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**DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR  
AUTUMN LEAF P.U.D.**

**A Planned Unit Development in South Jordan, Utah**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 27<sup>th</sup> day of October, 2008, by KGL Corporation, a Utah corporation (the "Declarant"), on behalf of its respective successors, grantees and assigns, as the owners of portions of the real property described herein. Declarant is the owner of the real property described in Exhibit "A", which is attached hereto and incorporated by reference. Declarant desires to create a planned unit development on that property and, among other things, to provide for preservation of the values and amenities in that development, as well as maintenance of the common areas to be located thereon.

For the purposes described above, which represent a material part of this Declaration, Declarant hereby declares that all of the property described in Exhibit "A" and any additional property subjected to this Declaration by Supplemental Declaration (as defined in Article I below) shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, conditions, charges and liens, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the Properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

All Owners and occupants of Units are hereby given notice that use of their Units may be limited by the Declaration, Design Guidelines and/or use covenants and conditions as they may be set forth in this Declaration and may be amended, adopted, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of his or her Unit can be affected by such restrictions, rules, standards, guidelines, etc.

Article I  
DEFINITIONS

The terms in this Declaration and the attached exhibits shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1. "Area of Common Responsibility": The Common Area, together with such other areas such as the front lawn Limited Common Areas, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenants,

contract, or agreement.

1.2. **“Articles of Incorporation” or “Articles”**: The Articles of Incorporation of Autumn Leaf Homeowner’s Association, Inc., as filed with the Secretary of State of the State of Utah.

1.3. **“Association”**: Autumn Leaf Homeowner’s Association, Inc., a Utah non-profit corporation, its successors or assigns.

1.4. **“Board of Directors” or “Board”**: The body responsible for administration of the Association, selected as provided in the ByLaws and generally serving the same role as the board of directors under Utah corporate law.

1.5. **“Builder”**: Any Person which purchases one or more Units for the purpose of constructing improvements for later sale to consumers in the ordinary course of such Person’s business.

1.6. **“ByLaws”**: The ByLaws of Autumn Leaf Homeowner’s Association, Inc., attached as Exhibit “D”, as they may be amended.

1.7. **“Class “B” Control Period”**: The period of time during which the Class “B” Member is entitled to appoint a majority of the members of the Board of Directors as provided in Section 3.3 of the ByLaws.

1.8. **“Common Area”**: All real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights for the common use and enjoyment of the Owners.

1.9. **“Common Expenses”**: The actual and estimated expenses incurred, or anticipated to be incurred, by the Association, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the ByLaws, and the Articles of Incorporation. Common Expenses shall not include any expenses incurred during the Class “B” Control Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by Members representing a majority of the total Class “A” vote of the Association.

1.10. **“Community-Wide Standard”**: The standard of conduct maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors.

1.11. **“Declarant”**: KGL Corporation, a Utah corporation, or any successor, success-in-title, or assign who takes title to any portion of the property described on Exhibits “A” or “B” for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided there shall be only one Declarant at any time.

1.12. **“Design Guidelines”**: The design and construction guidelines and application and review procedures applicable to the Properties, if any, which may be promulgated and administered pursuant to Article IX.

1.13. **“General Assessment”**: Assessments levied on all Units subject to assessment under Article VIII to fund Common Expenses for the general benefit of all Units, as more particularly described in Sections 8.1 and 8.3.

1.14. "Limited Common Areas": Those Common Areas designated as reserved for use by the Owner of a certain single family residential Unit to the exclusion of the other Owners. As an example, the front yard of each single family residential Unit, although owned by the Owner of such Unit, is designated as Limited Common Area, for maintenance by the Association, while all other rights and uses thereof are reserved for the exclusive use of the Owner of such Unit.

1.15. "Master Plan": The land use plan for the development of Autumn Leaf, P.U.D, as it may be amended from time to time. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to the Declaration, nor shall the exclusion of property described on Exhibit "B: from the Master Plan bar its later annexation in accordance with Article VII.

1.16. "Member": A Person subject to membership in the Association pursuant to Section 3.2.

1.17. "Mortgage": A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit.

1.18. "Mortgagee": A beneficiary or holder of a Mortgage.

1.19. "Mortgagor": Any Person who gives a Mortgage.

1.20. "Owner": One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

1.21. "Person": A natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.22. "Properties": The real property described on Exhibit "A", together with such additional property as is subjected to this Declaration in accordance with Article VII.

1.23. "Public Records": The Salt Lake County, Utah public records.

1.24. "Special Assessment": Assessments levied in accordance with Section 8.5.

1.25. "Specific Assessment": Assessments levied in accordance with Section 8.6.

1.26. "Supplemental Declaration": An instrument filed in the Public Records pursuant to Article VII which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument.

1.27. "Unit": A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as a residence for a single family. The term shall include within its meaning, by way of illustration but not limitation, each numbered lot shown on a subdivision plat filed in the Public Records with respect to any portion of the Properties, together with the structures, if any, constructed thereon, and any vacant land intended for further subdivision, but shall not include Common areas or property dedicated to the public. In the case of a portion of the Properties intended and suitable for subdivision into single-family lots but as to which no subdivision plat has been filed, such property shall be deemed to be a single Unit

(excepted from the provisions of Article XIV) until such time as a subdivision plat is filed of record with respect to all or a portion of the property. Thereafter, the portion encompassed by such plat shall contain the number of Units determined as set forth in the preceding paragraph and any portion not platted shall continue to be treated as a single Unit.

Article II  
PROPERTY RIGHTS

2.1. Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area, which right and easement shall be appurtenant to and pass with title to each Unit and which shall in no event be separated therefrom, subject to:

- (a) This Declaration and any other applicable covenants;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board and the membership to adopt rules pursuant to Article X regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
- (d) The right of the Board to suspend the right of an Owner to use any recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed 60 days for a single violation or for a longer period in the case of any continuing violation, of the Declaration, any applicable Supplemental Declaration, the ByLaws, or rules of the Association;
- (e) The right of the Association, acting through the board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (f) The right of Salt Lake County and/or any other governmental or quasi-governmental body having jurisdiction over the Properties to access and rights to ingress and egress over and across any parking area, walk way, or open area contained within the Properties for purposes of providing police and fire protection and providing any other governmental or municipal service;
- (g) The right of the Association to dedicate or transfer all or any part of the Common Areas owned by it to any public agency or authority for such purposes and subject to such conditions as may be agreed upon by the Association. Any such dedication or transfer, however, must be assented to by the Members, by a vote of at least sixty-seven percent (67%) of the total Class "A" votes in the Association and of the Declarant, as long as the Declarant owns any portion of the property described on Exhibit "A"; and
- (h) The right of Declarant, prior to conveyance of the Common Areas to the Association, and after such conveyance, the right of the Association to grant and reserve easements and rights of way through, under, over and across the Common Areas for the installation, maintenance and inspection of the lines and appurtenances for public or private water, sewer, drainage, gas, electricity, telephone and/or other utilities.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

2.2. Utility Easement. The Declarant, for itself and its successors and assigns, including, but not limited to, the Association, hereby grants easements over, under, in, on and through the Common Area as depicted on the Plat and as necessary and/or reasonably convenient for the installation, construction, reconstruction, relocation, removal, maintenance, repair, operation and inspection of sewer, water, drainage, electric, gas and telephone facilities and wires, lines, cables, conduits, pipes and other necessary and proper attachments therewith, for the benefit of the Properties or any part thereof, to the Declarant, the Association, any federal, state or local authority, commission or agency having jurisdiction thereover and any corporation, be it public, quasi-public or private, supplying or servicing such facilities.

