

STONELEIGH HEIGHTS NEIGHBORHOOD ASSOCIATION, INC.
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS and RESTRICTIONS (the "Declaration") made this 4th day of October, 2004, by STONELEIGH HEIGHTS, LLC, a Utah limited liability company (the "Declarant").

RECITALS

A. The Declarant is the owner of certain land (the "Land") in Salt Lake County, Utah (the "County"), shown on the plat entitled, "STONELEIGH HEIGHTS AT SUNCREST PHASE No. 1 (A PLANNED UNIT DEVELOPMENT)" and recorded among the Office of County Recorder in the County (the "Recorder's Office"), in Plat Book No. 2004P, page 189, entry number 9122093 on July 16, 2004 at 1:49 p.m.

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

(1) To insure uniformity in the development of the Lots (as hereinafter defined) in the Neighborhood (as hereinafter defined).

(2) To facilitate the sale by the Declarant, its successors and assigns, of the land in the Neighborhood by reason of its ability to assure such purchasers of uniformity.

(3) To make certain that the Covenants shall apply uniformly to all Lots for the mutual advantage of the Declarant, the Record Owners and any Mortgagee (as such capitalized terms are defined herein) and to all those who may in the future claim title through any of the above.

(4) To provide for the benefit of the Record Owners, the preservation of the value and amenities in the Neighborhood, and the maintenance of certain reserved open spaces and common areas, including but not limited to easements, charges and liens, herein below set forth, and for the creation of an association to be delegated and assigned the powers of maintaining and administering the Common Areas (as hereinafter defined), and enforcing all applicable covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; which association shall be incorporated under the laws of the State of Utah, as a nonprofit corporation, for the purpose of exercising the functions as aforesaid.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT the Declarant does hereby establish and impose upon the Property (as hereinafter defined), the Covenants for the benefit of and to be observed and enforced by the Declarant, its successors and assigns, as well as by all purchasers of Lots, to wit:

COURTESY RECORDING
THIS DOCUMENT IS BEING RECORDED
SOLELY AS A COURTESY TO THE PARTIES.
U.S. TITLE ASSUMES NO RESPONSIBILITY
FOR THE CONTENTS HEREOF AND MAKES
NO REPRESENTATIONS AS TO THE EFFECT
OR VALIDITY OF THIS DOCUMENT

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Gary W. Ott
Recorder, Salt Lake County, UT
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ARTICLE I
DEFINITIONS

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

1.1 "Association" shall mean and refer to Stoneleigh Heights Neighborhood Association, Inc.

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

1.3 "Common Areas" shall mean and refer to those areas of land, intended to be devoted to the common use and enjoyment of the Record Owners of the Lots, including, but not limited to, those areas depicted as, Lot "B", Lot "C", Lot "D", Lot "E" and the private road known as "Blue Skye Court" as shown on the Plat (as such term is hereinafter defined) and any other real property or other facilities which the Association owns and/or in which the Association acquires a right of use for the benefit of the Association and its members, saving and excepting, however, so much of the Land previously conveyed or to be conveyed to the County.

1.4 "Declarant" shall mean and refer to Stoneleigh Heights, LLC, its successors and assigns to whom it shall expressly (a) convey or otherwise transfer all of its right, title and interest in the Property as an entirety, without reservation of any kind; or (b) transfer, set over and assign all of its right, title and interest under this Declaration, or any amendment or modification thereof, as Declarant.

1.5 "Development Period" shall mean the time commencing on the date of recordation of this Declaration among the Recorder's Office and ending on the date the last Lot is conveyed by a Builder to a Class A member.

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

1.7 "Master Association" shall have the meaning ascribed to it in Section 11.1 herein.

1.8 "Master Declaration" shall have the meaning ascribed to it in Section 11.1 herein.

1.9 "Mortgage" means any mortgage or deed of trust encumbering any Lot or any or all of the Common Areas, and any other security interest existing by virtue of any other form of security instrument or arrangement, provided that such mortgage, deed of trust or other form of security instrument, and an instrument evidencing any such other form of security arrangement, has been recorded among the Recorder's Office.

1.10 "Mortgagee" means the person secured by a Mortgage.

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

1.12 "Plat" shall mean and refer to the plats entitled, "STONELEIGH HEIGHTS AT SUNCREST PHASE No. 1 (A PLANNED UNIT DEVELOPMENT)" and recorded among the Recorder's Office of the County as Plat Book No. 2004P, page 189, entry number 9122093 on July 16, 2004 at 1:49 p.m.

, and any plats recorded among the Recorder's Office in substitution therefor or amendment thereof, plus any plats hereafter recorded among the Recorder's Office of any Additional Property that may hereafter expressly be made subject to this Declaration by an instrument in writing, duly executed, and recorded among the Recorder's Office.

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

1.14 "Record Owner" or "Owner" shall mean, refer to and include the person, firm, corporation, trustee, or legal entity, or the combination thereof, including contract sellers, holding the fee simple record title to a Lot, as said Lot is now or may from time to time hereafter be created or established, either in his, her, or its own name, as joint tenants, tenants in common, tenants by the entirety, or tenants in co-partnership, if the Lot is held in such real property tenancy or partnership relationship. If more than one (1) person, firm, corporation, trustee, or other legal entity, or any combination thereof, hold the record title to any one (1) Lot, whether it is in a real property tenancy, or partnership relationship, or otherwise, all of the same, as a unit, shall be deemed a single Record Owner and shall be or become a single member of the Association by virtue of ownership of such Lot. The term "Record Owner," however, shall not mean, refer to or include any contract purchaser.

1.15 "Structure" means any thing or device the placement of which upon the Property (or any part thereof) may affect the appearance of the Property (or any part thereof) including, by way of illustration and not limitation, any building, trailer, garage, porch, shed, greenhouse, bathhouse, coop or cage, covered or uncovered patio, clothesline, radio, television or other antenna or "dish", fence, sign, curbing, paving, wall, roadway, walkway, exterior light, landscape, hedge, trees, shrubbery, planting, signboard or any temporary or permanent living quarters (including any house trailer), or any other temporary or permanent improvement made to the Property or any part thereof. "Structure" shall also mean (i) any excavation, fill, ditch, diversion, dam or other thing or device which affects or alters the natural flow of surface waters from, upon or across the Property, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel from, upon or across the Property, and (ii) any change in the grade of the Property (or any part thereof) of more than six (6) inches from that existing at the time of first ownership by a Record Owner hereunder other than the Declarant.

ARTICLE II

COVENANTS, CONDITIONS AND RESTRICTIONS

2.1 **ADMINISTRATION; DESIGN REVIEW BOARD.** All administration of the architectural review is assumed by the Suncrest Master Homeowners Association and the Design Review Board per Article XI of the Recorded Declaration of Covenants, Conditions, Easements and Restrictions for Suncrest, A Planned Community. The Design Review Board for the Stoneleigh Heights HOA is the Suncrest Design Review Board as appointed.

2.2 **ARCHITECTURAL CONTROL.** No Improvements (as defined in the Master Declaration) are allowed without the prior approval of the Design Review Board (as defined in the Declaration). The Master Declaration also contains various provisions regarding the approval of the Design Review Board for construction of structures and alterations. Each Owner shall be required to obtain the approval of the Design Review Board if provided under the Master Declaration, which shall be in addition to any architectural approval required under this Declaration.

