

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR
UTAH MINI RANCHES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR UTAH MINI RANCHES (this "Declaration"), is made this 23rd day of July, 2001, by DUCHESNE LAND, L. C., a Utah limited liability company referred to below as "Declarant").

RECITALS:

A. The party identified herein as Declarant owns certain real property (the "Property") located in Duchesne County, Utah, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

B. Declarant intends to develop a residential subdivision on the Property. Declarant will develop and convey all of the Property within the Subdivision subject to a general plan of development and subject to certain covenants, conditions and restrictions, all as set forth in this Declaration, which are deemed to be covenants running with the land, mutually burdening and benefiting all of the Property and each of the Parcels.

ARTICLE I

DECLARATION

1.1 Declarant hereby declares that all of the Property shall be held, sold, conveyed, encumbered, leased, used, occupied and improved subject to and in strict accordance with all of the terms and conditions of this Declaration including without limitation all of the covenants, conditions and restrictions set forth herein, all of which are created for the mutual benefit of the Owners of the Property and the Parcels. It is the intention of the Declarant in imposing the covenants, conditions and restrictions set forth in this Declaration to create a generally uniform pattern of development of the Property and to protect and enhance the property values and aesthetic values of the Property by eliminating inconsistent uses or improvements, all for the mutual protection and benefit of the Owners of the Parcels. All of the terms and conditions of this Declaration, including

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For DUCHESNE LAND CO
DUCHESNE COUNTY CORPORATION

without limitation all covenants, conditions and restrictions set forth herein, are intended to and shall in all cases run with the title of the land comprising the Property and shall be binding upon the Owners, their successors, assigns, heirs, lien holders, and any other person holding any interest in the Property and shall inure to the benefit of all other Property in the Subdivision. All of the terms and conditions of this Declaration, including without limitation the covenants, conditions and restrictions set forth herein, shall be binding upon Declarant as well as all of Declarant's successors in interest, and may be enforced by Declarant, by the Association, or by any Owner.

Notwithstanding the foregoing, no provisions of this Declaration shall prevent Declarant from the completion of the Subdivision Improvements or from using any Parcel owned by Declarant as a model home, temporary construction or sales office, nor limit Declarant's right to post signs or engage in other reasonable activities on the Property incidental to sales or construction which are in compliance with applicable County ordinances.

ARTICLE II

DEFINITIONS

2.1 Unless the context clearly requires the application of a more general meaning, the following terms, whether capitalized or not, when used in this Declaration, shall have the following meanings:

"Additional Land" shall mean that certain real property adjacent to or in the vicinity of the Property that is owned or controlled by Declarant, which is located in Duchesne County, Utah and which is identified on the map attached hereto as Exhibit "A" and incorporated herein by this reference.

"Area of Disturbance" shall mean the area that has been designated as a building site.

"Architectural/Technical Committee" shall mean the committee created under Article V of this Declaration.

"Association" shall mean the Utah Mini Ranches Homeowners Association, Inc., a Utah non-profit corporation.

"Barn" shall mean an agricultural outbuilding intended for the care and occupancy of horses or other livestock with storage areas for supplies, tack, equipment and livestock feed.

"Buildable Area" shall mean the area that has been designated as a building site, not to exceed 25% of the lot.

"Common Areas" shall mean those portions of the Subdivision designated on the Plat as Common Areas, which shall be owned, improved and maintained by the Association for the equal and common benefit of and used by the Owners of all of the Parcels within the subdivision.

"County" shall mean Duchesne County, Utah and its appropriate departments, officials and boards.

"Declarant" shall mean and refer to the party who executes this Declaration.

"Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Utah Mini Ranches together with any subsequent amendments or additions, and any other matters or conditions shown on the official Plan of Utah Mini Ranches, which are incorporated into this Declaration by reference.

"Dwelling" shall mean the primary single family residence built or to be built on any Parcel.

"Excavation" shall mean any disturbance to the surface of the land, including the removal of native vegetation, and also including trenching which results in removal of soil or rock from a depth of more than 12 inches from the natural surface of the land, or any grading of the surface. Excavation shall include any activities for which an excavation or grading permit would be required under the ordinances and regulations.

"Family" shall mean one household of persons related to each other by blood, adoption or marriage, or one group of not more than five people not so related living together as a unit who maintain a common household.

"Fenceable Area" shall mean any portion of the Area upon which fencing may be constructed, provided that the Owner of such Parcel obtains the prior approval of the Architectural/Technical

Committee for the construction of fencing within such Fenceable Area. No fencing shall be constructed without the Architectural/Technical Committee approval.

"Fill" shall mean the depositing of earth, soil, rock or other materials to the surface of the land, whether imported from offsite or resulting from the regrading of excavated material from on-site, to raise the natural elevation of the surface. Fill shall also include any fill material as defined under the ordinances and regulations.

"Floor Area" shall mean the total of all floor surfaces surrounded by the exterior walls of any Dwelling or habitable structure on all levels. Walk-out basement space will be counted as Floor Area whether finished or unfinished. Basement space more than 80% below finished grade will not be counted as Floor Area. Porches, patios, balconies and decks are not counted as Floor Area unless under roof or enclosed on three sides by the walls of the Dwelling. Garage space is not counted as Floor Area.

"Guidelines" shall mean The General Environmental and Architectural Guidelines for Utah Mini Ranches which shall be prepared and modified from time to time by the Architectural/Technical Committee, as set forth in Article V of this Declaration.

"Improvements" shall mean all structures and appurtenances of every type and kind, including but not limited to buildings, Dwellings, garages, storage buildings, Barns, walkways, retaining walls, utility lines, sprinkler pipes, driveways, fencing, landscaping, pools, decks, stairs, poles, lighting, signs, satellite dishes or other antennas, and any mechanical equipment located on the exterior of any building.

"Owner" shall mean the person or persons having title to any Parcel or other parcel of Property as shown on the Plat of Utah Mini Ranches. Owner shall mean the person holding title, including the Declarant, and buyers under any contract for deed, but shall exclude any person or entity holding title for purposes of securing performance of an obligation.

"Parcel" shall mean any numbered building Parcel shown on the Plan of Utah Mini Ranches.

"Permitted Improvements" shall mean any Improvements installed, constructed, maintained or allowed to stand on the Property in conformity with this Declaration.

"Person" shall mean a natural person or any legal entity with a right to hold title to real property in its own name in the State of Utah.

"Property" shall mean all of the land described on the Plat including Parcels, Roadways, Trail Corridors, Open Space, roads, trails, and Common Areas.

"Public View" shall mean that the object, Improvement, or activity on the Property is or would be in the line of sight originating from a point five feet above the surface of any public streets including Roadways within the Subdivision.

"Roadway" shall mean those portions of the Property that have been or will be dedicated to the County as a public way, or that will be used as private ways for the Owners of the Subdivision.

"Subdivision" shall mean the subdivision known as Utah Mini Ranches and all Parcels, Common Areas and other Property within the Subdivision as shown on the Plat, and as it may be amended or expanded from time to time.

"Directors" shall mean the duly elected and acting board of Directors of the Association.

ARTICLE III

PURPOSE OF DECLARATION

3.1 It is the purpose and intention of Declarant that the Property be developed and maintained as a highly desirable residential development which emphasizes the preservation of a mountain/rustic atmosphere, including the preservation of open space, the protection of wildlife and wildlife habitat, and the provision of opportunities for equestrian uses. It is the purpose of this Declaration that the natural beauty, serenity, views and present surroundings of the Property shall be protected as much as possible in connection with the Improvements to be constructed on the Property and the uses permitted on the Property as set forth in this Declaration.