2.3. No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject of this Declaration.

2.4. Condemnation. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total Class "A" votes in the Association and of the Declarant, as long as the Declarant owns any portion of the property described on Exhibit "A") by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice prior to disbursement of any award or proceeds. The award made for such taking or proceeds of such conveyance shall be payable to the Association to be disbursed as follows:

(a) If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking the Declarant, so long as the Declarant owns any property described in Exhibit "A" of this Declaration, and Members representing at least 75% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

(b) If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

### Article III MEMBERSHIP AND VOTING RIGHTS

3.1. Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board or the membership administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with this Declaration, the ByLaws, the Articles and the laws of the

State of Utah.

3.2. **Membership.** Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-Owners shall share the privileges of such membership subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.3 and in the ByLaws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association. It shall not be necessary to issue, nor to hold shares of stock to evidence membership in the Association.

3.3. **Voting.** The Association shall have two classes of membership, Class "A" and Class "B".

(a) **Class "A":** Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 3.2; provided, there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.10. In any situation where there is more than one Owner of a Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one Person seeks to exercise it.

(b) **Class "B":** The sole Class "B" Member shall be the Declarant. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration, the ByLaws and the Articles, are specified in the relevant sections of this Declaration, the ByLaws and the Articles. The Class "B" Member may appoint a majority of the members of the Board of Directors during the Class "B" Control period, as specified in Section 3.3 of the ByLaws. The Class "B" Control Period shall terminate upon the first to occur of the following:

(i) when 100% (all) of the total number of Lots proposed for all phases of the Subdivision, according to the Master Plan, have been issued certificates of occupancy for residential structures approved by the Board of Trustees; or

(ii) when, in its discretion, the Class "B" Member voluntarily terminates such Control Period earlier by filing written notice of termination in the Public Records.

After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in Section 3.19 of the ByLaws. The Class "B" membership shall terminate on the first to occur of: the date that building permits for the construction of a residential structure approved by the Board have been issued for all lots of the Subdivision; five years after expiration of the Class "B" Control Period pursuant to Article III of the ByLaws; or the date upon which the Declarant voluntarily terminates such membership earlier by filing a written notice of termination in the Public Records. Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which Declarant owns.

Article IV  
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1. Common Area. The Association, subject to the rights of the Owners set forth in this Declaration, shall manage and control the Common Area and all improvements thereon (including, without limitation, landscaping, furnishings, equipment, and other personal property of the Association used in connection with the Common Areas), and shall keep it in good, clean, attractive, and sanitary condition, order, and repair, pursuant to this Declaration and the ByLaws and consistent with the Community-Wide Standard. The Association, subject to the rights of the Owner of the subject Unit, shall maintain the lawn and landscaping of the Limited Common Areas and shall keep them in good, clean, attractive and sanitary condition, order and repair. In particular, the Association shall maintain and care for the front lawn Limited Common Areas of the Units as designated. The Board is specifically authorized, but not obligated, to retain or employ professional management and/or service providers to assist in carrying out the Association's responsibilities under this Declaration and the ByLaws, the cost of which shall be a Common Expense.

4.2. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property, subject to the provisions of Section 2.4. and 12.4. The Declarant and its designees may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in Exhibit "A", personal property and leasehold and other property interest. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. The Declarant shall convey the initial Common Area to the Association prior to the conveyance of a Unit to any Person other than a Builder.

4.3. Enforcement. The Association may impose sanctions for violations of this Declaration, any applicable Supplemental Declaration, the ByLaws, or Association rules in accordance with procedures set forth in the ByLaws, including reasonable monetary fines and suspension of the right to vote. In addition, in accordance with Section 3.24 of the ByLaws, the Association may exercise self-help to cure violations and may suspend any services it provides to the Unit of any Owner who is more than 30 days delinquent in paying any assessment or other charge due to the Association. All remedies set forth in this Declaration and the ByLaws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of this Declaration or Association rules, if the Association prevails it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonable incurred in such action.

4.4. Implied Rights; Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the ByLaws, or reasonably implied from or reasonably necessary to effectuate such right or privilege. Except as otherwise specifically provided in this Declaration, the ByLaws, the Articles, or by law, all rights and powers of the Association may be exercised by the board without a vote of the membership.

4.5. Indemnification. The Association shall indemnify every officer, director, and committee member, including members of the committees established under Article IX, against all damages and expenses, including counsel fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors ) to which he or she may be a party by reason of being or having been a officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section and Utah Law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct,

or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract, commitment or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.6. Dedication of Common Areas. The Association may dedicate portions of the Common Areas to the City of South Jordan or to Salt Lake County, Utah or to any other local, state or federal governmental or quasi-governmental entity subject to such approval as may be required by Section 2.4.

4.7. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. Neither the Association, the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board of Directors and committees, Declarant, and any successor Declarant are not insurers and that each person using the properties assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

## Article V MAINTENANCE

### 5.1. Association's Responsibility.

(a) The Association shall maintain and keep in good repair the Area of Common Responsibility, which shall include, but need not be limited to:

(i) all landscaping, signage, lighting, walls, and other structures and improvements, including any roads, parking areas, sidewalks, paths and trails, situated upon the Common Area;

(ii) the front lawn Limited Common Areas associated with the Units, and landscaping and signage within public rights-of-way within the Properties, except to the extent that such responsibility is assigned to Owners under Section 5.2.;

(iii) the storm drainage system situated within the Common Area;

(iv) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association; and

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such



maintenance is necessary or desirable to maintain the Community-Wide Standard. Upon an Owner's request and an agreement by such Owner to pay a reasonable rate for such service, the Association may maintain the landscape within the side and back yards of the Unit of such Owner.

(b) There are hereby reserved to the Association easements over the Properties as necessary to enable the Association to fulfill such responsibilities. The Association shall maintain the facilities and improvements within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members representing 75% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation.

Except as provided above, the Area of Common Responsibility may not be reduced by amendment of this Declaration or any other means without the prior written approval of the Declarant as long as the Declarant owns any property described on Exhibit "A".

(c) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the owners(s) thereof.

5.2. Owner's Responsibility. Each Owner shall maintain his or her Unit, all structures, parking areas, and other improvements comprising the Unit, and all land within public or private rights-of-way between such Owner's Unit and the paved roadway located in rights-of-ways adjacent to such Owner's Unit, in a manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to this Declaration, any Supplemental Declaration or other covenants applicable to such Unit. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 8.6. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3. Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary. All maintenance shall be performed in a manner consistent with the Community-wide Standard and all applicable covenants. The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

## Article VI INSURANCE AND CASUALTY LOSSES

### 6.1. Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly

authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available;

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area and on other portions of the Area of Common Responsibility to the extent of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of insured improvements;

(ii) Commercial general liability insurance on the ownership, use or operation of the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf, with such limits as may be determined by the Board;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(vi) Such additional insurance as the Board, in the exercise of its business judgment, determines advisable, which may include, without limitation, flood insurance, insurance, and building ordinance coverage.

