrictions:

1.13.1 The number of animals kept on any Lot shall not exceed one animal unit, as defined below, for each 30,000 square feet of area of the Lot which is used as a livestock management area. No animals shall be kept on any Lot where less than 30,000 square feet of the Lot is used as a livestock management area nor shall fractional animal units be permitted. For purposes of this part 1.13.1, a livestock management area shall include all portions of the Lot used as sheds, barns, coops, corrals, pastures, and stables, but shall not include the area of a Lot devoted to a residence, gardens, sidewalks, driveways, lawns, and other landscaping.

1.13.2 One animal unit shall be any of the following:

(a) one cow together with the suckling offspring thereof;

(b) one horse or mule or donkey together with the suckling offspring thereof;

(c) four adult sheep, together with the suckling offspring thereof, or eight feeder lambs;

(d) four adult goats together with the suckling offspring thereof; or

(e) twelve fowl.

An animal unit shall not include any species of animal not listed above nor shall any animal of a species not listed above be kept on any Lot.

1.13.3 The number of animal units kept on any Lot shall not exceed four.

1.14 Signs. No sign shall be displayed to public view on or from any Lot without the prior written consent of the Architectural Control Committee, except a sign approved by the Architectural Control Committee advertising a Lot for sale.

1.15 Certain Activities. No noxious, offensive, or unlawful activity shall be engaged in on any part of any Lot.

1.16 Trees. No living tree in excess of five inches in diameter on any Lot shall be cut (other than normal pruning and tree care) without the prior written consent of the Architectural Control Committee.

ARTICLE 2. ARCHITECTURAL CONTROL COMMITTEE

2.1 Architectural Control. No building, structure, or other item as to which approval or consent of the Architectural Control Committee is required pursuant to this Declaration, shall be constructed, erected, placed, or altered (except for interior alterations) on any Lot until the construction plans and specifications and a plan showing the location have been approved by the Architectural Control Committee (the "ACC") as to quality, workmanship, materials, size, harmony of external design with the planned development, location, and finish grade elevation. Without limiting the generality of the foregoing, materials used in the construction of any fence or wall must have the prior approval of the ACC. If architectural guidelines are not attached as an Exhibit to this Declaration, the ACC shall propose to the management committee described hereinafter ("Management Committee"), a set of consistent Architectural Guidelines ("Guidelines") for the Property in accordance with the foregoing general statements. Once approved by the Management Committee the Guidelines shall be distributed to all Lot Owners. At the option of the Management Committee, the Guidelines may be recorded as an Exhibit "A" to this Declaration. Once in place, the Guidelines may be amended at any time by majority vote of the Management Committee. Any such amendment shall be distributed to the Lot Owners and, if prior guidelines had been recorded, recorded with the County Recorder.

2.2 Architectural Control Committee. The ACC is initially composed of JAY PETERSON, BRUCE HAREN, and MAKIE HAREN. A majority of the ACC may designate a representative to act for it.

Neither the members of the ACC nor its designated representative shall be entitled to any compensation from the Lot Owners for services performed pursuant to this Declaration. On the date two years after all of the Lots have been sold by Declarant, or at such earlier date as is selected by Declarant in its sole discretion, the Owners (the Owners of each Lot having one vote) shall elect the membership of the ACC. Prior to the date on which the Owners shall elect the membership of the ACC, Declarant shall have the right to elect the membership. The right to elect the membership of the ACC also includes the right to remove one or more members of the ACC and to fill vacancies.

2.3 Architectural Control Committee Procedures. All presentations to the ACC shall be in writing and shall be complete when submitted. The ACC has the right to request additional information if it deems the application to not be sufficiently complete to allow the committee to make a decision. The approval or disapproval of the ACC, as required herein, shall be in writing. In the event the ACC or its designated representative fails, within fifteen (15) days after receipt of a complete application, to take written action or to disapprove plans and specifications which have been submitted to it, such plans and specifications shall be deemed to have been approved. Any denial of the ACC may be appealed to the Management Committee within ten days after the denial. The Management Committee shall hear the appeal within fifteen days after receipt thereof. The decision of the Management Committee is final.

2.4 Construction.

2.4.1 Once begun, any improvements, construction, landscaping, or alterations approved by the ACC shall be diligently prosecuted to completion. The construction of all structures on any Lot shall be completed within a period of eighteen months following commencement of construction, unless the ACC, in its sole discretion, extends said period by written notice.