ARTICLE IV

ASSOCIATION

4.1 Association Purposes. To enforce this Declaration Declarant has created a Utah non-profit corporation called Utah Mini Ranches Homeowners Association, Inc. The Association shall be comprised of the Owners of Parcels within the Subdivision and is established to perform the functions and exercise the rights and powers as set forth in this Declaration for the benefit of the Owners. Membership in the Association is deemed an appurtenance to each Parcel for the purpose of enforcing the provisions of this Declaration. Membership in the Association is transferable only in conjunction with the transfer of the title to each Parcel. The Association shall have and exercise, as necessary, the powers set forth in this Article IV.

4.2 Enforcement Powers. The Association shall have the power to enforce this Declaration by actions at law or in equity brought in its own name and the power to retain professionals needed for the enforcement of this Declaration and to incur expenses for that purpose. The Directors of the Association shall have the authority to compromise claims and litigation on behalf of the Association resulting from the enforcement of this Declaration. The Directors of the Association shall have the exclusive right to initiate enforcement actions in the name of the Association. However any action or failure to act by the Association shall not limit the individual rights of Parcel Owners personally to enforce this Declaration in their own name. The Association may appear and represent the interests of the Subdivision at all public meetings concerning zoning, variances, or other matters of general application and interest to the Owners. Owners may appear individually.

4.3 Maintenance Responsibilities. The Association may own fee title to, or be granted easements over, portions of the Property within the Subdivision and real property located outside the Subdivision. The responsibility to maintain and properly control the use of these parcels, when granted, vests in the Association which has the power to perform maintenance services, construct Permitted Improvements, and in all other respects manage or supervise the management of those portions of the Property and other real property owned by the Association or with respect to which the Association has been granted an easement.

4.4 Snow Removal. The Association shall be responsible for snow removal (a) on the Roadways within the Subdivision that are available for use by all of the Owners of the Parcels and (b) on the primary and secondary access roads located outside the Subdivision which are used by the Owners of the Parcels to enter the Subdivision. The Association shall have the power to make assessments against the Owners, including the Owners of unimproved Parcels, for purposes of providing such snow removal services.

4.5 Assessments. The Association shall have the power to levy assessments against each Parcel as necessary to carry out its functions. All assessments will be equal on all Parcels, whether vacant or improved. Assessments will be made annually to meet the anticipated and recurring expenses of the Association including, but not limited to, the costs to maintain, repair and replace as necessary, the primary and secondary access roads used by the Owners of the Parcels to enter the Subdivision, the costs to construct, maintain, repair and replace, as necessary, improvements within the Common Areas of the Subdivision, the costs of landscape maintenance, reimbursement of expenses incurred by the Directors and the Architectural/Technical Committee in the performance of their obligations, and the enforcement of this Declaration. Notice of the assessment and the proposed amount of the annual assessment will be given in advance along with the notice of the annual meeting of the Association, provided that the amount of the proposed assessment may be increased or decreased at the meeting in which it is approved by the Owners. The Association may also levy special assessments to cover unanticipated expenses or shortfalls. No special assessment will be levied without approval of the Owners in a meeting called for that purpose.

4.6 Assessments Constitute Lien. Mortgage Protection. Any validly imposed assessment by the Association shall constitute a lien against the Parcels in the Subdivision. The Association shall have the right to foreclose on that lien when any assessment remains unpaid for a period of more than 90 days from the date the assessment was levied. If the lien is not foreclosed upon, it may be renewed from year to year by recording a new notice of the lien for the amount of the unpaid assessment together with interest thereon at a rate determined from time to time by the Association. The lien of the Association against any Parcel shall have priority from the date that the first notice of lien on a specific Parcel is recorded in the office of the

Recorder of Duchesne County, Utah. The lien of the Association shall be subordinate to any previously recorded liens or encumbrances filed against that Parcel specifically including any purchase money mortgage or trust deed. Notwithstanding the lien rights of the Association, the obligation to pay assessments is a personal obligation of the Owner of each Parcel and the Association may proceed to collect against the Owner or the prior Owner of any parcel in the event of a sale. The lien of the Association may be enforced and foreclosed in accordance with the provisions of Utah law applicable to the judicial foreclosure of a mortgage or in any other manner permitted by law. The Association shall be entitled to recover, in addition to the unpaid assessment and all interest accrued thereon, all costs and expenses, including without limitation attorneys' fees and court costs, incurred by the Association in pursuit actions to collect the unpaid assessments of the Association, regardless of the nature of the collection efforts undertaken by the Association. The Association may pursue an action against the Owner of a Parcel to obtain a money judgment for unpaid assessments without foreclosing or waiving the lien securing the same. The Directors of the Association may impose reasonable monetary penalties including actual attorneys' fees and costs incurred by the Association in attempting to collect an unpaid assessment, and may temporarily suspend the Association membership rights of an Owner who is in default in the payment of any assessment.

4.7 Statement of Account. Any Owner may request the Association to provide a statement of such Owner's account to any lender or prospective buyer of that Parcel showing the assessments to be paid in full or the amount of any past due assessments. The buyer or lender for whom such a statement was prepared will be entitled to rely on its accuracy, and will not be held liable for any amounts not shown on the statement.

ARTICLE V

ARCHITECTURAL/TECHNICAL COMMITTEE

5.1 Introduction. It is the intention and purpose of this Declaration to impose architectural design standards of a type and nature that result in Dwellings and Permitted Improvements which are compatible with the high mountain desert landscape. The placement, massing, dimensions, materials, and public aspects of the Permitted Improvements will be guided but still allow for diversity in style and vitality in design. To accomplish this

goal the Declarant hereby establishes the Architectural/Technical Committee which is empowered to oversee and enforce the Guidelines (as defined in Section 5.3 (c)) established pursuant to this Declaration.

5.2 Architectural/Technical Committee Created. The Architectural/Technical Committee will consist of five members. The initial Architectural/Technical Committee will consist of five people appointed by the Declarant, who do not need to be Owners. The five people appointed to the Architectural/Technical Committee by the Declarant or the Parcel Owners shall include a range specialist, a wildlife manager, a building/construction specialist and a landscape specialist. At the time 100% of the Parcels are sold to persons other than the Declarant, one member of the Architectural/Technical Committee will be elected by the Parcel Owners to replace an appointee of the Declarant. On the seventh anniversary of the recording of the original Plat, all five members of the Architectural/Technical Committee will be elected by the Parcel Owners. The above percentages are to be based on the total number of Parcels in the Subdivision so that the Declarant is able to remain active in the administration and enforcement of this Declaration while Parcels are being marketed.