2.3 **LAND USE.** The Lots, except as hereinafter provided, shall be used for private and residential purposes only and no dwelling of any kind whatsoever shall be erected, altered or maintained thereon except a private dwelling house for the sole and exclusive use of the Owner or occupant of the Lot. None of the Lots shall at any time be used for apartments or other types of multiple housing units; it being the intention of the Declarant that each and every one of the Lots be used solely for one (1) single family attached dwelling, and no other purposes, except such purposes as may be specifically reserved in the succeeding sections of this Declaration. The use of any lot for business activities shall be governed by Section 4.3.2 of the Master Declaration.

2.4 **SWIMMING POOLS.** No type of pool, spa or Jacuzzi shall be permitted on any Lot; provided, however, that the foregoing shall not apply to children's portable pools which are stored in a non-visible area when not in use or spas or Jacuzzi which have been approved in advance by the Design Review Board in its sole and absolute discretion.

2.5 **TEMPORARY STRUCTURES.** No Structure of a temporary character, trailer, basement, tent, shack, garage, or other outbuildings shall be used on any Lot at any time as a residence, either temporarily or permanently. Nothing in this Declaration shall be deemed to prohibit an Owner from placing upon its Lot reasonably sized garden sheds, greenhouses or other similar accessory structures approved in advance by the Design Review Board. All sheds shall be on the Lot and shall be of materials harmonious with the exterior of the dwelling. In addition, portable and permanent basketball apparatus shall be prohibited on any Lot or in any Common Areas.

2.6 **REAL ESTATE SALES, CONSTRUCTION OFFICES AND MODELS.** Notwithstanding anything contained herein to the contrary, a real estate sales or construction office or a trailer and related signs, may be erected, maintained and operated on any Lot, or in any Structure now or hereafter located thereon, provided such office or trailer, and signs, are used and operated only in connection with the development and/or initial sale of any Lot or Lots, and/or the initial construction of improvements on any Lot now or hereafter laid out or created in the Neighborhood. Nothing herein, however, shall be construed to permit any real estate sales or construction office, trailer, or sign after such initial development, sales, and/or construction is completed. Except as

expressly permitted herein above, neither any part of any Lot, nor any improvement now or hereafter erected on any Lot, shall be used for any real estate sales or construction office or trailer, nor shall any sign used in conjunction with such uses be erected.

In addition, Declarant and Builder shall be permitted to construct and maintain model homes by persons employed in the construction of homes on the Property and parking incidental to the visiting of such model homes provided the location of such model homes and opening and closing hours are approved by the Design Review Board, and the construction, operation and maintenance of such model homes otherwise complies with the provisions of the Master Declaration. Any homes used as model homes shall cease to be used as model homes at such time as the Owner thereof is not actively engaged in the construction and sale of homes within the Property and no home shall be used as a model home for the sale of homes not located in the Property.

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

2.8 **TRAFFIC VIEW.** No Structure, landscaping, shrubbery or any other obstruction shall be placed on any Lot so as to block the clear view of traffic on any streets, nor shall any planting be done on any corner Lots closer than twenty (20) feet from either street line that will exceed three (3) feet in height (except shade trees which shall be trimmed so that a clear view may be maintained to the height of eight (8) feet).

2.9 **FRONT LAWN.** The area within the front of a dwelling shall be kept only as a lawn for ornamental or decorative planting of grass, trees and shrubbery.

2.10 **FENCES.** No fence shall be placed or kept on a Lot unless its location, type, color, height and texture are approved in advance by the Design Review Board. No fence shall be permitted in front yards or extend beyond the back corner of the dwelling. No fences shall be permitted on lots 1 through 12, except for the 6' high and 8' long section of fence installed by the builder for semi-privacy of the rear patio. Fences may be allowed on Lots 13 through 42 provided that the fence is no closer than 5' (FIVE FEET) from the property line or retaining wall, whichever is more restrictive. The intent of this restriction is to facilitate ease of maintenance of adjoining landscape areas and / or retaining walls. Nothing in this Section shall prohibit Declarant (or an Owner, including a Builder who has obtained the prior written consent of Declarant), while developing a Lot, or constructing, repairing or maintaining a dwelling or other Structure thereon, from temporarily installing thereon a fence which is required by law, or under customary development, construction or maintenance practices is in such person's reasonable judgment necessary or desirable to accomplish such purpose, but such fence shall be removed when no longer required for such purpose unless it otherwise complies with this Declaration.

2.11 **NEAT APPEARANCE.** Record Owners shall, at all times, maintain their Lots and all appurtenances thereto in good repair and in a state of neat appearance, including but not limited to, the seeding, watering and mowing of all lawns and yards, keeping all sidewalks, if any, neat, clean and in good repair, and free of ice and snow, the pruning and cutting of all trees and shrubbery and the painting (or other appropriate external care) of all Structures on the Lot, all in a manner and with such frequency as is consistent with good property management and maintenance. If, in the opinion of the Design Review Board, any Record Owner fails to perform the duties imposed

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

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

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

2.14 **VEHICLES.**

(a) As used herein,

(i) "Vehicle" means a Commercial Vehicle, Motor Vehicle, Recreational Vehicle, automobile, Large Truck, other truck or van (in each case, as defined by Utah law or by common usage and practice), trailer, motorcycle, bicycle, mo-ped, or other powered or unpowered vehicle.

(ii) "Commercial Vehicle" means any (1) automobile, truck or van used or designed principally for commercial, business or industrial use, or (2) taxicab or other Vehicle displaying a commercial logo, message or identification.

(iii) "Large Truck" means any truck or van (in each case, as defined by Utah law or by common usage and practice), or self-propelled farm or construction vehicle, which is more than 24 feet long, or has a capacity exceeding three-quarters ton.

(iv) "Motor Vehicle" means a vehicle required by law to be registered with the State of Utah or another governmental authority or entity, or propelled by a motor.

(v) "Recreational Vehicle" means any (1) boat, boat trailer, camp truck, camp trailer, golf cart, house trailer, personal watercraft, snowmobile, recreational bus or similar vehicle, motor home, camper van or all-terrain vehicle, or (2) other powered or unpowered vehicle

designed primarily for use for sports or recreational purposes.

(b) No Vehicle shall be parked or stored in the Neighborhood other than in accordance with the provisions of Sections 4.2.21 and 4.2.22 of the Master Declaration.

(c) Anything to the contrary notwithstanding herein, nothing herein shall prohibit the parking of Commercial Vehicles on a parking area or driveway on any Lot while providing maintenance, repair or installation services on, or making a delivery to or from, such Lot.

(d) Nothing in this Declaration shall prohibit or restrict the Declarant or Builder during the Development Period from operating, parking, maintaining or otherwise using a Vehicle anywhere in the Neighborhood.