(b) Policy Requirements. The Association shall arrange for routine regular (at least once every three (3) years) reviews of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Salt Lake County, Utah area.

The policies may contain a reasonable deductible. In the event of an insured loss, the deductible shall be treated as a Common Expense; provided, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Section 3.24 of the ByLaws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductibility against such Owner(s) and their Units pursuant to Section 8.6.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Utah which satisfies such other requirements as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Area shall be for the benefit of the Association and its Members;

(iii) not be brought into contribution with insurance purchased by Owners, occupants or their Mortgagees individually;

(iv) contain an inflation guard endorsement; and

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insurers and provide;

(i) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iv) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(v) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(vi) a cross liability provision; and

(vii) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) **Damage and Destruction.** Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Members representing at least 75% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available.

If determined in the manner described above that the damage or destruction to the

Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy a Special Assessment to cover the shortfall.

6.2. Owners' Insurance. By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible. Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article IX. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. Notwithstanding the foregoing, in the case that the Unit is no longer usable for a residence as contemplated herein, the Unit shall be treated as an undeveloped Unit subject to the provisions of Article XIV, below, with the date of destruction serving as the date of conveyance for purposes of time measurement. The Owner shall pay all costs which are not covered by insurance proceeds.

## Article VII ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1. Annexation. The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of members representing a majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and the consent of the Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 7.1.

Such annexation shall be accomplished by filing a Supplemental Declaration describing the property being annexed in the Public Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the annexed property, and by the Declarant, if the Declarant's consent is required. Any such annexation shall be effective upon filing unless otherwise provided therein.

7.2. Withdrawal of Property. The Declarant reserves the right to amend this Declaration for a period of one (1) year after recording of this Declaration, for the purpose of removing any portion of the Properties from the coverage of this Declaration, provided such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Properties and does not reduce the total number of Units then subject to this Declaration by more than 5%. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant.

7.3. Additional Covenants and Easements. The Association may subject any portion of the Properties to additional covenants and easements by filing a Supplemental Declaration in the Public

Records, concurrent with or after the annexation of the subject property, setting forth such additional covenants and easements. Any such Supplemental Declaration shall require the written consent of the owner(s) of the subject property, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

7.4. Amendment. This Article shall not be amended without the prior written consent of Declarant so long as the Declarant owns any property described in Exhibit "A".

#### Article VIII ASSESSMENTS

8.1. Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be three types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Units; (b) Special Assessments as described in Section 8.5; and (c) Specific Assessments as described in Section 8.6. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments to the Association, together with all other fines, penalties, interest and costs of collection as described in this Declaration.

All assessments, together with interest (at a rate not to exceed 18% or the highest rate allowed by Utah law, if less than 18%) as computed from the date the delinquency first occurs, a late charge equal to 5% of the principal amount past due, costs, and reasonable attorneys fees, shall be a charge and continuing lien upon each Unit against which the assessment is made until paid, as more particularly provided in Section 8.7. Each such assessment, together with interest, late charges, costs, and reasonable attorneys fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment fell due. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association or its designee shall, upon request, furnish to any Owner liable for any type of assessment a certificate in writing signed by an Association officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as the Board may establish. If the Board so elects, assessments may be paid in two or more installments, and in such case, may include a time-price differential charge, in the Board's discretion. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year and shall be considered delinquent if not paid within the time specified by the Board. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. The Association shall have the right to reject partial payments of an unpaid assessment or other monetary obligation and demand the full payment thereof. The Board may further prescribe: (a) procedures for collecting General Assessments or installments thereof in advance from new Owners out of "closing transactions"; and (b) different procedures for collecting assessments from Owners who have had a history of being untimely in the payment of assessments.

No Owner may exempt himself from liability for assessments by non-use of the Common Area,

abandonment of his or her Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required or it, or for inconvenience or discomfort arising from the making or repairs or improvements, or from any other action it takes.

8.2. Declarant's Obligation for Assessments. During the Class "B" Control Period, Declarant shall have no obligation to pay General and Special Assessments on any of its unsold Units provided that the Unit(s) have not been developed. The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials, or a combination of services and materials with the Declarant or other Personal for payment of Common Expenses.

8.3. Computation of General Assessment. At least 60 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses for the coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared pursuant to Section 8.4.

General Assessments shall be levied equally on all Units subject to assessment under Section 8.8, and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted expenses, including reserves; provided, however, the landscape maintenance for the front yard Limited Common Areas shall be allocated on the basis of the square footage of the front yard of each Unit. In addition, pursuant to an agreement between the Association and the Owner, if the Association provides landscape maintenance for the side and/or backyards for a particular Unit, such Unit Owner shall be obligated therefore for a Specific Assessment if the Association is not compensated for such service as provided in the Agreement.

In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association. In addition, the Board may take into account the number of Units subject to assessment under Section 8.8 on the first day of the fiscal year for which the budget is prepared and the number of Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant owns any property subject to this Declaration, the Declarant may, but shall not be obligated to reduce the General Assessment for any fiscal year by payment of a subsidy, which may be treated as either a contribution, an advance against future assessments due from the Declarant, or a loan, in the Declarant's discretion. Any such subsidy shall be conspicuously disclosed as a line item in the Common Expense budget and the treatment of such subsidy shall be made known to the membership. The payment of such subsidy in any year shall under no circumstances obligate the Declarant to continue payment of such subsidy in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner at least 30 days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by at least 75% of the total Class "A" votes in the Association and by the Class "B" Member, if such exists. There shall be no obligation to call a meeting to consider the budget unless the Members petition the Board as provided in Section 2.4 of the ByLaws, which petition must be presented to the Board within 10 days after delivery of the notice of assessments. If the Board fails for any reason to determine the budget for any year, or the budget is disapproved, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year.

8.4. Reserve Budget and Capital Contribution. The Board shall annually prepare a reserve budget which takes into account the number and nature of the Association's replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by General Assessments over the budget period.

8.5. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any Special Assessment which would exceed Five Hundred Dollars (\$500.00) per Unit in any one fiscal year shall require the affirmative vote or written consent of Class "A" Members representing at least 51% of the total Class "A" votes, and the written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and if so determined by the Board, may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6. Specific Assessments. The Board shall have the power to levy a Specific Assessment against any Unit or Units for monetary fines authorized by this Declaration or the ByLaws, and for expenses of the Association incurred in providing benefits, items, or services not provided to all Units within the Properties, whether such expenses are incurred (a) upon request of the Owner of a Unit for specific items or services relating to the Unit, or (b) as a consequence of the conduct of less than all Owners, their tenants, invitees, or guests. The Association may also levy a Specific Assessment against any Unit to reimburse the Association for costs incurred in bringing the Unit into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the ByLaws, and rules, provided the Board gives prior notice to the Unit Owner and an opportunity for a hearing in accordance with Section 3.24 of the ByLaws.