5.3 Approval by Architectural/Technical Committee. No Improvements of any kind, including without limitation the construction or installation of any Dwelling, garage, Barn, out building, parking area, driveway, tennis court, walkway, or other hard surfaced area in excess of 100 square feet, swimming pools, outdoor hot tubs or spas, fences, walls, curbs, poles, trampolines, satellite dishes or antenna, solar panels, utility lines or any other permanent structure may be constructed, installed, maintained or allowed to stand in the Subdivision without the prior written approval of the Architectural/Technical committee. The construction of all fencing must occur within the Fenceable Area on each Parcel. No Excavation, Fill, grading, filling, draining, landscaping, or installation or removal of existing vegetation shall be made without the prior written approval of the Architectural/Technical Committee. Approval of the Architectural/Technical Committee will be sought in the following manner:

(a) Plans Submitted. A complete set of plans for the construction of any Improvement as described in Section 5.3 must be signed by the applicant and submitted to the Architectural/Technical Committee for review. It is recommended

that preliminary plans be submitted before the expense of final construction drawings is incurred. The plans must be in sufficient detail to show the location on the Parcel of the Improvements, including without limitation the exterior walls of any Dwelling and all other structures to be built with it; detailed drawings of all elevations of all buildings showing locations of windows, doors, roof pitches, decks and other exterior elements; a list of exterior siding and roofing materials and/or a sample, including color samples; and a landscape plan showing the location of driveways, walkways, patios, decks and other hard surfaced or irrigated areas and the areas to be disturbed by construction and the means of restoring those areas. In the case of an addition or modification to an existing Dwelling, the Architectural/Technical Committee may waive any of the foregoing requirements.

b. *Written Record.* The Architectural/Technical Committee will maintain a written record of its actions and maintain in its files a copy of all plans approved or rejected for a period of five years.

c. *Failure to Act.* If the Architectural/Technical Committee has not approved or rejected any submission within 30 days after payment of the review fee and submission of complete plans, the submission shall be deemed to have been disapproved.

d. *Permits and Approvals from Duchesne County.* Notwithstanding any other provision of this Declaration to the contrary, prior to commencing the construction of any Improvements on any Parcel, the Owner of each Parcel must obtain from Duchesne County all necessary permits and approvals required by Duchesne County in connection with the construction of any such Improvements.

5.4 Variances. The Architectural/Technical Committee has the authority to deviate from the requirements contained in the Guidelines under extenuating circumstances, when compliance with the Guidelines would create an unreasonable hardship or burden for a Parcel Owner. No such variance may be granted without the unanimous written consent of the Architectural/Technical Committee. The Architectural/Technical Committee does not, however, have the authority to deviate beyond the requirements of the land management code and the building code and zoning ordinances of all governmental entities having jurisdiction with respect to the Subdivision.

5.5 Extraordinary Costs. Whenever it deems appropriate, and with the consent of the Board of Directors, the Architectural/Technical Committee shall engage the services of an architect, range specialist, wildlife manager, building/construction specialist, landscape specialist or civil or structural engineer to assist in its review of any proposed improvements. All costs of such review will be paid by the applicant, provided however that no architect, engineer or other specialist will be hired without advance notice to the applicant of: (a) the intention to hire a review architect, engineer or other specialist, (b) the aspects of the proposal that caused the Architectural/Technical Committee to believe that professional review was required and (c) the estimated cost of that review. If the applicant does not withdraw the proposal within five days after receipt of such notice, the applicant shall be deemed to have consented to the Architectural/Technical Committee retaining such professional assistance. Whenever the Architectural/Technical Committee retains outside professional services in its review, the reviewing architect, engineer or other specialist is acting only in an advisory capacity, and the applicant, for himself and his successors and assigns, waives any and all claims against the Architectural/Technical Committee in the event that advice from, or conditions imposed by, the reviewing professional prove ineffective, unnecessary or inappropriate to the circumstances. The costs of such review will be billed directly to the applicant.

5.6 General Design Review. The Architectural/Technical Committee will use its best efforts to provide a consistent pattern of enforcement and consistent application of this Declaration and the Guidelines. The Guidelines shall, of necessity, be general in nature and the Architectural/Technical Committee shall apply them in a manner that results in a high quality, attractive, and well-designed community.

5.7 Declarant, Association, Directors and Architectural/Technical Committee not Liable. The Declarant, the Association, the Directors, and the Architectural/Technical Committee and its members shall not be liable to the applicant or to the Owners of any Parcels within the Subdivision for damages or any other remedy as the result of their actions, inactions, or approval or disapproval of any set of plans submitted to the Architectural/Technical Committee for review. In the absence of bad faith or malicious actions, the Owners shall have no claim

against the Declarant, the Association, the Directors, the Architectural/Technical Committee or its members as a result of the performance or failure to perform the duties created by this Declaration. Any person or persons acquiring title to any Property in the Subdivision shall be deemed to have agreed and covenanted that such Owner will not bring any action or suit to recover damages against the Declarant, the Association, the Directors, and the Architectural/Technical Committee or its members, or the advisors, officers, employees or agents of any of the foregoing, as a result of the performance by the Architectural/Technical Committee of its duties and responsibilities under this Declaration. Each Owner has the right to enforce this Declaration against another Owner and may seek independent redress if such Owner believes the Architectural/Technical Committee has acted improperly.

5.8 Limitations on Review. The Architectural/Technical Committee's review is limited to those matters expressly described in this Declaration. The Architectural/Technical Committee shall have no authority over the enforcement of building codes, zoning ordinances, or other statutes, laws, or ordinances affecting the development or improvement of the Property and shall have no liability to an Owner whose plans were approved in a manner that included any such violation. The Architectural/Technical Committee shall not be responsible for reviewing, nor shall the approval by the Architectural/Technical Committee of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or compliance with any applicable building codes, zoning ordinances, or other statutes, laws or ordinances affecting the development or improvement of the Property. The structural integrity of any Improvements constructed within the Subdivision are not the responsibility of the Architectural/Technical Committee. Corrections or changes to plans as may be subsequently required to bring them into conformity with any applicable statutes, laws or ordinances must be reviewed and approved by the Architectural/Technical Committee prior to construction.

5.9 Approval to Proceed. The Architectural/Technical Committee shall promptly issue a certificate of approval to the applicant once the plans for any Permitted Improvements have been approved.

5.10 Completion Required Before Occupancy. No Dwelling within the Property shall be occupied until the Owner of any

Dwelling shall have completed the Dwelling in accordance with all plans approved by the Architectural/Technical Committee and until the Owner shall have obtained all necessary governmental approvals and a certificate of occupancy from the governmental authority having jurisdiction with respect to the construction of the Dwelling.

ARTICLE VI

RESTRICTIONS ON ALL PROPERTY

The following restrictions on use apply to all Property within the Subdivision:

6.1 Governing Regulations. The lawfully enacted zoning regulations of the County and of any other governmental body having jurisdiction with respect to the Property, including without limitation any and all applicable building, fire and health codes, are in full force and effect in the Subdivision, and no Parcel may be occupied in a manner that is in violation of any such statute, law, ordinance or regulation. If the provisions of this Declaration are more stringent than any applicable governmental statute, law, ordinance or regulation, it is the intent that the provisions of this Declaration shall control. This Declaration shall not authorize any uses, improvements, or activities that are prohibited by any local, state or federal statute, law ordinance or regulation.

6.2 No Mining Uses. No mining, quarrying, tunneling, excavating or drilling for any substances within the earth, including but not limited to oil, gas, minerals, gravel, sand, rock and earth, shall ever be permitted on the Property within the Subdivision. The foregoing limitation shall not preclude drilling and excavation in connection with the construction of roads, utility lines, water wells, septic tanks and other Permitted Improvements.

6.3 No Business or Commercial Uses. The Property within the Subdivision shall be used for residential purposes only. No portion of the Subdivision may be used for any commercial or business use, provided however that nothing in this provision is intended to prevent (a) the Declarant from using one or more Parcels for purposes of a construction office or sales office during the actual period of construction of the Subdivision Improvements or until the Parcels are sold, or (b) the use by any

Owner of his Parcel for a home occupation. No home occupation will be permitted, however, which requires or encourages the Owner's clients, customers, patients or others to come to the Parcel to conduct business, or which requires any employees outside of the Owner's immediate family or household to come to the Parcel to conduct business. No signs or other advertisements relating to any such home occupation shall be placed upon any of the Property within the Subdivision, nor shall any such sign or advertisement be visible from the outside of any of the Permitted Improvements constructed on the Property. No retail sales of any kind may be made in the Subdivision. All home occupations operated or conducted from any of the Parcels within the Subdivision shall comply with all applicable local, state or federal statutes, laws, ordinances and regulations, including without limitation all statutes, laws, ordinances and regulations pertaining to licensing and permitting for the operation of any such home occupation.