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

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

(a) An Owner may install, maintain and use on its Lot one (or, if approved, more than one) Small Antenna (as hereinafter defined) in the rear yard of a dwelling on the Lot, at such location, and screened from view from adjacent dwellings in such a manner and using such trees, landscaping or other screening material, as are approved by the Design Review Board, in accordance with Article II. Notwithstanding the foregoing terms of this subsection, (i) if the requirement that a Small Antenna installed on a Lot be placed in the rear yard of a dwelling would impair such Small Antenna's installation, maintenance or use, then it may be installed, maintained and used at another approved location on such Lot where such installation, maintenance or use would not be impaired; (ii) if and to the extent that the requirement that such Small Antenna be screened would result in any such impairment, such approval shall be on terms not requiring such screening; and (iii) if the prohibition against installing, maintaining and using more than one (1) Small Antenna on a Lot would result in any such impairment, then such Owner may install on such Lot additional Small Antenna as are needed to prevent such impairment (but such installation shall otherwise be made in accordance with this subsection).

(b) In determining whether to grant any approval pursuant to this Section, neither Declarant, the Design Review Board nor the Board of Directors shall withhold such approval, or grant it subject to any condition, if and to the extent that doing so would result in an impairment.

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

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

2.18 **SIGNAGE**. Signage shall be governed by Section 4.2.14 of the Master Declaration.

2.19 **LEASE AGREEMENTS**. All lease agreements with respect to any Lot or any Structure located thereon shall be in writing and submitted to the Board of Directors of the Association for approval. The minimum term of all lease agreements shall be six (6) months, and shall state that the lease agreement shall be subject to this Declaration and the Master Declaration. Current copies of any lease must be supplied to the Association. Record Owners who do not reside on their Lot must provide current addresses and phone numbers to the Association. This Section 2.19 shall also be subject to the provisions of Section 4.2.34 of the Master Declaration.

2.20 **TRASH AND OTHER MATERIALS**. No lumber, metals, bulk materials, refuse or trash shall be kept, stored or allowed to accumulate on any Lot, except building material during the course of construction of any approved dwelling or other permitted Structure. Trash shall be disposed of in covered containers of a type, size and style which are approved by the Design Review Board or required by the applicable Municipal Authority (as defined in the Master Declaration). In no event shall such containers be kept as to be visible from neighboring property except to make the same available for collection. All rubbish, trash and garbage shall be removed from the Lots and shall not be allowed to accumulate there. No outdoor incinerators shall be kept or maintained on any Lot.

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

2.22 **PARTY WALLS**.

(a) Each wall that is built as a part of the original construction of the dwellings upon the and placed upon the dividing line between such Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

(c) If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owner(s) thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner(s) to call for a larger contribution from the other(s) under any rule of

law regarding liability for negligence or willful acts or omissions.

(d) Notwithstanding any other provision of this Section, any Owner who by its negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to each Owner's successors in title.

(f) In the event of any dispute arising concerning a party wall, or under the provisions of this Section, each party shall choose one (1) arbitrator, and such arbitrators shall jointly choose one (1) additional arbitrator, and the decision shall be by the majority of the three (3) arbitrators.

(g) The rules applicable to party walls shall also apply to any party fences.

2.23 The covenants contained in Sections 2.3 through and including 2.21, shall be subject to the provisions of the Master Declaration, and in the event of any conflict between the provisions of this Declaration and those contained in the Master Declaration, then the provisions of the Master Declaration shall govern and prevail.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION; ANNEXATION AND DEANNEXATION

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

3.2 ADDITIONS TO PROPERTY.

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

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

3.3 **DEANNEXATION.**

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

(b) So long as any Lot is encumbered by a deed of trust or mortgage which is guaranteed by the Federal Housing Administration and/or Veterans Administration, as the case may be, no deannexation shall be made pursuant to this Section, or otherwise, except following a determination by the Federal Housing Administration and/or Veterans Administration, that the deannexation is not contrary to a general plan for the development of the Property previously approved by the Federal Housing Administration and/or Veterans Administration, or, if no such general plan was approved by the Federal Housing Administration and/or Veterans Administration, except following the prior written approval of the Federal Housing Administration and/or Veterans Administration.

ARTICLE IV

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

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

4.2 **CLASSES OF MEMBERSHIP.**

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

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

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

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

4.3 **CONVERSION**. The Class B membership in the Association shall cease and be converted to Class A membership in the Association, upon the earlier to occur of (i) December 31, 2010; or (ii) at such time as the total number of votes entitled to be cast by Class A members of the Association equals or exceeds the total number of votes entitled to be cast by the Class B member of the Association. If after such conversion Additional Property is made subject to the Declaration, then the Class B member shall be reinstated until December 31, 2013, or such earlier time as the total number of votes entitled to be cast by Class A members again equals or exceeds the total number of votes entitled to be cast by the Class B member. The Declarant shall thereafter remain a Class A member of the Association as to each and every Lot from time to time subject to the terms and provisions of this Declaration in which the Declarant then holds the interest otherwise required for Class A membership.

ARTICLE V

DECLARANT'S RESERVED RIGHTS AND OBLIGATIONS

5.1 **UTILITY EASEMENTS**. Easements with respect to sanitary sewer and water, cable television, electricity, gas and telephone lines and any other like facilities shall be governed by the following:

(a) The Owner of any Lot, or the Association, shall have the right, to the extent necessary, to enter upon or have a utility company enter upon any portion of the Property in which utility installations lie, in order to repair, replace and generally maintain said installations.

(b) The right granted in Section 5.1(a) above shall be only to the extent necessary to entitle the Owner or the Association full and reasonable use and enjoyment of the utilities and provided further that anyone exercising said right shall be responsible for restoring the surface of the easement area to its prior condition.

(c) A non-exclusive, perpetual, blanket easement over the Property for the installation and maintenance of electric, telephone, cable television, water, gas, drainage, utility, sanitary sewer lines and facilities, pressure sewers and grinder pumps, and the like, is hereby reserved by Declarant and its successors and assigns, together with the right to grant and transfer the same during such time that Declarant or its successors and assigns is the Owner of the Property.

5.2 **DEVELOPMENT EASEMENTS**.

(a) **Easements Reserved to the Declarant**.

(i) **Easement to Facilitate Development**. The Declarant hereby reserves to itself and its designees a non-exclusive blanket easement over and through the Property

for all purposes reasonably related to the development and completion of improvements on the Property, including without limitation: (i) temporary slope and construction easements; (ii) drainage, erosion control and storm and sanitary sewer easements including the right to cut or remove trees, bushes or shrubbery, to regrade the soil and to take any similar actions reasonably necessary; provided, however, that thereafter the Declarant shall restore the affected area as near as practicable to its original condition; and (iii) easements for the construction, installation and upkeep of improvements (e.g., buildings, landscaping, street lights, signage, etc.) on the Property or reasonably necessary to serve the Property.

(ii) Easement to Facilitate Sales. The Declarant and Builder hereby reserve to itself and its designees the right to: (i) use any Lots owned or leased by the Declarant or Builder, and any other Lot with the written consent of the Owner thereof, as models, management offices, customer service offices or sales office parking areas; (ii) place and maintain in any location on the Common Areas and the storm water management area, and on any Lot, street and directional signs, temporary promotional signs, temporary construction and sales offices, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features; provided however, that all signs shall comply with applicable governmental regulations and the Declarant or Builder, as the case may be, shall obtain the consent of the Owner of any affected Lot or of the Design Review Board if the Owner does not consent; and (iii) relocate or remove all or any of the above from time to time at the Declarant's or Builder's sole discretion.