2.4.2 Lot Owners and builders shall clean up all trash and debris on the construction site at the end of each week. Trash and debris shall be removed from each construction site at least once a week to a dumping location off-site of the Property. Light-weight material, packaging, and other items shall be covered or weighted down to prevent wind from blowing such materials off the construction site. Lot Owners and builders are prohibited from dumping, burying, or burning trash anywhere on the Property. During the construction period, each construction site shall be kept neat and debris shall be promptly removed from the streets, Lots, open spaces and driveways.

2.4.3 Each Lot Owner and builder shall be responsible for providing adequate sanitary facilities for his

construction personnel. Portable toilets or similar temporary toilet facilities shall be located only on the site itself in areas approved by the ACC.

2.4.4 Construction crews shall not park on, or otherwise use, other Lots. All construction vehicles and machinery shall be parked only in areas designated by the ACC.

2.5 Limitation on Liability for ACC Action. There shall be no liability imposed directly or indirectly on any member of the ACC for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the ACC unless due to the willful misconduct or bad faith of such member. In reviewing any matter, the ACC shall not be responsible for reviewing, nor shall its approval of any building, structure, or other item be deemed approval of, the building, structure, or other item from the standpoint of safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations.

2.6 Definition of Management Committee. For purposes of this Article 2, the term "Management Committee" means the Management Committee of the Property Association identified in Article 5 herein.

ARTICLE 3. SEPTIC TANKS; SEWER LINE; HOBBLE CREEK ROAD

3.1 Septic Tanks. All septic tanks and drain field waste water disposal systems for each Lot shall be constructed, used, and maintained in strict compliance with the following provisions:

3.1.1 Each such system will be constructed in the manner required by all applicable regulations of the City-County Health Department of Utah County and Utah Department of Environmental Quality (hereafter "DEQ"). City's Building Inspector will be notified when each system is installed so that he may verify compliance with all applicable regulations. No sewer pipe, septic tank, or drain field will be buried nor any trench therefor backfilled until it has been inspected and approved by the Building Inspector.

3.1.2 All sewer pipes and related construction installed within the development northerly from Hobble Creek shall be of "special construction" type approved by DEQ Division of Drinking Water for use in spring protection zones as provided in Sections 6.2.3.4 and 6.3.4 of the regulations of the Division, or any subsequent regulations on the same subject which may be in force at the time of construction. This part (b) shall apply even though such sewer pipes and related construction are not within a spring protection zone required by the Division of Drinking Water Regulations.

3.1.3 Each drain field will be of dual construction such that only one-half of the drain field is used at any one time. Each half of the drain field will be of sufficient size that it will meet all applicable regulations if the other one-half were not installed. Use of the two halves of the drain field will be alternated between halves at six-month intervals or at such other intervals as may be directed from time to time by the Superintendent of City's Water and Sewer Department.

3.1.4 The Superintendent of City's Water and Sewer Department may enter each Lot where each waste water disposal system is located at all reasonable times to inspect the use and condition thereof. Any sewer pipe, septic tank, or drain field, or any portion thereof, shall be repaired or replaced as directed by the Superintendent if he finds it to be not in proper working order. All costs of such repairs and replacements shall be borne by the Owner.

3.1.5 Sewer lines may be built in the area westerly of the line described below, but no septic tank or drain field will be located on any portion of the Property which lies westerly of the following line:

Beginning at a point which is North 2623.78 feet and East 2284.73 feet from the West 1/4 corner of Section 1, Township 8 South, Range 3 East, Salt Lake Base & Meridian; thence South 23°46'16" East 720.00 feet; thence South 63°09'20" West 525.74 feet

3.2 Discontinuance of Use of Septic Tanks. Septic tanks and drain field waste water disposal systems will not be permitted at any time after four months (excluding the cold months of November through March) from the date on which the City's sanitary sewer system reaches the Property.