6.4 Restrictions on Signs. No signs will be permitted on any Parcel or within the Subdivision except for traffic control and directional signs for Roadways or trails placed by the County or the Association or temporary signs warning of some immediate danger and except for such other signs as may be approved by the Architectural/Technical Committee. Signs indicating a Parcel is for sale may be placed in accordance with the Guidelines and with County sign regulations and no such sign may exceed six square feet. The Declarant may erect a sign acceptable to the County at the entrance to the Subdivision announcing the availability of Parcels and giving sales information. No permanent signs stating the address or the name of the Owner of any Parcel may be installed without the advance consent of the Architectural/Technical Committee. An entrance monument for each Parcel may be constructed as provided in Section 7.13 of this Declaration.

6.5 Completion Required Before Occupancy. No Dwelling may be occupied prior to its completion and the issuance of a certificate of occupancy by the County.

6.6 Dwelling to be Constructed First. No garage, Barn, storage unit, or other out-building may be constructed on any Parcel prior to the construction of the dwelling on such Parcel.

6.7 Animals. Ordinary household pets, horses and other animals as may be approved in advance by the

Architectural/Technical Committee, with respect to the type of animal and the number of any such animal, may be kept on any Parcel. Any animals other than dogs, cats or other typical household pets which an Owner proposes to keep on a Parcel must be approved in advance by the Architectural/Technical Committee. Before horses or any other animals are kept on any specific Parcel the Parcel must be improved adequately to care for the needs of the animal with fencing, adequate stalls, hay storage, watering facilities and other Permitted Improvements to satisfy the needs of the animal. The Architectural/Technical Committee must approve all such Permitted Improvements before any animals will be kept on the Property. The Architectural/Technical Committee may impose a limit on the number of any type of animal, including horses, which an Owner may keep on any Parcel. The location of all areas where horses or other animals are to be kept, grazed and boarded must be within the Fenceable Area for such Parcel and must be approved by the Architectural/Technical Committee. No boarding of animals for hire shall be allowed within the Subdivision. The Architectural/Technical Committee shall have the right to require removal of any animal or animals which are deemed to create problems for other Parcel Owners. Owners are required to be in control over their respective animals and pets, including the use of leashes, when using any of the trails in the Subdivision in order to protect inhabitants of the Subdivision and other animals kept within the Subdivision and to protect the wildlife in the area. No dangerous animals will be allowed in the Subdivision. The Owner of each Parcel within the Subdivision shall be responsible to assure that all animals of any nature, including without limitation all dogs, kept on or within such Parcel shall be prevented from leaving the boundaries of such Parcel and entering onto any other Parcel or into any other portion of the Subdivision, unless such animal is in the presence of and under the control of a responsible individual. The Owner of each Parcel shall make such Permitted Improvements as are necessary to assure that animals kept on such Owner's Parcel do not trespass on other Parcels, which Permitted Improvements may include the placing of wire mesh fencing along the bottom three feet of such fencing around areas where fencing is permitted. To the extent that any animals kept on a Parcel within the Subdivision cause injury to any other animals, to persons, or to property, the Owner of the Parcel on which such animal is kept shall be liable for all damages caused by all animals kept on such Parcel, whether or not the animal is owned by the Owner of the Parcel, including without limitation damages

resulting from injury to or death of persons or other animals and damage to property.

6.8 No Re-Subdivision. No Parcel may be re-subdivided.

6.9 Service Yards. All service yards, storage yards, and exterior mechanical equipment must be screened in a manner approved by the Architectural/Technical Committee so that they are not visible from-the Public View.

6.10 Maintenance of Property. All Parcels, and the improvements on them, shall be maintained in a clean, sanitary, attractive and marketable condition at all times. No Owner shall permit his Parcel or the Improvements on it to fall into disrepair.

6.11 No Hazardous Activity. No activity may be conducted on any Parcel that is, or would be considered by a reasonable person to be, unreasonably dangerous or hazardous, or which would cause the cancellation of conventional property casualty insurance. This includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms (other than under circumstances as are expressly permitted by the Architectural/Technical Committee) or fireworks, and setting open fires (other than in a properly supervised and contained barbecue unit or in a well-designed interior fireplace), or the keeping of ferocious or dangerous animals.

6.12 No Unsightliness. No unsightliness is permitted on any Parcel. This requirement shall prohibit, without limitation, the open storage of any building materials (except during the construction of any Dwelling or Improvements); open storage or parking of farm or construction equipment, motor vehicles, boats, campers, trailers, trucks larger than pick-up trucks (except during periods of actual loading and unloading); accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; household refuse or garbage except as stored in tight containers in an enclosure such as a garage; lawn or garden furniture except during the season of use; hanging, drying or airing of clothing or household fabrics outside of a Dwelling; and the storage or accumulation of any other material, vehicle, or equipment on the Parcel in a manner that it is visible from the Public View.

6.13 No Annoying Lights. Any outdoor lighting shall be subject to approval by the Architectural/Technical Committee, and no outdoor lighting shall be permitted except for lighting that is designed to aim downward and limit the field of light to the confines of the Parcel on which it is installed. This shall not apply to street lighting maintained by the County or the Association.

6.14 No Annoying Activities, Sounds or Odors. No speakers, or other noise making devices may be used or maintained on any Parcel which create noise that might reasonably be expected to be unreasonably or annoyingly loud, except for security or fire alarms used exclusively to protect any of the Property, Dwellings or other Permitted Improvements. No noxious or offensive activity shall be carried out on any Parcel, including the creation of odors that detract from the reasonable enjoyment of nearby Parcels.

6.15 Sewage Disposal Systems. The Owner of each Parcel shall be responsible to install on such parcel at such Owner's expense a sewage disposal system for the Dwelling and other Improvements constructed on the Parcel. No cesspools shall be permitted on any of the Property. All types of sewage disposal systems shall be installed only after approval of the same by the Architectural/Technical Committee and any governmental regulatory health authorities having jurisdiction with respect to the Subdivision.

6.16 Drainage. No Owner shall alter the flow of natural drainage from his Parcel, nor shall any Owner permit accelerated storm run-off to leave his Parcel without first using reasonable means to dissipate the flow energy.

6.17 Groundwater Protection. Except for the use on the Property of approved septic tank systems, and except for propane storage tanks, no underground storage tanks for fuels or chemicals of any kind may be installed on the Property. Except for water and propane storage tanks, no above ground storage tanks shall be permitted. The cost to install any propane storage tanks and to obtain propane delivery service on any Parcel shall be the sole responsibility of each Parcel Owner. The commercial application of pesticides, insecticides, fungicides, biocides, or other chemicals, except fertilizers, is prohibited, except for applications in conjunction with the preservation or enhancement of the rangelands and other natural areas within the Subdivision,

all of which shall be professionally applied under the direction or oversight of the Architectural/Technical Committee.

6.18 No Transient Lodging Uses. The Parcels are to be used for residential housing purposes only and shall not be rented in whole or in part for transient lodging purposes, boarding house, "bed and breakfast", or other uses for providing accommodations to travelers. No lease of any Parcel shall be for a period of less than 30 days. No Parcel shall be subjected to any form of time interval ownership, or ownership in a manner that rotates the use among multiple Owners in a manner that would permit the right of use to be sold separately from the fee simple title to the Parcel.