(iii) Landscaping Easement. The Declarant hereby reserves to itself and its successors and assigns, an easement and the right to grant and reserve easements over and through the Property for the purpose of construction, installation, irrigation and maintenance of landscaping features, including without limitation, plants, trees and earth berms and other earth contouring and signs which shall include access as necessary to perform such tasks. The Owner of a Lot burdened by such an easement shall not construct any improvements within the easement without the permission of the Declarant during the Development Period, or the Association, thereafter. Maintenance of these easement areas by the Association shall be a common expense of the Association and shall not be assessed against the Lot burdened by the easement; provided, however, the Declarant or Association, as appropriate, may require the Owner of the Lot to maintain any easement area located on such Owner's Lot.

(iv) Storm Water Management Easement. The Declarant hereby reserves to itself and its successors and assigns an easement and the right to grant and reserve easements over and through the Property for the construction and upkeep of storm water management facilities, including storm water retention areas. The Declarant shall also have the right to allow adjacent properties to tie their storm water management facilities into the storm water management facilities for the Property; provided, however, that the Owners of such adjacent properties agree to bear a portion of the expense of upkeep for the storm water management facilities for the Property in such amount as may be deemed appropriate by the Declarant.

(v) Relocation Easements. The Declarant hereby reserves unto itself the right to relocate, change or modify, from time to time, any and all streets, roadways and utility easements which may be located within the Common Areas and to create new streets, roadways and utility easements therein.

(vi) Completion Easements and Rights of Declarant and Builder.

Declarant and Builder further reserve unto itself, for itself and its successors and assigns, the right, notwithstanding any other provision of the Declaration, to use any and all portions of the Property, including any Common Areas which may have previously been conveyed to the Association, for all purposes necessary or appropriate to the full and final completion of construction of the Neighborhood. Specifically, none of the provisions of Article II concerning architectural control or use restrictions shall in any way apply to any aspect of the Declarant's or Builder's development or construction activities and notwithstanding any provisions of this Declaration, none of the Declarant's or Builder's construction activities or any other activities associated with the development, marketing, construction, sales management or administration of the Neighborhood shall be deemed noxious, offensive or a nuisance. The Declarant and Builder reserve the right for itself, and its respective successors and assigns, to store materials, construction debris and trash during the construction period on the Property without keeping same in containers.

(vii) Grading Easements. Declarant expressly reserves unto itself the right at or after the time of grading of any street or to such other Lot or any part thereof for any purpose, to enter upon any abutting Lot and grade a portion of such Lot adjacent to such street, provided such grading does not materially interfere with the use or occupancy of a dwelling built or to be built on such Lot, but said Declarant shall not be under any obligation or duty to do such grading or to maintain any slope.

(viii) Common Area Easements.

a. Utilities. The Declarant hereby expressly reserves unto itself and hereby grants to any utility company, to whom the Declarant may grant, convey, transfer, set over and assign the same, or any part thereof, the right to discharge surface water on and to lay, install, construct, and maintain, on, over, under or in those strips across land designated on the Plat, as "Drainage and Utility Easement", "Sewer Easement", "Drainage and Sewer Easement", "Open Space", "H.O.A. Area" "Common Area", and "Area Reserved for Future Road", or otherwise designated as an easement area, or on, over, under, or in any portion of any Common Areas, pipes, drains, mains, conduits, lines, and other facilities for water, storm sewer, sanitary sewer, gas, electric, telephone, and other public utilities or quasi-public utilities deemed necessary or advisable to provide adequate service to any Lot now or hereafter laid out or established on the Property, or the area in which the same is located, together with the right and privilege of entering upon the Common Areas for such purposes and making openings and excavations therein, provided that same be corrected and the ground be restored and left in good condition.

b. Sediment Control Ponds/Facilities. The Declarant hereby expressly reserves unto itself the right to continue to use and maintain any sediment control ponds or facilities located on any Common Areas.

(ix) Maintenance Easements. Each Owner hereby grants an easement to the Association and its agents in order for the Association to perform any and all repair and maintenance of Lots, which the Association is either required to perform hereunder or elects to perform pursuant to the provisions of this Declaration.

(b) Further Assurances. Any and all conveyances made by the Declarant to the Association or any Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether or not set forth in such grants. Upon written request of the Declarant, the

Association and each Owner shall from time to time execute, acknowledge and deliver to the Declarant such further assurances of these reservations of rights and easements as may be requested.

(c) **Duration and Assignment of Development Rights**. The Declarant may assign its rights under this Section to, or share such rights with, one or more other persons, exclusively, simultaneously or consecutively. The rights and easements reserved by or granted to the Declarant pursuant to this shall continue for so long as the Declarant or its designees are engaged in development or sales, or activities related thereto, anywhere on the Property, unless specifically stated otherwise.

(d) **Association Power to Make Dedications and Grant Easements**. The Declarant, on behalf of itself and its successors and assigns, hereby also grants to the Association the rights, powers and easements reserved to the Declarant by Article V hereof. These rights, powers and easements may be exercised by the Association, subject to any other provisions herein; provided, however, that the limitations on duration applicable to the Declarant shall not apply to the Association. If the Declarant or any Owner requests the Association to exercise its powers under this Section, the Association's cooperation shall not be unreasonably withheld, conditioned or delayed.

5.3 **EASEMENT FOR UPKEEP**. The Declarant hereby reserves unto itself and hereby grants to the Association, the managing agent and any other persons authorized by the Board of Directors, in the exercise and discharge of their respective powers and responsibilities, the right of access over and through any portion of the Property for purposes of upkeep of the Property, including, without limitation, the right to make inspections, correct any condition originating in a Lot or in the Common Areas threatening another Lot or the Common Areas, correct drainage, perform installations or upkeep of utilities, landscaping, retaining walls or other improvements located on the Property and within the offsite slope and grading easements for which the Association is responsible for upkeep, or correct any condition which violates this Declaration. The agents, contractors, officers and directors of the Association may also enter any portion of the Property (excluding any improvement) in order to utilize or provide for the upkeep of the areas subject to easements granted in this Article to the Association. Each Owner shall be liable to the Association for the cost of all upkeep performed by the Association and rendered necessary by any act, neglect, carelessness or failure to comply with this Declaration for which such Owner is responsible pursuant to this Declaration, and the costs incurred by the Association shall be assessed against such Owner's Lot in accordance with Article VIII hereof.

5.4 **EASEMENT FOR SUPPORT**. To the extent that any portion of the Property now or hereafter supports or contributes to the support of any other portion of the Property, the former is hereby burdened with an easement for the lateral and subjacent support of the latter.

5.5 **EASEMENT AND EMERGENCY ACCESS**. The Declarant, on behalf of itself and its successors and assigns, hereby reserves unto itself and grants an easement to: (1) all police, fire, ambulance and other rescue personnel over and through all or any portion of the Property for the lawful performance of their functions during emergencies; and (2) the Association, over and through all Lots, if emergency measures are required in any Lot to reduce a hazard thereto or to any other portion of the Property. The Association is hereby authorized but not obligated to take any such measures.