3.3 Obligation to Extend Sewer Main. The Property Association, as described in Article 5 herein, shall, at its sole cost and expense and acting with reasonable promptness, extend the City's sanitary sewer system to the Property (and to each Lot) at any time when the following conditions are satisfied:

3.3.1 The City's sanitary sewer system comes within 200 feet of the westerly boundary of an approximate 14 acre tract which the City has acquired from Declarant immediately to the west of the Property, which tract is described as follows:

Beginning at a point which is North 2094.08 feet and East 1383.57 feet from the West 1/4 corner of Section 1, Township 8 South, Range 3 East, Salt Lake Base and Meridian; thence North 6°37'09" West 534.29 feet; South 89°56'19" East 498.25 feet; South 70°42'24" East 960.95 feet; North 69°25'42" West

173.96 feet; North 84°50'22" West 140.38 feet; South 82°51'59" West 94.07 feet; South 70°15'03" West 60.38 feet; South 47°39'09" West 43.07 feet; South 36°24'20" West 103.20 feet; South 43°29'47" West 147.39 feet; South 50°34'54" West 130.45 feet; South 58°11'55" West 135.32 feet; North 21°17'37" West 149.64 feet; North 19°40'22" West 113.59 feet; North 24°28'10" West 138.46 feet; North 87°05'02" East 78.23 feet; North 85°35'45" East 284.54 feet; North 13°22'14" West 125.27 feet; North 13°44'51" West 183.85 feet to the point of beginning. Containing 13.98 acres.

3.3.2 The City or others provide to the Property Association the necessary easements or licenses for the extension of the City's sanitary sewer system to the Property.

All construction related to the extension which is at the same or higher elevation than the Burt Spring collection system and all construction related to the extension which is within fifty (50) feet of and at an elevation lower than the Burt Spring collection system shall be of the special spring protection type of construction referred to in Section 3.1 herein. The sewer extension shall be made pursuant to a utility extension agreement between the City and the Property Association as required by Springville City Code 1991 Section 11-8-105 or any subsequent ordinance on the same subject.

The condition referred to in 3.3.1 above may be satisfied at the initiative of Declarant by Declarant's paying the cost of bringing the City's sanitary sewer system to within 200 feet of the line described above, and in such event the extension made at the initiative of Declarant and the extension to be made by the Property Association shall be coordinated and may be covered by a single utility extension agreement with the City.

Notwithstanding anything in this Declaration to the contrary, the Owner or Owners of any Lot shall not directly or indirectly be required to pay more than an equal share of all costs incurred by the Property Association in connection with the construction and maintenance of the sewer main extension except as a result of negligence or unauthorized use of the sewer main extension.

3.4 Obligations Related to Hobble Creek Road. Hobble Creek Canyon Road which runs through the Property has a dedicated public right-of-way width of 66 feet. If the City determines that the paved portion of the roadway in that right-of-way should be widened, the Property Association shall, at its sole cost and expense and acting with reasonable promptness, widen the asphalt paved roadway between the westerly and easterly boundaries of the Property and construct concrete curb and gutter on both sides of

the roadway. The obligation of the Property Association shall be subject to the following conditions:

3.4.1 All work and construction shall conform to reasonable City specifications.

3.4.2 The Property Association shall not be required to widen the roadway to a width greater than 49 feet of asphalt pavement plus curb and gutter.

3.4.3 The Property Association shall not be required to widen the asphalt paved roadway and install curb and gutter until the pavement has been widened to 49 feet and curb and gutter installed in that portion of Hobbles Creek Canyon Road beginning at the westerly boundary of the Property and running westerly a distance of 2000 feet.

Notwithstanding anything in this Declaration to the contrary, the Owner or Owners of any Lot shall not directly or indirectly be required to pay more than an equal share of all costs incurred by the Property Association in connection with such construction and widening.

ARTICLE 4. ROAD FOR BENEFIT OF LOTS 6 THROUGH 10

4.1 Road Maintenance. Declarant will construct an asphalt road (the "Road") extending from Hobbles Creek Road along the common boundary between Lots 6 and 7, across Lots 8 and 9, and ending at the boundary between Lots 9 and 10. The Road will provide ingress and egress to Lots 6 through 10 for pedestrian and vehicular traffic. At the point where the Road connects to Hobbles Creek Road, Declarant will designate an area adjoining the Road which may be used for mail boxes for Lots 6 through 10 and may be used for an entry light. (All mail boxes and any entry light will require written approval of the ACC, which approval will relate to quality, workmanship, materials, size, design, and location.) Maintenance of the Road will include, at the election of the Association, maintenance of the mail boxes or any entry light. The location of the Road is shown on the Subdivision Map. The Road will be for the benefit of the Owners of Lots 6 through 10, their guests, invitees, successors, and assigns.