6.19 Wildlife Protection. Except as otherwise expressly permitted by the Architectural/Technical Committee, the discharging of firearms will be prohibited within the boundaries of the Subdivision. All violators will be prosecuted to the maximum extent of the law. The Association and Architectural/Technical Committee shall also seek to preserve and protect the habitats of the other wildlife which inhabit the Property, including deer, bear, mountain lion, wildcats and a wide variety of smaller mammals and birds, all of which are deemed to be a significant asset of the Property. The Association and the Architectural/Technical Committee, in approving the location of the construction of any Improvements within the Subdivision, shall endeavor to assure that all game trails within the Property remain unobstructed and shall seek to assure that access shall be provided to all streams, creeks, and ponds within the Property for the protection and welfare of the natural wildlife within the Property.

6.20 Restriction on Vehicles. All vehicles operated within the Subdivision shall be properly licensed, inspected and maintained so as not to create a dangerous situation, become a nuisance, nor emit unreasonable smoke, oil or noise. All vehicles shall be operated only on such roads and trails as may be designated from time to time by the Architectural/Technical Committee for the operation of such vehicles, and no vehicle shall be operated in any manner which could cause damage or harm to the natural environment and landscape of the Property or any of the wildlife on the Property. The Architectural/Technical Committee shall have the power to restrict the use of any vehicle in any manner which creates any nuisance or any offensive or objectionable noise or in any manner which poses a threat to the

natural environment and landscape of the Property or to any of the wildlife on the Property. In no event shall motor driven bikes or other vehicles be operated at any location within the Subdivision unless the noise emitted by such vehicle is muffled to comply with the noise standards established from time to time by the Architectural/Technical Committee. Mufflers on all vehicles operated within the Subdivision must conform to the noise standards established from time to time by the Architectural/Technical Committee. All drivers of vehicles must be legally licensed. Under no circumstances will motorized vehicles, including but not limited to snowmobiles, dirt bikes, and other forms of such all terrain vehicles, be used to pursue the native wildlife.

6.21 Grazing Leases. The Owner of each Parcel shall have the right to prevent such lessee's sheep from entering within the Area of Disturbance on each Parcel through the construction of fencing which is approved by the Architectural/Technical Committee. The Owner of a Parcel shall not have the right to prevent the lessee under the Grazing Lease from utilizing portions of such Owner's Parcel outside the Area of Disturbance for the grazing of sheep. The Grazing Lease begins on _____ and may be extended for five years. In addition to the grazing rights granted pursuant to the Grazing Lease, the Association and/or the Architectural/Technical Committee may require the Owner of each Parcel to allow livestock grazing on areas outside the Area of Disturbance of each Parcel as part of a livestock grazing plan and rangeland management plan which is intended to prevent the degradation of the range and to maintain suitable habitat for the various species of wildlife located within the area. In the event that the Owner of a parcel declines to execute any grazing leases proposed or recommended in the future by the Association or the Architectural/Technical Committee, which proposed grazing leases do not affect any areas located within the Area of Disturbance on such Owner's Parcel, then this Declaration shall be deemed to have created in favor of the Association and the Architectural/Technical Committee an easement upon each Parcel within the Subdivision which affects all portions of the Parcel lying outside of the Area of Disturbance and which easement shall entitle the Association to execute from time to time grazing leases granting grazing rights to third parties, which grazing leases are intended to maintain and enhance the forage needs of wildlife and to prevent the degradation of the range and to maintain a suitable habitat for the various species of wildlife located within the area.

6.22 Wells and Water Delivery System. The property is served by South Duchesne Culinary Water, Inc., a Utah Corporation. Each Parcel within the Subdivision shall receive culinary water from South Duchesne Culinary Water, Inc. No Parcel shall have the right to supply its own water, either by well, by hauling of water, or by purchase from a culinary water vendor. All culinary water is to be supplied by the State approved South Duchesne Culinary Water, Inc. system only. The Declarant shall have the right to reserve unto the Declarant for South Duchesne Culinary Water, Inc. at any place within the Subdivision such easements for the construction, operation and maintenance of well sites, well facilities, water pumps, pressurizing equipment, water storage tanks, water treatment equipment, water meters, water pipes and all other equipment and related property which Declarant deems necessary in connection with the Water Delivery System (as such term is hereinafter defined). In addition, the Declarant shall have the right to reserve unto Declarant for South Duchesne Culinary Water, Inc. all such easements for pedestrian and vehicular ingress and egress at any place within the Subdivision that the Declarant deems necessary in order to construct, install, operate, maintain, repair and replace any of the well sites, well facilities, pumps, water tanks, water pipes and other improvements comprising the Water Delivery System.

ARTICLE VII

RESTRICTIONS ON PARCELS

7.1 Area of Disturbance within the Buildable Area. With respect to each Parcel within the Subdivision, prior to the commencement of the construction of any Improvements on a Parcel, the Owner of the Parcel must obtain the written approval of the Architectural/Technical Committee for the location of the Buildable Area. In order for the Owner of the Parcel to obtain the approval of the Architectural/Technical Committee for the selection of the Area of Disturbance for such Parcel, the Owner shall deliver to the Architectural/Technical Committee a topographical survey which identifies the location of the Buildable Area for such Parcel and which identifies the location of the proposed Area of Disturbance for such Parcel. The survey shall set forth a metes and bounds description of the perimeter boundaries of such proposed Area of Disturbance. Upon receipt of such survey and such written request from the Owner of a Parcel

for approval of the Area of Disturbance, the Architectural/Technical Committee shall review such proposal and shall respond to the Owner within thirty days of such submission. If the Architectural/Technical Committee has not rejected the proposed location of the Area of Disturbance for such Parcel within thirty days after submission of such proposal, the proposal shall be deemed to have been approved. At such time as the Architectural/Technical Committee has approved the location of an Area of Disturbance for a Parcel, the Owner of such Parcel shall be obligated, at such Owner's expense, to cause the perimeter boundary of the Area of Disturbance to be staked and marked in a manner approved by the Architectural/Technical Committee. The Architectural/Technical Committee shall maintain a record of all Areas of Disturbance which have been approved with respect to each Parcel within the Subdivision. Only 25% of the lot may be designated as a building site. Green lawns are permitted in this building area. The remaining 75% should remain as undisturbed natural desert vegetation.

7.2 Fenceable Area. Within the Fenceable Area of each Parcel, the Owner of such Parcel must seek the approval of the Architectural/Technical Committee for the construction or installation of any fencing pursuant to the procedures set forth in Section 5.3 of this Declaration. The Owner shall submit such proposal to the Architectural/Technical Committee together with a review fee.

7.3 Number and Location of Dwellings. No Dwelling or other Improvements shall be placed, erected, altered, or permitted to remain on any Parcel other than one (1) primary single family Dwelling, and one (1) garage together with related nonresidential Improvements which have been approved by the Architectural/Technical Committee. At the time of construction of the primary single family Dwelling on any Parcel, said Parcel may also be improved with a garage with at least a two (2) car capacity. Whenever possible, the garage doors will not face towards the main access road or the main view corridor from the Owner's homesites.

7.4 Floor Area. The primary single family Dwelling which may be constructed on a Parcel in the Subdivision shall have a minimum living Floor Area, exclusive of garages, balconies, porches, decks and patios, of 816 square feet.

7.5 Primary Single Family Dwelling to be Constructed First. No garage or other structure shall be constructed on any Parcel until after commencement of construction of the primary single family Dwelling. All construction and alteration work shall be prosecuted diligently, and each Dwelling which is commenced on any parcel shall be entirely completed within fifteen (15) months after commencement of construction. A three (3) month grace period after the initial fifteen (15) month period has expired may be granted by the Architectural/Technical Committee upon the showing of just cause for such grace period.