5.6 **EASEMENT FOR USE OF COMMON AREAS**. The Declarant hereby reserves unto itself, for so long as the Declarant is engaged in development or sales, or activities related thereto anywhere on the Property or the Declarant is an Owner and to each Owner and each person lawfully occupying a Lot, a non-exclusive right and easement of use and enjoyment in common with others of the Common Areas, provided, however, that the Declarant shall have the same right and easement of use as the other Owners. Such right and easement of use and enjoyment shall be appurtenant to each Lot, whether or not mentioned in the deed thereto. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such rights and easements are appurtenant shall be void.

5.7 **VEHICLE AND PEDESTRIAN ACCESS**. The Declarant hereby reserves to itself, for so long as Declarant is engaged in development or sales, or activities related thereto anywhere on the Property, and hereby grants to each other Owner and each person lawfully occupying a Lot a non-exclusive easement over all streets, walks and paths on the Common Areas for the purpose of vehicular or pedestrian access, ingress and egress, as appropriate, to any portion of the Property to which such person has the right to go, subject to any Rules and Regulations promulgated by the Association pursuant to this Declaration. Any purported conveyance or other transfer of such rights and easements apart from the Lot to which such right and easement are appurtenant shall be void.

5.8 **LIMITATIONS**. The rights and easements of enjoyment created hereby shall be subject (in addition to any easements granted or reserved in this Declaration or pursuant to the Articles of Incorporation and By-Laws of the Association) to all rights and powers of the Declarant and the Association when exercised in accordance with the other applicable provisions of such documents, including without limitation the Association's right to regulate the use of the Common Areas, to grant easements across the Common Areas, to dedicate portions of the Common Areas and to mortgage the Common Areas subject to the provisions of this Declaration.

5.9 **SALES OFFICE, ETC.** Nothing contained in this Declaration shall be construed to in any way limit the right of Declarant or Builder to use any Lot owned by Declarant or Builder for the purpose of a construction office, sales office, and/or for model and display purposes and for the carrying out of the above activities, and/or storage compound and parking lot for sales, marketing, and construction.

5.10 **LOT LINES**. The Declarant, for itself, its successors and assigns, reserves the right to alter, amend, and change any Lot lines or subdivision plat prior to transfer of any Lot pursuant to a recorded subdivision plat. In addition, Declarant reserves the right to alter Lot lines between Lots owned by it at any time.

5.11 **PLAT CHANGES**. No right shall be conferred upon any Owner or Member by the recording of any plat relating to the development of the Property described herein to require the development of said Property in accordance with such plat. Declarant expressly reserves unto itself, the right to make such amendments to any such plat or plats as shall be advisable in their best judgment and as shall be acceptable to public authorities having the right to approval thereof.

ARTICLE VI

COMMON AREAS and OFFSITE EASEMENTS

6.1 **GRANT OF COMMON AREAS.** The Association shall take title to the Common Areas that is part of the Property free and clear of all encumbrances, except this Declaration, upon the conveyance of the first Lot to a Class A member. The Covenants are hereby imposed upon the Common Areas for the benefit of the Declarant, the Association and the Record Owners, and their respective personal representatives, successors and assigns, to the end and intent that the Association shall have and hold the said Common Areas subject to the reservations set forth in Article V hereof, and to the Covenants herein set forth. Declarant has entered into a slope and grading easement with the adjoining property owners, the Michels. The Association will have ongoing maintenance responsibilities for these slopes until such time as the adjacent property is developed and the need for the slope easement has been extinguished.

6.2 **MEMBER'S RIGHT OF ENJOYMENT.** Every member of the Association shall have a non-exclusive right and easement for the use, benefit and enjoyment, in common with others, in and to the Common Areas and such non-exclusive right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the restrictions herein set forth. If ingress or egress to any dwelling is through the Common Areas, any conveyance or encumbrance of such area is subject to such Owner's easement. Except as otherwise permitted by the provisions of this Declaration, the Common Areas shall be retained in its natural state, and no Structure or improvement of any kind shall be erected, placed or maintained thereon. Structures or improvements designed exclusively for Neighborhood use, shelters, benches, chairs or other seating facilities, fences and walls, walkways, playground equipment, game facilities, drainage and utility structures, grading and planting, may be erected, placed and maintained thereon for the use, comfort and enjoyment of the members of the Association, or the establishment, retention or preservation of the natural growth or topography of the area, or for aesthetic reasons. No portion of the Common Areas may be used exclusively by any Record Owner or Owners for personal vegetable gardens, storage facilities or other private uses.

6.3 **NUISANCE.** No noxious or offensive activity shall be carried on upon the Common Areas nor shall anything be done thereon which will become an annoyance or nuisance to the Neighborhood.

6.4 **MAINTENANCE OBLIGATIONS OF THE ASSOCIATION.** The Association shall improve, develop, supervise, manage, operate, examine, insure, inspect, care for, repair, replace, restore and maintain (i.e., cut, fertilize and weed control) the Common Areas, retaining walls, and the slope and grading easements on the adjoining property, together with any items of personal property placed or installed thereon and any area dedicated to a public or governmental entity if such entity fails to properly maintain such area, as from time to time improved, all at its own cost and expense, and shall levy against each member of the Association a proportionate share of the aggregate cost and expense required for the care, maintenance and improvement of the foregoing described areas, which proportionate share shall be determined based on the ratio which the number of Lots owned by the member bears to the total number of Lots then laid out or established on the Property.

6.5 **RESTRICTIONS.** The right of each member of the Association to use the Common Areas shall be subject to the following:

(a) any rule or regulation now or hereafter set forth in this Declaration and, further, shall be subject to any rule or regulation now or hereafter adopted by the Association for the safety, care, maintenance, good order and cleanliness of the Common Areas;

(b) the right of the Association, in accordance with its Articles of Incorporation and By-Laws, to borrow money for the purpose of improving the Common Areas in a manner designed to promote the enjoyment and welfare of the members, and in aid thereof to mortgage any of the Common Areas;

(c) the right of the Association to take such steps as are reasonably necessary to protect the property of the Association against mortgage default and foreclosure;

(d) the right of the Association to suspend the voting rights and the rights to use of the Common Areas after notice and a hearing for any period not to exceed sixty (60) days for any infraction of any of the published rules and regulations of the Association or of this Declaration;

(e) the right of the Association to dedicate or transfer all or any part of the Common Areas to any public or municipal agency, authority or utility for purposes consistent with the purpose of this Declaration and subject to such conditions as may be agreed to by the members; and further subject to the written consent of the County; provided, however, that no dedication, transfer, mortgage or determination as to the purposes or as to the conditions thereof, shall be effective unless two-thirds (2/3) of the Class A members (excluding the Declarant if the Declarant is a Class A member) of the Association consent to such dedication, transfer, purpose and conditions; and

(f) the right of the Association, acting by and through its Board of Directors, to grant licenses, rights-of-way and easements for access or for the construction, reconstruction, maintenance and repair of any utility lines or appurtenances, whether public or private, to any municipal agency, public utility, the Declarant or any other person; provided, however, that no such license, right-of-way or easement shall be unreasonably and permanently inconsistent with the rights of the members to the use and enjoyment of the Common Areas.