The Owners of Lots 6 through 10 shall constitute a road association (the "Road Association"). The purpose of the Road Association shall be to maintain the Road and to establish reasonable rules and regulations governing its use subject to the limitations on parking which are set forth in Section 1.8 herein. Notwithstanding anything in this Declaration or in any bylaws or rules and regulations to the contrary, unless the Owners of Lots 6 through 10 (the Owners of each Lot having one vote) shall otherwise unanimously agree in a written instrument duly recorded:

4.1.1 Lots 6 through 10 shall share equally the costs of maintenance of the Road, including, without limitation, the costs of resurfacing the Road from time to time.

4.1.2 The standard of maintenance for the Road shall be consistent with private roads in first class residential developments.

ARTICLE 5. THE ASSOCIATIONS

5.1 Composition. Two Associations are provided for in this Declaration. One is the Property Association which is composed of the Owners of all ten (10) Lots. The other is the Road Association which is composed of the Owners of Lots 6 through 10. For purposes of the Property Association, the terms "Lot Owner," "Owner," or "Owners" mean the Lot Owner, Owner, or Owners of all Lots. For purposes of the Road Association, the terms "Lot Owner," "Owner," or "Owners" mean the Lot Owner, Owner, or Owners of Lots 6 through 10.

5.2 Bylaws. The bylaws for each Association, which may be amended by a majority vote of the Owners composing such Association, are as follows:

5.2.1 Voting at Meeting of Owners. At any meeting or election of Owners composing an Association, each Owner shall be entitled to one vote per Lot. In the event of multiple ownership of a given Lot, the Owners of such Lot shall cumulatively have only one vote.

5.2.2 Annual Meeting of Association. The Owners shall hold an annual meeting on the first Tuesday in June or at such other time as may be designated by the Management Committee herein designated and delivered to the Owners not less than ten (10) days prior to the date fixed for such meeting. At the annual meeting, elections shall be held to elect members of the Management Committee. A financial report may be given and such other business conducted as may be properly presented at the meeting. A special meeting of the Owners may be called at any time by written notice, signed by the majority of the Management Committee or by the Owners having one-third (1/3) of the total votes, delivered not less than ten (10) days prior to the date fixed for such meeting. Such meeting shall be held within the Property, and the notice therefor shall state the date, time, place, and matters to be considered. Notices may be delivered personally or by certified mail, return receipt requested.

5.2.3 The Management Committee. The Management Committee shall initially consist of three (3) persons, appointed by Declarant, which committee shall serve until two years after all of the Lots have been sold by Declarant, or until such earlier date as is selected at the sole discretion

of Declarant, at which time Declarant shall appoint three Owners as the Management Committee, who shall serve until the first annual meeting of the Owners. In the case of a vacancy on the Management Committee occasioned by death, resignation, removal, or inability to act for a period in excess of ninety (90) days, the remaining members of the Management Committee shall elect a successor to hold office until the next regular meeting of the Owners. The Management Committee may elect such officers as it shall deem appropriate and shall hold regular meetings within the City at times and places which the Management Committee shall determine. The quorum for the transaction of business shall consist of the majority of the Management Committee. The Management Committee shall have all the powers, duties, and responsibilities which are provided by law and by this Declaration. The Management Committee shall have the power to adopt and establish rules for the Owners and may from time to time alter, amend, or repeal such rules, it being understood and agreed that such rules shall apply to and be binding upon all of the Owners and/or occupants of all Lots subject to the particular Association. The Management Committee may obtain insurance insuring the Management Committee, the Owners, or other appropriate persons against liability to the public or to the Owners, their invitees, or tenants incident to the construction and maintenance of the sewer main extension and the widening and installation of curb and gutter in connection with Hobble Creek Road (in the case of the Property Association) and incident to the construction and maintenance of the Road (in the case of the Road Association), together with such other insurance as may be deemed necessary by the Management Committee to cover other risks customarily covered.