7.6 Towers, Satellite Receivers and Antennas. No towers, exposed or outside radio, television or other electronic antennae, with the exception of television receiving antennae, shall be allowed or permitted to remain on any Parcel. It is recommended that lightning rods be installed on all Dwellings and Barns. Satellite receivers in excess of eighteen (18) inches in diameter must have an enclosure to screen them from view from any surrounding Parcel Owner.

7.7 Used or Temporary Structures. No used or previously erected or temporary house, structure, house trailer, mobile home, camper, or nonpermanent outbuilding shall be placed, erected, or allowed to remain on any Parcel except during construction periods and no Dwelling shall be occupied in any manner prior to its completion and approval in accordance with Article V hereof.

7.8 Fences. Fencing shall be allowed with the approval of the Architectural/Technical Committee but all fencing within the Subdivision must be located within the Fenceable Area and shall be constructed in accordance with the following requirements:

(a) All such fencing shall be log fencing with fence posts consisting of vertical log poles six inches in diameter and with three horizontal log poles four inches in diameter. In order to contain smaller animals, the Architectural/Technical Committee may approve wire mesh along the bottom three feet of such log fencing. No barbed wire shall be utilized on any fencing. All fencing within the Subdivision shall have a continuity of appearance in keeping with the setting and surroundings of the Property. All fencing screens or walls shall be of a type, design, material and height as may be approved by the Architectural/Technical Committee. The fencing shall not exceed 42 inches in height. Customized entrances through such fencing

into the Parcel must be approved by the Architectural/Technical Committee.

7.9 Flashing and Roof Gutters. Flashing and/or roof gutters or other metal fittings on the exterior of Dwellings or other Improvements shall be painted to match or blend with adjacent materials on other Improvements.

7.10 Location of Improvements and Driveway Length. A parcel plan showing the desired location of the proposed Dwelling and all other Improvements within each Parcel and the driveway and any additional excavation shall be submitted to the Architectural/Technical Committee for approval before any construction shall commence. Dwelling locations will not be allowed on the trails located within each Parcel. Any driveway which is proposed to be 150 feet or longer will require that an emergency vehicle will have room by the Dwelling within which to turn around and the design, location and size must be approved by the Architectural/Technical Committee.

7.11 Driveway Access. All individual driveway access locations on each Parcel within the Subdivision shall be designed to function well with the site location and layout of the Dwelling on the Parcel. Care shall be taken in establishing the location of driveways to allow for the least amount of site and vegetation disturbance. The maximum grade for any driveway shall not exceed twelve percent (12%), unless a variance is received from the Architectural/Technical Committee. The minimum and maximum width of any driveway shall comply with the standards and specifications specified by the County at the time a building permit is issued by the County for the driveway improvements on each Parcel. Where possible driveways shall parallel the slope to lessen site impact. The approaching driveway shall align itself with the intersecting road at approximately ninety (90) degrees for twenty-five (25) feet. A maximum of four percent (4%) grade will be designed along the center line of this portion of the drive. Cross slope will be three percent (3%). The sides of the private drive will blend into the appropriate grade of the twelve percent (12%) road at the same twenty-five (25) foot distance. When necessary to cut and fill, balance shall be sought. Cut and fill areas shall be contoured to two (2) feet horizontal in one (1) foot vertical slopes. A retaining wall may be required by the Architectural/Technical Committee for cuts in excess of four (4) feet. Driveway access for all Parcels within the Subdivision may not be from any street or road other than interior roads within

the Subdivision. Parcel Owners shall not grant or improve additional rights-of-way and/or easements across their Parcels in addition to those rights-of-way and easements that are already of record at the date of the Plan recordation, except for easements granted to the Declarant or to the Association. Subject to the approval of the Architectural/Technical Committee as set forth in Section 5.3, the Owner of each Parcel may construct an entry monument for such Parcel, and such entry monument shall be located no closer than 50 feet to the Roadway where the Roadway enters such parcel.

7.12 Building Masses, Form and Roof Lines. In all cases building masses, forms and roof lines shall conform to and with the existing contours. At no point shall the maximum height of any Improvement on any of the Parcels exceed an elevation of two (2) stories of living space above the existing land contour at said point. Basements shall be allowed contingent upon the height of the water table.

7.13 Architectural Requirements. Notwithstanding the content of the Guidelines, the following shall be considered to be minimum architectural requirements:

(a) Every Dwelling and other Improvement must be custom built to compliment the area with an emphasis on natural or earth tone colors and stained wood, with a preference to log structure style architecture.

(b) Stone work is required to cover all finished concrete area on any Dwelling or other Improvement. No vinyl or metal style homes will be allowed.

(c) No prefabricated Dwellings or trailers shall be allowed or constructed.

(d) Roofs on all buildings shall be constructed with a minimum overhang of not less than eighteen inches (18") on all elevations. All roofs shall be of a darker shade of earth tone color.

(e) Concrete walls that are exposed to view from all exterior elevations will be covered with a natural stone.

(f) All chimneys burning solid or liquid fuels will be equipped with screens.

(g) Icicles and ice buildup must be considered and addressed regarding the dangers caused by falling ice and ice accumulation on walks and building entrances.

(h) The following are the minimum insulating and weatherstripping requirements in all heated Dwellings:

1. All outside walls shall have a minimum insulation factor of R-19.
2. All ceilings separating attics from roofs shall have a minimum insulation factor of R-38.
3. Exposed underfloor areas shall have a minimum insulation factor of R-19.

(i) Flashing or roof gutters or other metal fittings on the exterior of Dwellings shall be copper or CorTen steel or other materials which takes on a natural patina or shall be painted to match or blend with adjacent materials on Dwellings.

(j) All buildings, structures and improvements on any Parcel shall comply with the construction guidelines and specifications of the planning and building department of the governmental authority having jurisdiction over the Subdivision.

7.14 Fire Suppression. Notwithstanding the content of the Guidelines, the following shall be considered to be minimum fire suppression requirements:

(a) All hazardous fuels in the form of native vegetation will be cleared to not less than thirty (30) feet around a structure. Fuel breaks may contain individual specimen trees, ornamental plants or similar vegetation used as groundcover provided they do not provide a means of transmitting wildfire from native vegetation structures. All fuels will be removed to a minimum of thirty (30) feet around all chimneys, stove pipes and outdoor fireplaces. Any requested variance to this subsection must be approved by the Architectural/Technical Committee.

(b) Trees in fuel breaks shall be pruned and kept free of dead vegetative materials.

(c) All vegetation removed during construction will be disposed of by chipping, burial or removal.

(d) Excess flammable construction material will be disposed of by removal or other means approved by the Architectural/Technical Committee and by the planning and building department of the governmental authority having jurisdiction over the Subdivision.

(e) Combustible trash and rubbish shall be removed from each Parcel.

(f) One exterior freeze proof water tap far enough from the Dwelling to permit hose protection to all sides and the roof of the Dwelling shall be provided at each Parcel.

ARTICLE VIII

OWNERS' MAINTENANCE OBLIGATIONS

8.1 Duty to Maintain. It is the obligation of the Owner of each Parcel to maintain properly his Parcel and the Improvements to the parcel in a good state of repair and an attractive, safe, and healthy condition at all times in order to preserve and enhance the enjoyment of the Subdivision.

8.2 Repair by Association. In the event that an Owner permits his Parcel or Improvements to fall into a state of disrepair that is dangerous, unsafe, unsanitary, or an unsightly condition in violation of this Declaration, the Association may give written notice to the Owner describing the condition complained of and demanding that the Owner correct the condition within 30 days. If the Owner fails to take corrective action, the Association shall have the right, but not the obligation, to enter upon the offending Owner's Parcel and take corrective action to abate the condition. All costs of abatement shall be charged to the Owner, who agrees to pay promptly the reasonable costs of any work performed under this provision. Unpaid amounts will accrue interest at the lawful judgment rate under applicable state law.