(g) All of the foregoing shall inure to the benefit of and be enforceable by the Association and the Declarant, or either of them, their respective successors and assigns, against any member of the Association, or any other person, violating or attempting to violate any of the same, either by action at law for damages or suit in equity to enjoin a breach or violation, or enforce performance of any term, condition, provision, rule or regulation. Further, the Association and the Declarant shall each have the right to abate summarily and remove any such breach or violation by any member at the cost and expense of such member.

6.6 **DELEGATION OF RIGHT OF USE.** Any member of the Association may delegate its rights to the use and enjoyment of the Common Areas to family members who reside permanently with such member and to its tenants, contract-purchasers, invitees and guests, all subject to such reasonable rules and regulations which the Association may adopt and uniformly apply and enforce.

6.7 **RULES AND REGULATIONS.** Each Record Owner shall fully and faithfully comply with the rules, regulations and restrictions applicable to use of the Common Areas, as such rules,

regulations and restrictions are from time to time adopted by the Association for the safety, care, maintenance, good order and cleanliness of the Common Areas. Further, each Record Owner shall comply with the Covenants imposed by this Declaration on the use and enjoyment of the Common Areas.

ARTICLE VII

ENCROACHMENTS

If any Structure or any part thereof, now or at any time hereafter, encroaches upon an adjoining Lot or any Structure encroaches upon any Common Areas, whether such encroachment is attributable to construction, settlement or shifting of the Structure or any other reason whatsoever beyond the control of the Board of Directors or any Record Owner, the violating Owner shall take any corrective action to remedy such encroachment.

ARTICLE VIII

COVENANT FOR ASSESSMENT

8.1 **COVENANT FOR ASSESSMENT.** Declarant for each Lot owned by it within the Property, hereby covenants, and each Record Owner, by acceptance of a deed hereafter conveying any such Lot to it, whether or not so expressed in such deed or other conveyance, shall be deemed to have covenanted and agreed to pay the Association (a) in advance, an annual assessment (the "Annual Assessment") equal to the member's proportionate share of the sum required by the Association, as estimated by the Board of Directors, for Annual Assessments or charges, and (b) Special Assessments or charges, for capital improvements (ASpecial Assessment@), such Annual and Special assessments and charges to be established and collected as hereinafter provided. The Annual and Special Assessments or charges shall be a charge and continuing lien upon each of the Lots against which the assessment is made in accordance with the Utah law, and this Article VIII shall be construed as a real covenant running with the Land and a contract of a lien under the terms of the said Act. Such assessments or charges, together with interest at a rate of eighteen percent (18%) per annum (unless such rate of interest is not legally allowable in which event the highest rate permitted by law shall be applicable), and costs and reasonable attorneys' fees incurred or expended by the Association in the collection thereof, shall also be the personal obligation of the Record Owner holding title to any Lot at the time when the assessment fell due or was payable. The personal obligation for any delinquent assessment or charge, together with interest, costs and reasonable attorneys' fees, however, shall not pass to the Record Owner's successor or successors in title unless expressly assumed by such successor or successors.

8.2 **USE OF ASSESSMENTS.** The assessments and charges levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents of the Neighborhood, and in particular for (a) the improvement and maintenance, operation, care, services and facilities related to the use and enjoyment of the Common Areas, including fees paid to any management agent; (b) the maintenance of Lot lawns, including cutting, fertilizing and weed control of each Record Owner's Lot; (c) the payment of taxes on the Common Areas (except to the extent that proportionate shares of such public charges and

assessments on the Common Areas may be levied against all Lots laid out on the Property by the tax collecting authority so that the same is payable directly by the Record Owners thereof, in the same manner as real property taxes are assessed or assessable against the Lots); (d) the payment of insurance premiums on the Common Areas; (e) the costs of repair, replacement and additions to the Common Areas and improvements thereon; (f) the cost of obtaining, planting and thereafter maintaining street trees throughout the Neighborhood if required by the County, whether or not such street trees are located in the Common Areas; (g) the costs of utilities and other services which may be provided by the Association for the Neighborhood as may be approved from time to time by a majority of the members of the Association; (h) the cost of labor, equipment, insurance, materials, management and supervision incurred or expended in performing all of the foregoing; and (i) the cost of funding all reserves established by the Association, including a general operating excess and a reserve for replacements.

8.3 MAXIMUM ANNUAL ASSESSMENT.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to a Record Owner other than the Declarant or Builder, the maximum Annual Assessment shall be the aggregate of One Thousand Four Hundred Thirteen Dollars (\$1,413.00) for each Lot, payable monthly at the rate of One Hundred Thirty Seven and 85/100 Dollars (\$137.85). The foregoing figure includes Forty-Nine Dollars (\$49.00) paid to the Master Association for Comcast cable television and high speed internet access. In addition to the foregoing, each Owner shall pay to the Master Association any other assessments due to the Master Association under the Master Declaration.

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

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

(d) Declarant covenants and agrees to pay any and all expenses (excluding reserves) incurred by the Association during the "Deficit Period" (as such term is hereinafter defined), in furtherance of its purposes, to the extent that the Annual Assessments and Special Assessments levied during the Deficit Period are insufficient to pay such expenses; **provided, however,** that Declarant shall have no obligation whatsoever to pay an amount in excess of twenty-five percent (25%) of the regular Annual Assessment or charge made or levied against any other Lot laid out on the Property if it was owned by a Class A member. Declarant and Builder shall not be obligated to pay Annual Assessments or Special Assessments on any Lots owned by it as long as it shall be the Class B member, other than as set forth above. As used herein, the term "Deficit Period" shall mean that period of time commencing on the date of the settlement with a Class A member on the first Lot within the Property and ending on the date on which the Class B membership lapses under the provisions of this Declaration.

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

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

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

8.6 **COMMENCEMENT DATE OF ANNUAL ASSESSMENTS.**

(a) The Annual Assessments as to any Lot shall commence as to each Lot on the date such Lot is conveyed to a Class A member who intends to occupy a dwelling built on such Lot for residential purposes. The Annual Assessments shall be due and payable on a monthly basis, unless changed by the Board of Directors under Section 8.7 (a) hereunder.

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

8.7 **DUTIES OF THE BOARD OF DIRECTORS.**

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

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

(c) The Association shall, upon demand at any time, furnish to any Record Owner liable for assessment a certificate in writing signed by an officer of the Association setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated as having been paid. A reasonable charge (but no less than thirty-five dollars (\$35.00)), may be levied in advance by the Association for each certificate so delivered.

8.8 **ADDITIONAL ASSESSMENTS.** Additional assessments may be fixed against any Lot only as provided for in this Declaration. Any such assessments shall be due as provided by the Board of Directors in making any such assessment.

8.9 **NONPAYMENT OF ASSESSMENT.** Any assessment or portion thereof not paid within thirty (30) days after the due date thereof shall be delinquent and shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum (unless such rate of interest is not legally allowable in which event the highest rate permitted by law shall be applicable), and shall be subject to a late charge of Ten Dollars (\$10.00) per month until paid, or ten percent (10%) of the assessment, whichever is greater, and the Association shall have the right to declare the entire balance of the assessment and accrued interest thereon to be immediately due and payable. The Association may bring an action at law against the Record Owner personally obligated to pay the same, and/or without waiving any other right, at equity to foreclose the lien against the Lot in the same manner and subject to the same requirements as are specified by the law of Utah for the foreclosure of mortgages or deeds of trust containing a power of sale or an assent to a decree, and there shall be added to the amount of such assessment the reasonable costs of preparing and filing the complaint of such action, and in the event that judgment is obtained, such judgment shall include interest on the assessment as above provided, late fees and reasonable attorneys' fees to be fixed by the court together with the cost of the action. No Record Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of such Record Owner's Lot.