8.7. Lien for Assessments; Remedies for Nonpayment. The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest, the late charges, and costs of collection (including attorneys fees). Such lien shall be superior to all other liens, except (a) the lines of all taxes, bonds, assessments, and other levies which by law would be superior, (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value, and (c) the lien for assessments or other charges of the Master Association. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or nonjudicial foreclosure.

The Association may bid for the Unit at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged against such Unit had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of

all Units subject to assessment including such acquirer, its successors and assigns.

8.8. Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the first day of the first month following the conveyance of the Unit by the Declarant, provided, however, if Declarant elects to develop any Unit prior to conveyance, the obligation to pay shall commence on the first day of the first month following the issuance of a certificate of occupancy for each such Unit. The first annual General Assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time the obligation for assessments commences on the Unit.

8.9. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as for the last year for which an assessment was made, if any, until a new assessment is made, at which time the Association may retroactively assess any shortfalls in collections.

8.10. Exempt Property. The following property shall be exempt from payment of assessments:

- (a) All Common Area of the Association; and
- (b) Any property dedicated to and accepted by an governmental authority or public utility (except that utility easements across Units shall not affect the Unit's liability for assessments).

#### Article IX ARCHITECTURAL STANDARDS

9.1. General. No structure shall be placed, erected, or installed upon any Unit, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article and the Design Guidelines promulgated pursuant to Section 9.3. All dwelling constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect unless otherwise approved by the Architectural Control Committee.

Any Owner may remodel, paint or redecorate the interior of structures on his Unit without approval. However, modifications to the interior of porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

This Article shall not apply to the activities of the Declarant or the Association.

This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

9.2. Architectural Review. Responsibility for administration of the Design Guidelines and review of all applications for construction and modifications under this Article shall be borne by the Architectural Review Committee (the "ARC"). The members of the ARC need not be Members of the



Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the Board. The Board may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the ARC in having any application reviewed by architects, engineers or other professionals.

(a) The Committee. The ARC shall consist of at least three, but not more than five, persons. Until 100% of the Properties have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the ARC who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board shall appoint the members of the ARC, who shall thereafter serve and may be removed in the Board's discretion.

(b) Jurisdiction. The ARC shall have jurisdiction over all original construction on any portion of the Properties and over modifications, additions, or alterations made on or to existing structures on Units or containing Units and the adjacent open space. The Board shall have the right to veto any action taken by the ARC which the Board determines, in its sole discretion, to be inconsistent with the guidelines promulgated hereunder.

### 9.3. Guidelines and Procedures.

(a) Design Guidelines. The Design Guidelines are attached to this Declaration as Exhibit "B", which is incorporated herein by this reference. The Design Guidelines, as they may be amended from time to time, may contain general provisions applicable to all of the Properties, as well as specific provisions which vary according to land use and from one portion of the Properties to another depending upon the location, unique characteristics, and intended use. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the committees in considering applications hereunder. The Design Guidelines are not the exclusive basis for decision of the committees and compliance with the Design Guidelines does not guarantee approval of any application.

The ARC may amend and/or adopt additional Design Guidelines and shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the ARC is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive. Amendments may, but need not be, recorded in the Public Records.

The ARC shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties. In the Declarant's discretion, such Design Guidelines may be recorded in the Public Records, in which event the recorded version, as it may unilaterally be amended by the ARC from time to time, shall control in the event of any good faith, bona fide dispute as to which version of the Design Guidelines was in effect at any particular time.

Notwithstanding the foregoing, the Board may, by resolution, exempt certain activities

from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

All structures and improvements constructed upon a Unit shall be constructed in compliance with the Design Guidelines in effect at the time the plans for such improvements are submitted to and approved by the appropriate committee, unless the ARC has granted a variance in writing pursuant to Section 9.5. So long as the ARC has acted in good faith, its findings and conclusions with respect to appropriateness of, applicability of or compliance with the Design Guidelines and this Declaration shall be final.

(b) Procedures. No activities within the scope of Section 9.1 shall commence on any portion of the Properties until an application for approval of the proposed work has been submitted to and approved by the ARC. Such application shall be in the form required by the Design Guidelines and shall include plans and specification ("Plans") showing the site layout, structural design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, irrigation, utility facilities layout and screening therefor, and other features of proposed construction, as applicable. The ARC may require the submission of such additional information as it deems necessary to consider any application.

In reviewing each submission, the ARC may consider (but shall not be restricted to consideration of) the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things. Decisions of the ARC may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as committee members change over time.

In the event that the ARC fails to approve or to disapprove in writing any application within forty (40) days after submission of all information and materials reasonably requested, the applicant may notify the appropriate committee by certified mail, return receipt requested, at the address for such notices set forth in the current edition of the Design Guidelines, stating that no response has been received and that unless a written response is given at the address set forth in such notice within 15 days of the committee's receipt of the Owner's notice, as evidenced by the return receipt, the application shall be deemed approved. A response shall be deemed given when deposited in the U.S. Mail, certified mail, return receipt requested, properly addressed to the applicant at the address stated in such applicant's notice, or upon receipt if given by any other means. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the ARC pursuant to Section 9.5.

If construction does not commence on a project for which approval has been granted within 12 months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to re-submit the Plans for reconsideration. All work shall be completed within one year of commencement or such other period as the committee may specify in the notice of approval, unless completion within such time is delayed due to causes beyond the reasonable control of the Owner, as determined in the sole discretion of the committee having jurisdiction or its designated agent.

9.4. No Waiver of Future Approvals. Approval of proposals, plans and specification, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans

and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9.5. Variance. The ARC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted resolutions. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

9.6. Limitation of Liability. The standards and procedures established by this Article are intended to enhance the overall aesthetics of the Properties and shall not create any duty to any Person. The ARC shall bear no responsibility for ensuring the structural integrity or soundness of approved construction or modifications nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring the appropriateness of soils, drainage and general site work. Neither the Declarant, the Association, the Board, any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Unit. In all matters, the committees and their members shall be defined and indemnified by the Association as provided in Section 4.6.

9.7. Enforcement. Any structure or improvement placed or made in violation of this Article or the Design Guidelines shall be deemed to be nonconforming, except to the extent that a variance has been granted pursuant to Section 9.5. Upon written request from the Board or the Declarant, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an owner fail to remove and restore as required, the Board or its designees shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with interest at the maximum rate then allowed by law, may be assessed against the benefitted Unit and collected as a Specific Assessment.

Unless otherwise specified in writing by the committee granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with ByLaws Section 3.24, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and Owner thereof as a Specific Assessment.

Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Design Guidelines may be excluded by the Board from the Properties, subject to the notice and hearing procedures contained in the ByLaws. In such event, neither the Association, its officers, or directors shall be held liable to any Person for exercising the rights granted by this paragraph.

In addition to the foregoing, the Association and the Declarant shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARC.