8.3 Alterations of Exterior Appearance. In the event of casualty loss or damage to the Improvements, the Owner will be entitled to reconstruct the Improvements as they existed prior to the damage or loss without review by the Architectural/Technical

Committee, provided however that alterations or deviations from the originally approved plans will require review. Nothing in this Declaration is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent further damage, or to prevent injury or dangerous conditions following loss or damage, before reconstruction begins. Such temporary measures may be taken without the consent or approval of the Architectural/Technical Committee, provided that any such measures must be of a temporary nature, and repair or reconstruction must begin as soon as circumstances will permit. No damaged structure will be permitted to remain on any Parcel for more than 90 days without repairs commencing, and any damaged structure which does remain unrepaired after 90 days following the occurrence of damage is deemed a nuisance which may be abated by the Association.

ARTICLE IX

CONSTRUCTION COVENANTS

9.1 Introduction. In order to minimize the disturbance of the Property within the Subdivision during any construction activities and to minimize the inconvenience to adjoining Owners, the following construction regulations shall be enforced. These regulations shall be made a part of the construction contract between the Owner and the builder of each Dwelling or other Improvements on the Parcel. The Owner shall be bound by these regulations, and violations committed by the builder or its employees, subcontractors or others shall be deemed a violation by the Owner for which the Owner shall be liable.

9.2 Pre-construction Conference. Prior to commencement of construction, the Owner and builder will meet with the Architectural/Technical Committee to review these regulations and coordinate the construction activities within the Subdivision. At the conference, or prior to the Architectural/Technical Committee granting its approval, the Owner or builder must supply a construction site plan showing the location of material storage areas, the portable toilet, any construction office or trailer, and the trash dumpster. This plan must be approved by the Architectural/Technical Committee prior to the commencement of construction. A bond in the amount of \$5,000.00 will be required to be paid by the owner/contractor prior to construction. If the contractor or homeowner fails to comply with the restrictive covenants and damage occurs, this bond will be used to mitigate

that damage or to perform the work necessary to bring the home/lot into compliance with the restrictive covenants.

9.3 Marking Limits of Disturbance. Prior to the commencement of construction, the Owner shall survey and mark the limits of disturbance area(s) of the Parcel designated by the Architectural/Technical Committee as part of the plan approval process, which in all cases must be entirely within the Area of Disturbance for such Parcel. The limits of disturbance area boundary will be marked with surveyor's tape and roped-off or fenced to prevent any intrusion by construction activity.

9.4 Occupational Safety and Health Act Compliance. The builder shall comply with the standards and regulations of the United States Department of Labor under the Occupational Safety and Health Act.

9.5 Portable Office or Trailer. Any builder who desires to bring a portable office or trailer onto a Parcel shall first apply for and receive written approval from the Architectural/Technical Committee. The Architectural/Technical Committee will work closely with the builder or Owner to determine the best possible location for the portable office. The portable office will be located in a location approved by the Architectural/Technical Committee and within the limits of disturbance area. The temporary office may not be installed prior to the commencement of construction, and must be removed upon the first to occur of (i) the issuance of a certificate of occupancy, (ii) the termination, expiration, or cancellation of the applicable building permit, or (iii) the suspension of construction activities for a period of 60 days.

9.6 Construction Debris Removal. The builder must comply with County ordinances and the requirements of the Architectural/Technical Committee requiring the placement and maintenance of a trash container or dumpster on the Parcel. The builder shall collect trash at the end of each work day and deposit construction trash, packing material, unusable scraps, and other debris in a suitable container protected from the wind. Such container shall be regularly serviced. No trash may be burned, buried, or otherwise disposed of on the Property. No concrete trucks may be cleaned out on the Parcel, the Property or anywhere within the Subdivision.

9.7 Construction Area Appearance. The Parcel must be maintained in a reasonably organized and neat condition at all times during the construction of a Dwelling or other Improvements. Once the Dwelling is enclosed, materials shall be stored inside the Dwelling and out of sight whenever practical and possible.

9.8 Sanitary Facilities. The builder is responsible for the installation and maintenance of an approved portable toilet facility during construction. The portable toilet must be located on the Parcel at a location approved by the Architectural/Technical Committee and must be removed from the site at such time as the permanent plumbing system is operational.

9.9 Construction Parking and Vehicles. Construction crews must park their vehicles on the Parcel on which they are working and shall not use or park on any other Parcel or any other property within the Subdivision. All vehicles must be parked to allow the free flow of traffic within the Subdivision.

9.10 Conservation of Landscape Materials. To the extent reasonably possible, native plant material removed from the parcel during the construction process should be preserved for replacing on the Parcel. Topsoil, rock outcroppings, boulders, springs and seeps should be preserved.

9.11 Blasting. In the event that it is necessary to blast in conjunction with the construction of any Dwelling or improvement, the Owner must notify the Architectural/Technical Committee in advance. In addition the builder must comply with all ordinances and regulations of the County and all other governmental authorities having jurisdiction over the Subdivision applicable to blasting. Advance notice to the Architectural/Technical committee shall be sufficient to allow reasonable review of the governmental permits by the Architectural/Technical Committee. No blasting, impact digging, or pile driving causing seismic vibrations may be undertaken without the prior written consent of the Architectural/Technical Committee.

9.12 Construction Sign. During periods of actual construction on the Dwelling, the Owner or builder may install a sign not to exceed six square feet in area identifying the Parcel

and the builder. The sign must be removed upon completion or abandonment of construction.

9.13 Hours of Work. Daily working hours on the site shall be limited to the period beginning one-half hour after sunrise and ending one-half hour before sunset, unless otherwise restricted by County ordinances. The builder is responsible for controlling noise emanating from the site.

9.14 Soil Conservation, Dust. At all times when the surface of the Parcel is disturbed by construction activity and revegetation has not been completed, the builder shall practice reasonable dust, sedimentation and erosion control measures as described in the USDA Soil Conservation Service Guidelines.

9.15 Removal of Mud. The builder is responsible for cleaning up and removing mud from the construction site that is deposited on the Roadways of the Subdivision.

9.16 Construction Access. Construction access to the Dwelling is limited to the driveway and utility corridors designated on the approved site plan for the Dwelling. The natural areas of the Subdivision shall not be used for ingress or egress, temporary utility lines, delivery of material, or otherwise disturbed during construction.

9.17 Duration of Construction. No construction shall be undertaken without a building permit and all other necessary permits from the County and any other governmental entity having jurisdiction over construction on the site. No materials, tools, temporary offices or portable toilets, excavation or construction equipment or similar materials or equipment may be delivered to the site prior to the issuance of the permit(s). It is the obligation of the Owner to proceed with construction with all reasonable speed once construction has commenced, and in any event, all exterior surfaces of the Dwelling shall be substantially complete within a period of six months from commencement. All landscaping and soil stabilization work must be completed as soon as possible after completion of the exterior of the Dwelling, but in no event later than the summer following completion of the exterior of the Dwelling.

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ARTICLE X

COMBINATION OF PARCELS

10.1 Right to Combine Parcels. Subject to the provisions of this Declaration and the limitations set forth in this Article X, any Owner may combine two or more adjoining Parcels within the Subdivision. In the event any Owner desires to combine two or more Parcels, the Owner may, with the consent of the Architectural/Technical Committee combine and consolidate the Areas of Disturbance for such combined Parcels into a single area, which must be located within the Buildable Areas. In the event that the Owner of such Parcels desires to relocate the Buildable Area or the Fenceable Area for one or both of such Parcels in connection with such proposed combination of Parcels, such Owner shall comply with the provision set forth in Sections 7.1 and 7.2 of this Declaration for seeking approval to alter the location of the Buildable Area or the Fenceable Area.