8.10 **SUBORDINATION OF LIEN TO MORTGAGE.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage(s) or deed(s) of trust now or hereafter placed upon the Lot subject to assessment; provided, however, that the sale or transfer of

any Lot pursuant to mortgage or deed of trust foreclosure, or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve such Lot from liability for any assessments thereafter becoming due, nor from the lien of any such future assessment.

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

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

8.13 **RESERVES FOR REPLACEMENTS.**

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

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

ARTICLE IX

INSURANCE AND CASUALTY LOSSES

9.1 **TYPES OF INSURANCE MAINTAINED BY ASSOCIATION.** The Board of Directors shall have the authority to and shall obtain the following types of insurance:

(a) insurance on all insurable improvements on the Common Areas against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief in an amount sufficient to cover the full replacement cost of such improvements in the event of damage or destruction;

(b) a public liability insurance policy covering the Association, its officers, directors and managing agents, having at least a One Million Dollar (\$1,000,000.00) limit per total claims that arise from the same occurrence, (which limit may be increased from time to time by the Board of Directors) including but not limited to liability insurance for the recreational facilities located in the Neighborhood, or in an amount not less than the minimum amount required by applicable law,

ordinance or regulation;

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

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

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

9.3. **DAMAGE AND DESTRUCTION OF COMMON AREAS.**

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

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

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

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

9.5 **HAZARD INSURANCE ON IMPROVED LOTS.** Each Record Owner of an improved Lot at all times shall maintain fire and extended coverage insurance or other appropriate

damage and physical loss insurance, in an amount equal to not less than one hundred percent (100%) of the current replacement value of the improvements on the Lot.

9.6 OBLIGATION OF LOT OWNER TO REPAIR AND RESTORE.

(a) In the event of any damage or destruction of the improvements on a Lot, the insurance proceeds from any insurance policy on an improved Lot, unless retained by a Mortgagee of a Lot, shall be applied first to the repair, restoration or replacement of the damaged or destroyed improvements. Any such repair, restoration or replacement shall be done in accordance with the plans and specifications for such improvements originally approved by the Declarant or the Design Review Board; unless the Record Owner desires to construct improvements differing from those so approved, in which event the Record Owner shall submit plans and specifications for the improvements to the Design Review Board and obtain its approval prior to commencing the repair, restoration or replacement. If any Mortgagee does not permit insurance proceeds to be used to restore any damaged or destroyed improvements, then the Record Owner of such Lot shall raze the improvements and return the Lot to its natural condition free of all debris.

(b) If any Record Owner of an improved Lot fails to maintain the insurance required by Section 9.5 of this Article, the Association may, but shall not be obligated to, obtain such insurance and pay any premiums required in connection with obtaining such insurance. Such Record Owner shall be personally liable to the Association for any costs incurred by the Association in obtaining such insurance, to the same extent as such Record Owner is liable for assessments levied against its Lot, and, upon the failure of the Record Owner to pay such costs within ten (10) days after such Record Owner's receipt of a written demand therefor from the Association, the Association may establish a lien therefor upon the Record Owner's Lot in accordance with and subject to the provisions of this Declaration applicable to an assessment lien.

ARTICLE X

RIGHTS OF MORTGAGEES

10.1 GENERAL.

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

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

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

(a) inspect the Association's books and records during normal business hours;

(b) receive an annual financial statement of the Association within ninety (90) days after the end of any fiscal year of the Association;

(c) be given timely written notice of all meetings of the membership, and designate a representative to attend all such meetings;

(d) be given timely written notice of the occurrence of any substantial damage to or destruction of the Common Areas, or if the Common Areas are made the subject of any condemnation or eminent domain proceeding or the acquisition thereof is otherwise sought by any condemning authority; and

(e) be given timely written notice by the Association of failure to pay assessments by the Record Owner of such Mortgagee's Lot which is not cured within thirty (30) days after such default commences, but the failure to give such notice shall not affect the validity of the lien for any assessments levied pursuant to this Declaration.

10.3 **APPROVAL BY FEDERAL HOUSING ADMINISTRATION AND VETERANS ADMINISTRATION.** Until the Class B membership terminates pursuant to the provisions of Article IV, Section 4.3, the consent or approval of the Federal Housing Administration, the Veterans Administration and/or the Department of Housing and Urban Development (the AFederal Agencies) shall be obtained with respect to any of the following actions taken while a Mortgage is in effect which is insured or guaranteed by such entity:

(a) a dedication of any portion of the Common Areas to public use ;

(b) an amendment of this Declaration; and

(c) annexation of additional properties.

ARTICLE XI

SUNCREST OWNER'S ASSOCIATION, INC.

11.1 **EASEMENT TO SUNCREST OWNERS ASSOCIATION, INC.** The officers, agents, employees and independent contractors of the SunCrest Owners Association, Inc. (the AMaster Association) shall have a nonexclusive easement to enter upon the Property, or any portion thereof, for the purpose of performing or satisfying the duties and obligations of the Master Association as set forth in the Declaration of Covenants, Conditions, Easements and Restrictions dated December 21, 1999, and recorded among the Salt Lake County Recorder's Office in Book 8332, folio 4708, as amended from time to time (the AMaster Declaration), or as otherwise set forth in any other documents or rules and regulations applicable to the Master Association.

11.2 **SUBORDINATION OF ASSESSMENT LIEN.** The lien of any assessment imposed upon any Lot pursuant to this Declaration shall be subordinate and inferior to the lien of any assessment imposed upon such Lot pursuant to the Master Declaration.

11.3 **MASTER ASSOCIATION ASSESSMENTS.** Declarant hereby covenants for each Lot and each Record Owner of any Lot by acceptance of a deed therefor, whether or not is shall be so expressed in such deed, does and is hereby deemed to covenant and agree to pay to the Master Association, Assessments (as such term is defined in the Master Declaration and is referred to herein as "Master Assessment") imposed upon such Lots pursuant to the Master Declaration. Said Master Assessments shall be levied and collected as provided in the Master Declaration.

11.4 **ARCHITECTURAL CONTROL.** No Improvements (as defined in the Master Declaration) are allowed without the prior approval of the Design Review Board (as defined in the Declaration). The Master Declaration also contains various provisions regarding the approval of the Design Review Board for construction of structures and alterations. Each Owner shall be required to obtain the approval of the Design Review Board if provided under the Master Declaration, which shall be in addition to any architectural approval required under this Declaration.

11.5 **MASTER DECLARATION.** In addition to all of the rights and obligations which have been conferred or imposed upon the Association pursuant to this Declaration, the By-Laws or the Articles of Incorporation of the Association, the Association shall be entitled to exercise any of the rights conferred upon it and be subject to all of the obligations imposed upon it pursuant to the Master Declaration, the Bylaws or the Articles of Incorporation of the Master Association. The Association (including, without limitation, the Design Review Board of the Association) shall also be subject to all superior rights and powers which have been conferred upon the Master Association pursuant to the Master Declaration, the Bylaws and the Articles of Incorporation of the Master Association.