5.2.4 Property Association (Not Applicable to Road Association). The Management Committee for the Property Association shall have the authority and responsibility to take steps necessary or desirable to: (a) interpret the use restrictions and covenants and other provisions in Article 1 herein; (b) approve Architectural Guidelines for the Property and take other actions contemplated in Article 2 herein; (c) cause the extension of the sewer main to each Lot at such time as the sewer main is required to be extended pursuant to Section 3.3 herein or at such earlier time as the Owners elect to extend the sewer main even if not required pursuant to Section 3.3 herein; (d) maintain the sewer main extension, including replacements as necessary; (e) take steps necessary to widen the paved portion of Hobble Creek Canyon Road, install curb and gutter, and perform other obligations set forth in Section 3.4; and (f) fulfill and perform all of the other duties and obligations of the Association and the Management Committee under the Declaration. All capital costs in excess of \$1,000 in any calendar year shall be subject to approval by the vote of two-thirds of the Owners. Rules adopted by the Management Committee may include reasonable

terms and conditions under which Owners may connect to the sewer main and the terms and conditions of use of the sewer main.

5.2.5 Road Association (Not Applicable to Property Association). The Management Committee for the Road Association shall have the authority and responsibility to take steps necessary or desirable to maintain the Road, including resurfacing of the Road as needed from time to time, and to fulfill and perform all of the other duties and obligations of the Association and the Management Committee under the Declaration. All costs in excess of \$1,000 in any calendar year shall be subject to approval by the vote of two-thirds of the Owners. Rules adopted by the Management Committee may include reasonable terms and conditions relating to use of the Road.

5.2.6 Personal Obligation and Lien. Each Lot Owner, by owning and acquiring any interest in any Lot, shall be deemed to agree to pay to the Management Committee the periodic and special assessments described in these bylaws. Said assessments shall be a charge on and shall be a continuing lien upon the Lot against which each such assessment is made or cost relates. Each assessment shall be the personal obligation of the person who is the Lot Owner at the time the assessment is delinquent or the cost is incurred, but such personal obligation shall not be deemed to limit or discharge the lien upon the Lot, which shall run with and attach to the Lot and be a burden thereon. As used herein said assessment shall include costs (including, but not limited to, reasonable attorneys' fees) of enforcing the provisions of this Declaration and of collection of assessments and costs referred to herein, together with interest on such assessments and costs from the date due until paid at the rate of eighteen percent (18%) per annum or five percent per annum greater than the prime rate of interest quoted on the first business day of the current calendar year by First Security Bank of Utah, N.A., or its successor, whichever is greater. If a Lot is owned jointly, whether by joint tenancy or tenancy in common, all joint tenants or tenants in common shall be jointly and severally liable for such assessments and costs. Each Lot Owner shall, by acquiring or in any way becoming vested with his interest in a Lot, be deemed to covenant and agree to pay to the Management Committee the periodic and special assessments described in these bylaws. All such amounts shall be, constitute, and remain: (a) a charge and continuing lien upon the property with respect to which such assessments are made; and (b) the personal obligation of the person who is the owner of such Lot at the time the assessment falls due. The Lot Owners may not exempt themselves or their Lots from liability for payment of assessments by waiver of their rights concerning the Associations or by abandonment of their Lots. In a voluntary conveyance of a Lot the grantee shall be

jointly and severally liable with the grantor for all such unpaid assessments, late payment fees, interest and costs of collection, including reasonable attorneys fees, which shall be a charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

5.2.7 Purpose of Assessments. Assessments levied by the Management Committee shall be used exclusively for the purpose of enabling the Management Committee to exercise the rights and to perform or fulfill the duties, obligations, functions, or purposes of the Association and the Management Committee under the Declaration and may be levied on a monthly, quarterly, or other periodic basis as determined by the Management Committee. Without limiting the generality of the foregoing, the use made by the Management Committee of funds obtained from assessments may include (a) the funding of reserves to cover anticipated costs in connection with construction, repairs, or other duties or obligations, and (b) the payment of legal, engineering, architectural, and any and all other expenses necessary or desirable to enable the Association and the Management Committee to exercise their rights and to perform or fulfill their duties, obligations, functions, or purposes under the Declaration.

5.2.8 Special Assessments. The Management Committee may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonably capable of being fully paid with funds generated by periodic assessments; or (b) the cost of any construction, reconstruction, or unexpectedly required repair or replacement. Any such special assessments must be assented to by not less than a majority of the Lot Owners who are present in a meeting or represented by proxy and are entitled to vote at a meeting duly called for that purpose.