Article X  
USE RESTRICTIONS AND RULES

10.1. Plan of Development; Applicability; Effect. Declarant has established a general plan of development for the Properties in order to enhance all Owners' quality of life and collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the master planned community and to regulate and control the Area of Common Responsibility. The Properties are subject to the land development, architectural, and design provisions set forth in Article IX, the other provisions of this Declaration governing individual conduct and uses of or actions upon the Properties, and the guidelines, rules and restrictions promulgated pursuant to this Declaration, all of which establish affirmative and negative covenants, easements, and restrictions on the land subject to this Declaration. All provisions of this Declaration and any Association rules shall apply to all Owners, occupants, tenants, guests and invitees of any Unit. Any lease on any Unit shall provide that the lessee and all occupants of the leased Unit shall be bound by the terms of this Declaration, the ByLaws, and the rules of the Association.

10.2. Authority to Promulgate Use Restrictions and Rules. Initial use restrictions applicable to all of the Properties are attached as Exhibit "C" to this Declaration. Subject to the terms of this Article, such initial use restrictions may be modified in whole or in part, repealed or expanded as follows:

(a) Subject to the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the initial use restrictions set forth on Exhibit "C". The Board shall send notice by mail to all Owners concerning any such proposed action at least five business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken.

Such action shall become effective unless disapproved at a meeting by Members representing at least 51% of the total Class "A" votes and by the Class "B" Member, if any. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon petition of the Members as required for special meetings in the ByLaws.

(b) Alternatively, the Members, at a meeting duly called for such purpose as provided in the ByLaws, may adopt rules which modify, cancel, limit, create exceptions to, or expand the use restrictions and rules previously adopted by a vote of Members representing at least 51% of the total Class "A" votes in the Association and the approval of the Class "B" Member, if any.

(c) At least 30 days prior to the effective date of any action taken under subsections (a) or (b) of this Section, the Board shall send a copy of the rule to each Owner. The Association shall provide, without cost, a copy of the use restrictions and rules then in effect (hereafter the "Use Restrictions and Rules") to any requesting Member or Mortgagee.

(d) Nothing in this Article shall authorize the Board or the Members to modify, repeal or expand the Design Guidelines. In the event of any inconsistency between the Design Guidelines and the Use Restrictions and Rules, the Design Guidelines shall control.

10.3. Owner's Acknowledgment. All Owners and occupants of Units are given notice that use of their Units is limited by the Use Restrictions and Rules as they may be amended, expanded and

otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into a recording a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of is or her Unit can be effected and that the Use Restrictions and Rules may change from time to time.

10.4. Rights of Owners. Except as may be specifically set forth in this Declaration (either initially or by amendment) or in Exhibit "C", neither the Board nor the Members may adopt any rule in violation of the following provisions:

- (a) Equal Treatment. Similarly situated Owners and occupants shall be treated similarly.
- (b) Speech. The rights of Owners and occupants to display political signs and symbols in or on their Units shall not be abridged, except that the Association may adopt time, place, and manner restrictions (including design criteria) for the purpose of minimizing damage and disturbance to other Owners and occupants of Units.
- (c) Religious and Holiday Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Units of the kinds normally displayed in residences located in single-family residential neighborhoods shall not be abridged, except that the Association may adopt reasonable time, place, and manner restrictions for the purpose of minimizing damage and disturbance to other Owners and occupants.
- (d) Household Composition. No rule shall interfere with the freedom of occupants of Units to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area.
- (e) Activities Within Dwellings. No rule shall interfere with the activities carried on within the confines of dwellings, except that the Association may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of occupants of other Units, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.
- (f) Allocation of Burdens and Benefits. No rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Areas available, from adopting generally applicable rules for use of Common Area, or from denying use privileges to those who abuse the Common Area, violate rules or this Declaration, or fail to pay assessments. This provision does not affect the right to increase the amount of assessments as provided in Article VIII.
- (g) Alienation. No rule shall prohibit leasing or transfer of any Unit, or require consent of the Association or Board for leasing or transfer of any Unit; provided, the Association or the Board may require a minimum lease term of up to 12 months.
- (h) Reasonable Rights to Develop. No rule or action by the Association or Board

shall unreasonably impede the Declarant's right to develop the Properties.

(i) Abridging Existing Rights. If any rule would otherwise require Owners or occupants of Units to dispose of personal property which they maintained in or on the Unit prior to the effective date of such rule, or to vacate a Unit in which they resided prior to the effective date of such rule, and such property was maintained or such occupancy was in compliance with this Declaration and all rules previously in force, such rule shall not apply to any such Owners without their written consent unless the rule was in effect at the time such Owners or occupants acquired their interest in the Unit.

The limitations in this Section 10.4 shall apply to rules only; they shall not apply to amendments to this Declaration adopted in accordance with Section 15.2.

#### Article XI EASEMENTS OF ENCROACHMENT

There shall be reciprocal appurtenant easement of encroachment, and for maintenance and use of any permitted encroachment, between each Unit and any adjacent Common Area and between adjacent Units due to the unintentional placement or settling or shifting of improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

#### Article XII MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Properties.

12.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessment or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or ByLaws relating to such Unit or the Owner or Occupant which is not cured within 60 days; or

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

12.2. No Priority. No provision of the Declaration or the ByLaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case

of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

12.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

### Article XIII DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the ByLaws may be transferred or assigned in whole or in part to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the ByLaws. Nor such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

The Declarant and Builders authorized by Declarant may maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Units, including, but not limited to, business offices, signs, model homes, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

No person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any Use Restrictions and Rules or Design Guidelines made after termination of the Class "B" Control Period shall be effective without prior notice to and the written approval of Declarant so long as the Declarant owns any portion of the Properties primarily for development and sale.

This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate upon the earlier of (a) 40 years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

### Article XIV CONSTRUCTION OF IMPROVEMENTS ON UNITS

14.1 Residential Development of Units Required. It is generally in the best interests of the Association that all Units shall be developed for use as residences as contemplated in the Master Plan and in a manner consistent with the Community-Wide Standard. Therefore, except as otherwise provided herein, each undeveloped Unit shall be developed after conveyance thereof by Declarant (or its successor in interest in such capacity) within the period(s) of time provided in this Article. [For purposes hereof, an "undeveloped Unit" shall mean and refer to a Unit which has not been improved in accordance with this Declaration for occupancy as a residence, and which has not been awarded a certificate of occupancy, or equivalent approval by a city or other political subdivision with competent jurisdiction (an "occupancy certificate").] Each Owner, other than the Declarant (or its successor in interest in such capacity) of an undeveloped Unit shall therefore have a duty to develop the Unit in accordance with the development, architectural and design provisions set forth in or referred to by this Declaration, any

Supplemental Declaration or other applicable covenants, and therefore to construct improvements thereon – which shall include, without limitation, an approved residential structure – and to obtain an occupancy certificate therefor within the time period(s) provided herein.