(a) Each Owner and each Lot shall be subject to all of the covenants, conditions, restrictions and provisions contained in the Master Declaration. The rights of each Owner shall be subject and subordinate to the provisions of the Governing Documents (as such term is defined in the Master Declaration) of the Master Association.

(b) In the event of any conflict between any of the covenants, conditions, restrictions or provisions of this Declaration, the By-Laws or the Articles of Incorporation of the Association with any of the provisions of the Governing Documents of the Master Association, then, in such event, the Governing Documents of the Master Association shall govern and prevail.

11.6 **VOTING IN MASTER ASSOCIATION.** The Master Declaration provides for voting by Owners. Each Owner is a Class A Member (as defined in the Master Declaration), and each Neighborhood elects a Voting Member (as defined in the Master Declaration) to cast the Owners' votes in each Neighborhood.

ARTICLE XII

MISCELLANEOUS

12.1 **TERM.** This Declaration shall run with the land and shall be binding for a period of thirty (30) years from the date this Declaration is recorded, after which time this Declaration shall automatically be extended for successive periods of ten (10) years each unless and until an instrument has been recorded, by which this Declaration, in whole or in part, is amended, modified or revoked pursuant to the provisions of Section 12.9.

12.2 **ENFORCEMENT.**

(a) Enforcement of this Declaration shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant, either to restrain the violation or to recover damages, or both. In acquiring title to any Lot in the Neighborhood, the purchaser or purchasers violating or attempting to violate any covenant, agree to reimburse the Association and/or any Record Owners for all costs and expenses for which it or they may incur as a result of the said violation or attempted violation, including but not limited to, court costs and attorneys' fees.

(b) These Covenants shall inure to the benefit of and be enforceable by the Association or by the Record Owner(s) of any land included in the Neighborhood and their respective legal representatives, successors and assigns, and all persons claiming by, through or under them.

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

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

12.4 **INCORPORATION BY REFERENCE ON RESALE.** In the event any Record Owner sells or otherwise transfers any Lot, any deed purporting to effect such transfer shall be

deemed to contain a provision incorporating by reference the covenants, restrictions, servitudes, easements, charges and liens set forth in this Declaration, whether or not the deed actually so states.

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

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

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

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

12.9 **AMENDMENT.**

(a) Subject to the provisions of Section 10.3, for so long as there is a Class B membership of the Association, this Declaration may be amended by an instrument in writing, signed and acknowledged by the Declarant and by the President or Vice-President and Secretary or Assistant Secretary of the Association after approval of the amendment at a meeting of the Association duly called for such purpose. The vote (in person or by proxy) or written consent of (i) at least two-thirds (2/3) of the Class A members of the Association, if any, and (ii) the Declarant shall be required to add to, amend, revise or modify this Declaration. Following the lapse of the Class B membership in the Association, as provided in Articles IV hereof, this Declaration may be amended by an instrument in writing, signed and acknowledged by the President or Vice-President and Secretary or Assistant Secretary of the Association with the approval, in the manner set forth above, of at least two-thirds (2/3) of the Class A members of the Association at a meeting of the Association duly called for such purpose.

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

written consent.

(c) Anything set forth above to the contrary notwithstanding, the Declarant shall have the absolute unilateral right, power and authority to amend, modify, revise or change any of the terms or provisions of this Declaration, all as from time to time amended or supplemented only if one of the Federal Agencies or any successor agencies thereto shall require such action as a condition precedent to the approval by such agency of the Property or any part thereof or any Lot thereof, for federally approved mortgage financing proposed under applicable Federal Agency programs.

WITNESS the hand and seal of the Declarant hereto on the day herein above first written.

WITNESS/ATTEST:

DECLARANT:
STONELEIGH HEIGHTS, LLC

Debra Anders

By: John Aldous (SEAL)
John Aldous, President of Hamlet Homes
Managing Member of Stoneleigh Heights LLC

STATE OF UTAH, CITY/COUNTY OF Salt Lake, TO WIT:

I HEREBY CERTIFY that on this 1st day of October, 2004, before, me, the subscriber, a Notary Public of the State of Utah, personally appeared, John Aldous, as President of Hamlet Homes, Managing Member of STONELEIGH HEIGHTS, LLC, the Declarant named in the foregoing Declaration of Covenants, Conditions and Restrictions, and who, being authorized to do so, in my presence, signed and sealed the same and acknowledged the same to be the act and deed of the Declarant.

AS WITNESS my hand and seal.

Debra Anders (SEAL)
Notary Public

My Commission Expires: Nov 2, 2005

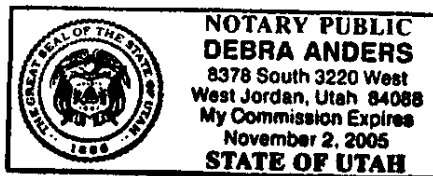


Exhibit "A"

All of that real property situate and lying in Salt Lake County, Utah and more fully described as follows:

LOTS: Lots numbered 1 through and including 42, all as shown on the plat entitled "STONELEIGH HEIGHTS AT SUNCREST PHASE No. 1 (A PLANNED UNIT DEVELOPMENT)" recorded or intended to be recorded among the Land Records of Salt Lake County, Utah.

COMMON AREAS: The areas depicted as "Lot "B", Lot "C", Lot "D", Lot "E", and the private road known as "Blue Skye Court" as shown on the plat entitled "STONELEIGH HEIGHTS AT SUNCREST PHASE No. 1 (A PLANNED UNIT DEVELOPMENT)" recorded or intended to be recorded among the Land Records of Salt Lake County, Utah.

B	34-10-301-006-0000	14	34-10-301-002-0000		
C	34-10-301-005-0000	15	34-10-301-003-0000		
D	34-09-426-002-0000	16	34-10-301-004-0000	33	34-10-302-010-0000
E	34-10-302-014-0000	17	34-10-301-007-0000	34	34-10-302-009-0000
1	34-09-426-014-0000	18	34-10-301-008-0000	35	34-10-302-008-0000
2	34-09-426-013-0000	19	34-10-301-009-0000	36	34-10-302-007-0000
3	34-09-426-012-0000	20	34-10-301-010-0000	37	34-10-302-006-0000
4	34-09-426-011-0000	21	34-10-301-011-0000	38	34-10-302-005-0000
5	34-09-426-010-0000	22	34-10-301-012-0000	39	34-10-302-004-0000
6	34-09-426-009-0000	23	34-10-301-013-0000	40	34-10-302-003-0000
7	34-09-426-008-0000	24	34-10-301-014-0000	41	34-10-302-002-0000
8	34-09-426-007-0000	25	34-10-301-015-0000	42	34-10-302-001-0000
9	34-09-426-006-0000	26	34-10-301-016-0000		
ST	99-99-999-999-9999	27	34-10-301-017-0000		
10	34-09-426-005-0000	28	34-10-301-018-0000		
11	34-09-426-004-0000	29	34-10-301-019-0000		
12	34-09-426-003-0000	30	34-10-302-013-0000		
13	34-10-301-001-0000	31	34-10-302-012-0000		
		32	34-10-302-011-0000		