5.2.9 Reimbursement Assessment on Specific Lot. In addition to the periodic assessments and any special assessment authorized hereunder, the Management Committee may levy at any time special assessments on each Lot as to which the Management Committee shall incur any expense for maintenance or repair work performed, or enforcement action taken, pursuant hereto (the "Reimbursement Assessment"). The aggregate amount of any such Reimbursement Assessments shall be determined by the cost of such improvements, repairs, maintenance of enforcement action, including all overhead and administrative costs and attorney's fees, and shall be allocated among the Lots on which such improvements, repairs, maintenance or enforcement action are constructed or taken.

5.2.10 Rate of Assessment. Except for assessments levied under Section 5.2.9 hereof, all amounts assessed to the

Lot Owners in an Association shall be assessed equally to such Lot Owners.

5.2.11 Periodic Assessment Due Dates. The obligations with respect to the periodic assessments provided for herein shall commence as to each Lot on (a) the date a deed is delivered to the purchaser of a Lot, (b) if the sale is by way of a contract of sale, on the date the contract is executed by the parties thereto, or (c) the date of occupancy, whichever first occurs. The first periodic assessment shall be adjusted according to the number of days remaining in the period in which the obligation with respect to the assessment begins. At least fifteen days prior to the effective date of any change in the amount of the periodic assessment, the Management Committee shall give each Lot Owner written notice of the amount and the first due date of the assessment concerned. All assessments hereunder shall be delinquent if not paid within thirty days from the date of the notice of assessment.

5.2.12 Certificate Regarding Payment. Upon the request of any Lot Owner or prospective purchaser or encumbrancer of a Lot, the Management Committee shall issue a certificate stating whether or not all assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons who in good faith rely thereon.

5.2.13 Effect of Non-Payment Remedies. Any assessment not paid when due shall, together with the interest and costs of collection described herein, be, constitute, and remain a continuing lien on the property affected thereby and may be foreclosed in the manner provided in Utah law for foreclosure of mortgages or deeds of trust, with Landmark Title Company being appointed Trustee hereunder should the Trust Deed option be selected, with the Management Committee being the beneficiary, and the Lot Owner being the Trustor.

5.3 Limitation on Liability. There shall be no liability directly or indirectly on any member of any Association or of any Management Committee for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Association or of any Management Committee unless due to the willful misconduct or bad faith of such member.

ARTICLE 6. PROVISIONS FOR BENEFIT OF CITY

The provisions set forth in Article 1 and Article 3 (the "Articles for City's Benefit") herein are for the benefit of the City as well as for the benefit of the Owners and shall be enforceable by the City as provided in this Article 6.

In the event of any violation by the Property Association of its obligations under the Articles for City's Benefit and failure by the Management Committee of the Property Association to cure such violation within thirty (30) days after written notice thereof is given to the Management Committee of the Property Association and the Owners, City shall have the right, in addition to all other remedies at law and equity, to perform the obligation for and at the cost of the Property Association. The Property Association shall reimburse City for the cost of such performance together with interest thereon at the statutory contract rate from the date on which such cost is incurred until paid. If the Property Association does not reimburse City for such cost together with interest within thirty (30) days after demand, then ten percent (10%) of such cost together with interest shall constitute a lien against each Lot with the same priority as provided in Section 5.2 herein for liens in favor of the Management Committee of the Property Association. City shall also have the same right to interest, attorneys fees, and enforcement of such lien as is provided in Section 5.2 herein for liens in favor of the Management Committee of the Property Association.

In the event of any violation by an Owner of its obligations under the Articles for City's Benefit and failure by such Owner to cure such violation within thirty (30) days after written notice thereof is given to such Owner, City shall have the right, in addition to all other remedies at law and equity, to disconnect the utilities to such Owner's Lot until such violation is cured.

ARTICLE 7. AMENDMENTS

7.1 Amendment or Revocation Before Close of First Sale. At any time before the close of the first sale of a Lot to a purchaser other than Declarant, Declarant may, by executing an appropriate instrument, amend or revoke this Declaration. The executed instrument shall be acknowledged and recorded in the Office of the Recorder of Utah County.

7.2 Amendments by Owners After Close of First Sale. At any time after the close of the first sale of a Lot to a purchaser other than Declarant, this Declaration may be amended by the vote or written consent of Owners representing not less than seventy-five percent (75%) of the voting power of the Owners composing the Property Association; provided, however, any amendment which would change Article 4 (Road for Benefit of Lots 6 through 10) and Article 6 (the Associations), as Article 6 relates to the Road Association, may be amended only by the vote or written consent of all of the Owners of Lots 6 through 10.