14.2 Time to Develop Units. Within twenty-four (24) months of the conveyance by the Declarant of an undeveloped Unit to an Owner, or of the date upon which a Unit becomes an undeveloped Unit, whether by destruction, act of God, change in circumstance, or other event, the Owner (including any successor(s) in interest to such Owner) of such undeveloped Unit shall (a) obtain approval from the ARC as provided herein for improvements to such Unit, including the construction of a residential structure thereon, and (b) obtain a building permit from the city of South Jordan, or such other governmental entity(ies) with appropriate jurisdiction over such Unit at that time. Notwithstanding the foregoing, however, such Owner of an undeveloped Unit that is conveyed to a Builder as one of five (5) or more Units conveyed to such Builder in one transaction or series of interrelated transactions shall comply with (a) and (b) in the preceding sentence within forty-eight (48) months of the Declarant's conveyance, rather than within 24 months. Furthermore, in either event, such Owner shall be required to complete construction in accordance with such building permit within twelve (12) months of the issuance of the building permit. Notwithstanding the foregoing, if the Owner has made a good faith application for: approval by the ARC, a building permit or an occupancy permit, but the issuance thereof is delayed by the ARC, by the governing entity, or due to circumstances otherwise beyond the Owner's control or influence, the time period set forth above shall be extended so long as Owner has diligently prosecuted and continues to so prosecute such application and, accordingly, promptly makes any and all repairs, changes, adjustments or other corrections required by the ARC and/or the governing entity, and has not delayed and does not delay approval of the application by actions or inaction within the control or influence of such Owner.

14.3 Specific Assessment for Failure to Develop. To fail to develop an undeveloped Unit is and shall be contrary to the interests of the Association, and would result in irrevocable continuing damages to the Association which would be difficult, if not impossible, to measure, and for which there would likely be no adequate remedy at law. In the event that an Owner fails to develop an undeveloped Unit within the period(s) provided above, such Unit shall be subject to a recurring Specific Assessment pursuant to the provisions of Section 8.6, above, in the amount of One Hundred Fifty Dollars (\$150.00) per month, which Specific Assessment shall continue from the date of assessment by the Board of Trustees until the occupancy certificate has been issued for such Unit.

14.4 Relief from Duty to Develop. An Owner of an undeveloped Unit may request, and the Board shall have the authority in its sole and absolute discretion to grant relief to an Owner from the duty to develop a Unit under conditions or circumstances which the Board determines do not or will not harm the interests of the Association. By way of example, in the event that an Owner acquires adjacent Units and applies to build a residence on one Unit and for relief from the duty to develop the other Unit with a residence, but instead to landscape and maintain the second Unit for aesthetic or functional reasons, it shall be within the discretion of the Board to grant conditional relief from the duty to develop. The conditions shall be set forth in the Board's written minute records. The parties may record evidence of the granted relief. At such time as the circumstance which served as the basis for such relief materially changes, and/or a condition is no longer satisfied, and/or the Owner fails to maintain the Unit, the relief shall be extinguished and the Unit shall be subject to the provisions of 14.2, as if, on that date, the Unit became an undeveloped Unit.

Article XV  
GENERAL PROVISIONS



15.1. Duration.

(a) Unless terminated as provided in Section 15.1(b), this Declaration shall have perpetual duration. If Utah law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 20 years each, unless terminated as provided herein. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by Utah law, in which case such law shall control, this Declaration may not be terminated within the first 20 years after the date of recording without the consent of all Unit Owners. Thereafter, it may be terminated only by an instrument signed by Owners of at least 75% of the total Units within the Properties and the Declarant, if the Declarant owns any portion of the Properties, which instrument is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

15.2. Amendment. The Declarant may amend this Declaration during the Class "B" Control Period if such amendment is specifically required to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, to make, purchase, insure or guarantee mortgage loans on the Units. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners of not less than 75% of the total number of Units within the Properties and the consent of the Declarant, so long as the Declarant has an option to subject additional property to this Declaration pursuant to Section 7.1.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant or the Class "B" Member, (respectively or the assignee of such right or privilege).

If an Owner consents to any amendment to this Declaration or the ByLaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording in the Public Records, unless a later effective date is specified in the amendment. A procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

15.3. Severability. Invalidation of any provision of this Declaration, in whole or in part, or any

application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

15.4. Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of 75% of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article VIII; (c) proceedings involving challenges to *ad valorem* taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. This Section shall apply in addition to the provisions of Article XIV, if applicable.

15.5. Cumulative Effect; Conflict. The provisions of this Declaration shall be cumulative with the provisions of any applicable Supplemental Declaration. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

15.6. Use of the Words "Autumn Leaf". No Person shall use the words "Autumn Leaf" or any derivative in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the words "Autumn Leaf" in printed or promotional matter where such terms are used solely to specify that particular property is located within Autumn Leaf and the Association shall be entitled to use the words "Autumn Leaf" in its name.

15.7. Compliance. Every Owner and occupant of any Unit shall comply with this Declaration, any applicable Supplemental Declaration, the ByLaws, and the Use Restrictions and Rules promulgated pursuant to Article X. Subject to the terms of Article XIV, failure to comply shall be grounds for an action by the Association or, in a proper case, by an aggrieved Unit Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3.

15.8. Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

15.9. Exhibits. Exhibits "A", "B" and "C" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 15.2.

15.10 Force Majeure. If the performance of the Association or an Owner is delayed or hindered or prevented by reason of: acts of God; failure of power; fire; accident; restrictive governmental laws, ordinances, regulations or requirements; riots; terrorist acts; war; civil commotion; insurrection; or any other reason not the fault of the obligated party and beyond the control of the obligated party (financial inability excepted), performance thereof shall be excused for the period of delay. The time to perform shall be extended for a period equivalent to the period of such delay.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 27<sup>th</sup> day of October, 2008.

KGL Corporation, a Utah corporation

By: [Signature]  
Its: President

Attest: \_\_\_\_\_

Its: \_\_\_\_\_

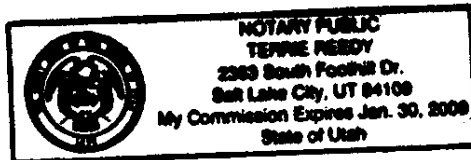
STATE OF UTAH )  
 )ss.  
County of Salt Lake )

Kevin Gates On this 27<sup>th</sup> day of October, in the year 2008, before me  
~~to~~ TERRIE REEDY personally appeared known or identified to me to be the  
President (officer's title) of the corporation that executed the above instrument on  
behalf of said corporation and acknowledged that such corporation executed the same.

[Signature]  
Notary Public

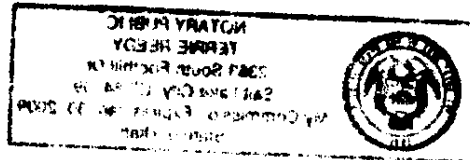
My Commission Expires:

Autumn Leaf CCRs 100708.wpd



**EXHIBIT "A"**  
**REAL PROPERTY DESCRIPTION**

See attached.