An amendment becomes effective after 7.2.1 the approval of the required percentage of Owners has been given, 7.2.2 the fact has been certified in a writing executed and acknowledged by the required percentage of Owners, and 7.2.3 that writing has been recorded in the official records of Utah County, State of Utah.

7.3 Rights of City. Notwithstanding anything in this Article 7 to the contrary, no amendment, modification, or revocation of Sections 1.1, 1.5, 1.6, 1.7, 1.11, 1.12, 1.13, and 1.15 in Article 1 or of Article 3 or of Article 6 may be made without the duly authorized written approval of the City.

ARTICLE 8. GENERAL PROVISIONS

8.1 Perpetual Term. The provisions of this Declaration shall continue in effect perpetually.

8.2 Covenants Running with the Land. This Declaration, and all limitations, restrictions, covenants, conditions, and other provisions herein, shall constitute covenants running with the land and enforceable equitable servitudes upon each Lot and shall be binding on and for the benefit of all of the Property and all Owners and other parties having or acquiring any right, title, or interest in all or any part of any Lot, including the heirs, executors, administrators, and assigns of these parties and all subsequent owners and lessees of all or any part of any Lot.

8.3 Nonwaiver. Each remedy provided for in this Declaration is separate, distinct, and nonexclusive. Failure to exercise a particular remedy shall not be construed as a waiver of the remedy. No waiver of any breach of any provision or restriction of this Declaration shall constitute a waiver of any subsequent breach of the same or any other provision or restriction.

8.4 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

8.5 Binding Effect. This Declaration, as well as any amendment thereto and any valid action or directive made pursuant thereto, shall be binding on the Declarant and the Owners and their heirs, grantees, tenants, successors, and assigns.

8.6 Interpretation. The provisions of this Declaration shall be construed and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a planned development. Failure to enforce any provision or restriction of this Declaration shall not constitute a waiver of the right to enforce that provision or restriction or any other provision or restriction of this Declaration.

9. Nonliability of Declarant. The individuals constituting the Declarant shall, as such, have no liability whatever under this Declaration. The preceding sentence shall not relieve any of such individuals from their obligations as Owners, as members of the ACC, as members of the Associations, or as members of the Management Committees, but such individuals shall not have any

greater obligations than any other Owners or members. Such individuals are not partners, and none of them has any authority to act on behalf of any other of such individuals.

10. No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents in connection with any portion of the Property, the development thereof, any improvements thereto, or this Declaration, unless and except as shall be specifically set forth in a writing signed by the Declarant.

11. Violations Constitute a Nuisance. Any violation of any provision or restriction contained in this Declaration is hereby declared to be a nuisance and may be enjoined or abated by any person entitled to enforce the provisions and restrictions of this Declaration.

12. Enforcement of Declaration. Notwithstanding anything in this Declaration to the contrary, any Association or the Management Committee, the ACC, or any Owner shall have the right to enforce the provisions and restrictions contained in this Declaration to the extent affected thereby. The right of enforcement shall include the right to bring an action for damages as well as any action to enjoin any violation of any of the provisions or restrictions in this Declaration. In any action or proceeding under this Declaration, the prevailing party shall be entitled to recover its costs and expenses in connection therewith, including reasonable attorney's fees.

13. Remedies Cumulative. Each remedy provided under this Declaration is cumulative and not exclusive.

13.1 Limitation of Liability. The liability of any Owner for performance of any of the provisions of this Declaration shall terminate upon sale, transfer, assignment, or other divestment of the Owner's entire interest in his or her Lot with respect to obligations arising from and after the date of the divestment.

13.2 Number and Headings. As used in this Declaration, the singular shall include the plural, unless the context requires the contrary. The headings are not a part of this Declaration and shall not affect the interpretation of any provision.

13.3 Rights of First Mortgagee. Notwithstanding anything to the contrary contained herein, the following provisions shall apply: The lien of the assessments provided in Article 5 shall be subordinate to the lien of any first mortgage or first deed of trust upon such Lot which was recorded before any such assessment became delinquent. The holder of a first mortgage or first deed of trust on a Lot who comes into possession of the Lot by virtue of foreclosure of such first mortgage or deed of trust, or in lieu of foreclosure obtains possession by deed or assignment, or any

purchaser at a foreclosure sale, will take the Lot free of any claims for unpaid assessments and charges against the Lot which accrue after the encumbrance was recorded and prior to the time such holder comes into possession of the Lot, except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all Lots, including the mortgaged Lot.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 2nd day of February, 1994.

Bruce C Hafen
BRUCE C. HAFEN

Marie K. Hafen
MARIE K. HAFEN

~~Don R. Strong~~

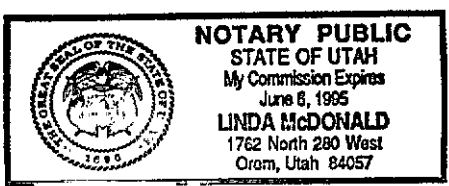
Mark A Fullmer
MARK A. FULLMER

Donna Fullmer
DONNA FULLMER

Judith F. Edwards
JUDITH F. EDWARDS

STATE OF UTAH)
 : ss
COUNTY OF Utah)

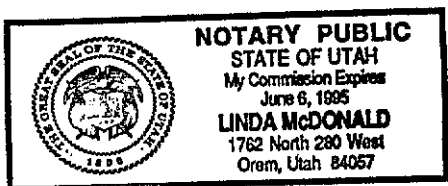
On this 2nd day of February, 1994, personally appeared before me BRUCE C. HAFEN, personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that he executed the same.



Linda McDonald
NOTARY PUBLIC
Residing in _____
My Commission Expires _____

STATE OF UTAH)
 : ss
COUNTY OF Utah)

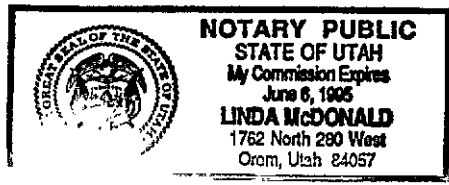
On this 2nd day of February, 1994, personally appeared before me MARIE K. HAFEN, personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that she executed the same.



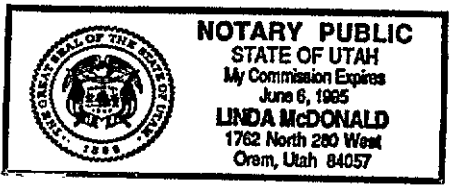
Linda McDonald
NOTARY PUBLIC
Residing in _____
My Commission Expires _____

STATE OF UTAH)
 : ss
COUNTY OF Utah)

On this 2nd day of February, 1994, personally appeared before me DON R. STRONG, personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that he executed the same.

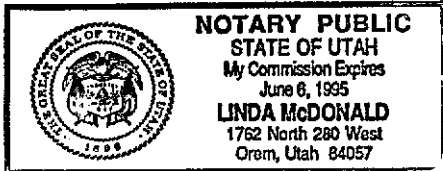


Linda McDonald
NOTARY PUBLIC
Residing in _____
My Commission Expires 6-6-95



STATE OF UTAH)
)
COUNTY OF Utah) : ss

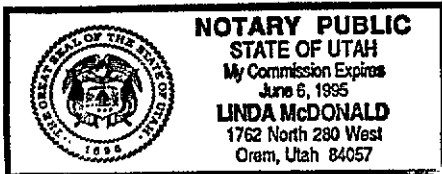
On this 2nd day of February, 1994, personally appeared before me MARK A. FULLMER, personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that he executed the same.



Linda McDonald
NOTARY PUBLIC
Residing in _____
My Commission Expires 6-6-95

STATE OF UTAH)
)
COUNTY OF Utah) : ss

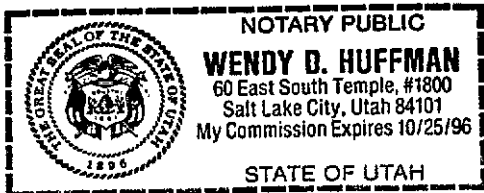
On this 2nd day of February, 1994, personally appeared before me DONNA FULLMER, personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that she executed the same.



Linda McDonald
NOTARY PUBLIC
Residing in _____
My Commission Expires 6-6-95

STATE OF UTAH)
)
COUNTY OF SALT LAKE) : ss

On this 1st day of FEBRUARY, 1994, personally appeared before me JUDITH F. EDWARDS, personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that she executed the same.



Wendy D. Huffman
NOTARY PUBLIC
Residing in _____
My Commission Expires _____

EDWARDS/HOBBLE/CCRS