**EXHIBIT "A"**

COMMENCING AT A FOUND REBAR AND CAP AT THE WEST QUARTER CORNER OF SECTION 17, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 89°36'02" EAST, ALONG THE EAST-WEST CENTER QUARTER SECTION LINE, A DISTANCE OF 912.15 FEET TO THE POINT OF BEGINNING FOR THIS DESCRIPTION; THENCE CONTINUING SOUTH 89°36'02" EAST, ALONG SAID EAST-WEST CENTER QUARTER SECTION LINE, A DISTANCE OF 435.38 FEET TO A POINT ON THE WESTERLY LINE OF THE WELBY JACOB CANAL, RECORDED AS ENTRY #7502870, IN BOOK 8320 AT PAGE 1089, FOUND IN THE SALT LAKE COUNTY RECORDERS OFFICE; THENCE ALONG SAID CANAL THE FOLLOWING (11) COURSES: (1) SOUTH 43°33'25" EAST, A DISTANCE OF 83.22 FEET; (2) THENCE SOUTH 35°58'41" EAST, A DISTANCE OF 50.50 FEET; (3) THENCE SOUTH 23°40'38" EAST, A DISTANCE OF 50.60 FEET; (4) THENCE SOUTH 20°55'38" EAST, A DISTANCE OF 165.84 FEET; (5) THENCE SOUTH 30°46'03" EAST, A DISTANCE OF 58.32 FEET; (6) THENCE SOUTH 39°52'55" EAST, A DISTANCE OF 106.82 FEET; (7) THENCE SOUTH 45°57'25" EAST, A DISTANCE OF 104.08 FEET; (8) THENCE SOUTH 41°14'29" EAST, A DISTANCE OF 96.07 FEET; (9) THENCE SOUTH 31°29'29" EAST, A DISTANCE OF 48.69 FEET; (10) THENCE SOUTH 18°25'35" EAST, A DISTANCE OF 50.09 FEET; (11) THENCE SOUTH 07°43'40" EAST, A DISTANCE OF 93.54 FEET; TO THE NORTH R.O.W. LINE OF RUSHTON VIEW DRIVE THENCE SOUTH 83°46'51" WEST, A DISTANCE OF 107.30 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 267.00 FEET AND A CENTRAL ANGLE OF 23°11'35"; THENCE WESTERLY ALONG SAID ARC A DISTANCE OF 108.08 FEET; THENCE NORTH 73°01'34" WEST, A DISTANCE OF 173.70 FEET TO A POINT OF A CURVE TO THE LEFT HAVING A RADIUS OF 330.00 FEET AND A CENTRAL ANGLE OF 02°18'08", THENCE WESTERLY ALONG SAID ARC A DISTANCE OF 13.26 FEET TO A POINT ON THE EASTERLY LINE OF SAND DUNES PHASE 2 CONDOMINIUMS THENCE ALONG SAID EASTERLY LINE OF PHASE 2 CONDOMINIUMS IN THE FOLLOWING (2) COURSES: (1) NORTH 41°33'37" WEST, A DISTANCE OF 243.94 FEET; (2) THENCE NORTH 32°35'51" WEST, A DISTANCE OF 361.99 FEET TO A POINT ON THE EASTERLY LINE OF SAND DUNES PHASE 3 CONDOMINIUMS THENCE ALONG SAID EASTERLY LINE OF PHASE 3, NORTH 32°35'51" WEST. A DISTANCE OF 265.41 FEET TO THE POINT OF BEGINNING

Tax Identification No. 27-17-302-001.

## **EXHIBIT "B"**

### **DESIGN GUIDELINES**

1. **SITE PLANNING.** Climate, vistas, and native landscapes at Autumn Leaf have all contributed to shaping these Guidelines for design of improvements to homesites within the community. The following Guidelines are intended to ensure an environmentally sound and aesthetically pleasing development in Autumn Leaf, in harmony with the natural environment and with itself.

A. **BUILDING ENVELOPE.** All structures of every kind, including buildings, decks and storage structures must be located within the City's setback limits unless a variance or other exception is approved by the City and the ARC.

B. **SITE PREPARATION, GRADING AND DRAINAGE.** Each Owner is strongly encouraged to preserve the existing topography. Any grading should be done to maintain the existing terrain using natural rounded and varied contours. Grading should be directed, naturally, to the drainage system. Exposed drainage pipe must be avoided. Erosion is to be controlled to protect and retain any exposed earth.

C. **ACCESS DRIVES.** The graded or paved surface of an access drive may not exceed 30 feet in width. Placement of the access drive shall leave a minimum of five (5) feet of yard or landscaping between the access drive and the nearest side property line. The location of the drive and proposed driving surface are subject to approval by the ARC.

D. **GARAGE; PARKING.** Each site must have an enclosed garage designed for at least two cars.

E. **FENCES AND WALLS.** Back and rear side yard fences and patio/courtyard sight screens shall be constructed only upon ARC approval. Fencing must be vinyl, tan in color, and six feet in height. There shall be no front yard fencing, meaning between the structure and the street. Side yard fences shall not extend beyond the front line of the house and/or garage. Side yard access gates shall be no more than three feet wide. Fences should be placed to be as unnoticeable as possible and vegetation should be used to mask fences where appropriate.

F. **TERRACES AND DECKS.** The finish of decks and terraces, especially with regard to railings, should be designed so as to appear to be architecturally integrated with the residence itself. Style, color and materials that are used on the home itself must also be utilized for decks, skirting, or terraces.

G. **EXTERIOR LIGHTING.** Outdoor lighting must be designed to assure that neighboring properties are protected from the view of bright light sources. Illumination necessary for evening activities and security must be directed downward and be only bright enough to provide for safe use of steps and paths.

H. **STORAGE STRUCTURES.** All accessory buildings shall be constructed in the same architectural style, color, and materials as the main dwelling and shall adhere to the required setbacks and shall not be larger than 15% of the rear yard area. Accessory buildings are limited to rear yards only.

2. ARCHITECTURAL DESIGN. The following architectural standards have been adopted.

A. STYLE. Each residential structure shall be of a traditional design. No contemporary or geodesic-style homes shall be permitted.

B. DESIGN GUIDELINES. The minimum total floor area, finished and unfinished, of any home shall be 2,400 square feet (excluding the garage, porch, balcony, patio, and deck).

C. HEIGHT OF STRUCTURES. No home may exceed 35 feet in height at the highest point of its roof, meaning the vertical distance between the top of the roof and the proposed subdivision grade, at any given point of the building coverage. If applicable government standards call for a more restrictive standard, the government standard shall prevail.

D. ROOFS. No structure shall utilize a flat roof. Each roof shall have a minimum 6/12 pitch. Each structure shall use architectural-grade 25-year asphalt shingles, or higher, roofing materials. Roof materials allowed are: architectural grade shingles, fire retardant wood shake, slate, or tile. Roof colors shall be earth tones or black. White, bright and reflective materials are prohibited from roofs.

E. FOUNDATIONS. Visible surfaces of concrete masonry on concrete foundation walls and piers may not exceed six inches above finish grade unless they are faced with approved exterior materials.

F. GARAGES. Each residence must have an enclosed garage for at least two cars. Carports of any kind are prohibited.

G. EXTERIOR MATERIALS. The exterior construction of structures shall generally blend in and be compatible with the surrounding area and shall consist of stucco and masonry. Each home shall have a minimum square footage of masonry wall surface equal to two feet (2') times (x) the entire perimeter (also expressed in feet) of the structure's foundation and shall consist of brick or stone. No faux masonry products are allowed.

H. WINDOWS AND SKYLIGHTS. Windows and skylights must not be highly reflective. Any reflectivity or tinting shall be pre-approved by the ARC.

I. PREFABRICATED BUILDINGS. No building that is constructed off-site and requires transportation to any lot, whole or in partial assembly will be permitted without the written permission from the ARC. No mobile homes will be permitted to be placed or stored on any building Lot.

J. CHANGES OR ADDITIONAL CONSTRUCTION. The ARC must first approve all changes on additions to the approved plans before, during, or after construction.

3. LANDSCAPING. All of the lot surrounding the structure which are visible from the street shall consist of lawn or vegetative landscaping (trees, shrubs, flowers) except the driveway and any walkway. The driveway and walkway shall be "surfaced" with cement or other appropriate material

approved by the ARC. At least one-half (50%) of the front yard area (excluding driveway) shall be lawn with the remainder neatly defined landscape areas of small trees, shrubs, flowers.

4. CONSTRUCTION REGULATIONS.

A. **BUILDING LOT.** All building materials, construction debris, and excess dirt shall be placed on that building Lot. All debris and trash shall be placed in a receptacle and removed at least weekly. The excess soils from the excavation of the home's basement shall be placed where it will not interfere with the construction of the subdivision or the installation of its public utilities.

B. **DUST AND NOISE CONTROL.** The builder or Owner shall be responsible for controlling dust and noise from the construction site, including the removal of dirt and mud from public or private roads that is result of their construction activity on or adjacent to their lot.

C. **CONSTRUCTION AND OTHER RELATED DEBRIS.** Construction debris, grass clippings, garbage and other discarded items shall not be disposed of into the Open Space areas.



## EXHIBIT "C"

### USE RESTRICTIONS AND RULES

1. General Standards and Restrictions. The Subdivision shall be a single-family residential subdivision and shall be used solely for residential purposes. The Master Plan details building envelopes for each Lot within which the primary residential structure must be located. No Lot shall be further subdivided, even if zoning laws would allow Subdivision. All structures shall be in compliance with applicable zoning ordinances regarding side yard and height limitations. The following standards and restrictions shall govern the improvement, maintenance and use of each Lot:

1.1. No structure shall be erected, placed or altered on any Unit in the Subdivision until the buildings plans, specifications, and plot plan showing the location of such structure have been approved in writing by the ARC.

1.2. No trash, garbage, ashes or other refuse, junk, vehicles which are inoperable or in disrepair, underbrush or other unsightly growths or objects, shall be maintained or allowed on any Unit. All fences and buildings shall be kept in a good state of repair consistent with the Subdivision neighborhood standard. All structures, garages and accessory buildings shall be painted or stained, from time to time, so as to maintain a reasonable state of repair.

1.3. No noxious, illegal or offensive use of property shall be carried on any Unit, nor shall anything be done thereon that may be, or become, an annoyance or nuisance to the Subdivision neighborhood.

1.4. No sign of any kind shall be displayed to public view on any structure or any Unit, except for a sign, limited to one, advertising the property for sale, which sign shall be not larger than four (4) square feet.

1.5. Any Owner may remodel, paint or redecorate the interior of structures on his or her Unit without approval. However, modifications to the interior of porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to ARC approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

1.6. The Common Areas shall be used only in a manner consistent with the planned unit residential concept.

1.7. All Units are intended to be improved with residences and are restricted to such use. No Unit shall be used, occupied, or altered in violation of law, so as to jeopardize the support of any other residence or Unit, so as to create a nuisance or interfere with the rights of any Owner, or in a way which would result in an increase in the cost of any insurance covering the Common Areas.

1.8. No snowmobile, recreational equipment, trailer, camper, boat, truck larger than one (1) ton, or any other similar equipment shall be permitted to remain upon any Unit, or any portion of a Unit, for more than a 24-hour period unless written approval is granted by the

Association. The Association may levy a fine for any violation of this paragraph 1.8 of up to One Hundred<sup>1</sup> Dollars (\$100.00) for each day the violation continues.

1.9. On-street parking is intended for temporary visitors only. No motor vehicle, boat, recreational equipment, or any similar item may be parked, stored or left on or next to the streets in and around the Property for more than a six (6) hour period unless written approval is granted by the Association. The Association may levy a fine for any violation of this paragraph 1.9 of up to One Hundred Dollars<sup>1</sup> (\$100.00) for each day the violation continues.

1.10. Any garage constructed on a Unit is intended for the parking of motor vehicles. Although incidental storage in a garage otherwise used for the parking of motor vehicles is permitted, no garage may be used for storage to such an extent or in such manner that the storage prohibits or otherwise interferes with its primary use in the parking of motor vehicles. The Association may from time to time prescribe detailed rules regarding the use of garage space for storage. The Association may levy a fine for any violation of this paragraph 1.10 or the rules issued by the Association of up to One Hundred Dollars<sup>1</sup> (\$100.00) for each day the violation continues.

1.11. Fully landscaped yards shall be installed prior to occupancy of each Unit. For improvements on Units completed during winter months, a landscape bond shall be posted with a title company prior to occupancy to assure landscape completion. Each home shall include one tree in the front yard. Deciduous trees shall be at least 1 ½ inches in caliper and coniferous trees shall be a minimum height of five (5) to six (6) feet.

1.12. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other out building shall be used on any Unit at any time as a residential structure, either temporarily or permanently, unless approved in writing by the Association. No trailer, camper, boat, truck larger than one (1) ton, or similar equipment shall be permitted to remain upon any Unit, unless written approval is given by the Association; provided, however, that this sentence shall not apply to any Unit during the construction of improvements thereon, except as to any camper or boat.

1.13. No television, radio or other electronic antenna shall be erected, constructed, placed or permitted to remain on any of the Units unless and until the same shall have been approved in writing by the Association; provided, however, that the approval shall not be withheld unreasonably.

1.14. Notwithstanding the restrictions contained in this Exhibit "C", for the five (5) year period following the date on which this Declaration is filed for record in the office of the County Recorder of Salt Lake County, Utah, Developer shall have the right to use any Unit owned by it, and any part of the Common Areas reasonably necessary or appropriate, in furtherance of any construction, marketing, sales, management, promotional, or other activities

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<sup>1</sup> One Hundred Dollars (\$100.00) in 2008 U.S. dollars. The said amount shall be adjusted in January of each calendar year by the percent change in the Consumer Price Index ("Index") over the Index of the year prior to such preceding year. The "Consumer Price Index" (or "Index") shall mean the average for "all items" shown on the "United States City Average" as promulgated by the Bureau of Labor Statistics of the United States Department of Labor. If the Index is discontinued, the parties shall accept comparable statistics on the purchasing power of the consumer dollar, as published at the time of the said discontinuation, by a responsible financial periodical of recognized authority.

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designed to accomplish or facilitate improvements of the Common Areas or improvement and/or sale of all Units owned by Developer.

**EXHIBIT "D"**

**Bylaws of Autumn Leaf Homeowners Association, Inc.**

See attached.

Autumn Leaf CCRs 100708.wpd