10.2 Other Easements Not Affected. The combination of one or more parcels shall not impair utility easements and any other easements affecting the combined Parcels as shown on the Plat or as otherwise recorded with the Recorder of Duchesne County, Utah.

ARTICLE XI

GENERAL PROVISIONS

11.1 The covenants, conditions, and restrictions contained in this Declaration may be enforced as follows:

11.2 Violation Constitutes Nuisance. The violation of the provisions of this Declaration is deemed to be a nuisance, and the Owner of the Property on which the violation occurs is responsible for the removal or abatement of the nuisance.

11.3 Remedies.

(a) Any single or continuing violation of the covenants contained in this Declaration may be enjoined in an action brought by the Declarant (for so long as the Declarant is the Owner of any Parcel), by any other Owner, or by the Association in its own name. In any action brought to enforce these covenants, the prevailing party shall be entitled to

recover as part of its judgment all of the reasonable costs of enforcement, including attorneys' fees and costs of litigation.

(b) Nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state, or local laws and ordinances pertaining to health, safety, abatement of nuisances or other matters. The remedies available under this Declaration are to be construed as being in addition to all other remedies available at law.

(c) The remedies available under this Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.

(d) The delay or failure by anyone to take enforcement action with respect to any violation of this Declaration shall not be construed as a waiver of the covenants contained in this Declaration with respect to such violation or with respect to any other violations.

11.4 Severability. Each of the covenants, conditions, restrictions and provisions contained in this Declaration shall be independent of the others, and in the event that any covenant, condition, restriction or provision of this Declaration is found to be invalid, unenforceable or illegal by a court of competent jurisdiction, the remaining covenants, conditions, restrictions and provisions of this Declaration shall remain in full force and effect.

11.5 Limited Liability. Neither the Declarant, the Directors, or the Architectural/Technical Committee or its individual members, nor any Owner shall have personal liability to any other Owner for actions or inactions taken pursuant to the terms of this Declaration, provided that any such actions or inactions are the result of the good faith exercise of their judgment or authority under this Declaration and without malice.

11.6 Term of Declaration Renewal. This Declaration shall expire forty (40) years from the date it is first recorded with the Recorder of Duchesne County, Utah, provided however that in the last year prior to expiration, the Owners of sixty percent (60%) of the Parcels may, by written notice which is recorded with the Recorder of Duchesne County, Utah, agree to extend the term of this Declaration for a period of an additional twenty

(20) years, and at the end of each additional period of twenty (20) years thereafter, the Owners of sixty percent (60%) of the Parcels may, by written notice which is recorded with the Recorder of Duchesne County, Utah, agree to extend the term of this Declaration for a period of twenty (20) additional years.

11.7 Amendment. Mortgagee Not Bound. At any time while this Declaration is in effect, the Owners of eighty percent (80%) of the Parcels subject to this Declaration may amend the provisions of this Declaration, provided that if the Declarant owns or controls an interest in all or a portion of the Additional Land at the time of the proposed amendment, the consent of the Declarant will be required. Any such consent shall be in the exclusive judgment of the Declarant. Any amendment must be in writing and must be properly recorded in the office of the Recorder of Duchesne County, Utah. No amendment will be binding upon the holder of any mortgage or trust deed on any Parcel which mortgage or trust deed is of record at the time of the amendment, unless the mortgage or trust deed holder joins the amendment. This Declaration may not be repealed by amendment. No amendment shall have the effect of increasing the number of Parcels or Dwellings within the Subdivision beyond that approved by the County and this Declaration, or making less restrictive the provisions of this Declaration regulating the uses of the Property within the Subdivision.

11.8 Constructive Notice. Every person who owns, occupies, or acquires any right, title or interest in any Parcel in the Subdivision is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the provisions of this Declaration against such Owner's Parcel, whether or not there is any reference to this Declaration in the instrument by which such Owner acquires an interest in any Parcel.

11.9 Notices. All notices under this Declaration are deemed effective 72 hours after mailing, whether delivery is proved or not, provided that any mailed notice must have postage pre-paid and be sent to the last known address of the party to receive notice. Notices delivered by hand are effective upon delivery.

11.10 Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development of the Subdivision. Section headings are inserted for convenience only and shall not

be considered in the interpretation of the provisions. The singular shall include the plural, and the plural shall include the singular. Any reference to gender is intended to include masculine, feminine and neuter as well.

11.11 Expansion of Project. The Declarant owns an interest in the Additional Land which adjoins or is in the vicinity of the Subdivision. The Declarant may subdivide all or part of the Additional Land and may then add it to the subdivision subject to this Declaration. Any of the Additional Land may be subjected to this Declaration and become a part of the Subdivision by recording a subdivision plat describing such Additional Land and the parcels created on it, and a supplemental declaration stating that such Additional Land has been added to the Subdivision and is subject to this Declaration. Any Additional Land will be added, if at all, within ten (10) years from the date this Declaration is recorded. The terms and conditions of any supplement declaration recorded with respect to any Additional Land which is added to the Subdivision may vary, at the sole discretion of the Declarant, from the terms and conditions of this Declaration.

11.12 No Obligation to Expand. The Declarant reserves the right to add some or all of the Additional Land to the Subdivision but there is no obligation to do so. Any Additional Land, if not added to the Subdivision, may be developed in a manner that is different from the development plan utilized for the Subdivision.

11.13 Expansion in Phases. The Declarant may exercise its right to expand the Subdivision in one or more phases. The addition of some of the Additional Land does not obligate the Declarant to add the balance of the Additional Land to the Subdivision.

11.14 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the subdivision to the public or for any public use. However, by Owner's Dedication all roadways of record on Utah Mini Ranches' recorded plat (available in the Duchesne County Recorder's office) are dedicated for perpetual use by Utah Mini Ranches Homeowners Association, Inc., a Utah non-profit corporation. All easements and roads shown on said plat are intended for the use of Utah Mini Ranches Homeowners Association, Inc.

11.15 Reservation of Easements. Declarant expressly reserves for Declarant and Declarant's agents and employees easements of access, ingress and egress over the Parcels for the purpose of drilling wells, maintaining, repairing and installing water and other utility lines, drainage structures and other improvements which are to be constructed and installed by Declarant as provided in this Declaration or in connection with the Improvements required by the County to be installed and instructed by the Declarant, in accordance with the provisions of this Declaration.

11.16 Enforcement of Declaration. The Association shall enforce all covenants, conditions, restrictions and management policies set forth in this Declaration. Upon the failure of the Association to enforce this Declaration, the County may do work or cause suit to be brought against the Association for the purpose of requiring the Association to enforce this Declaration and to recover the costs of said work, or the County itself may bring and prosecute a suit in the name of the Association for the purpose of enforcing this Declaration.

11.17 Planning and Building Commission Approval. Any changes, amendments or deletions to this DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR UTAH MINI RANCHES require approval by the planning and building department having jurisdiction over the subdivision.

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the date first above written.

DUCHESNE LAND, L. C.,
A Utah Limited Partnership

By: 
Title: Manager

STATE OF UTAH)
)
COUNTY OF DUCHESNE)

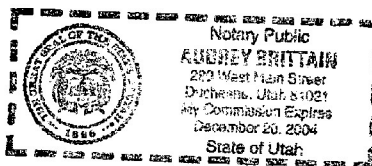
The foregoing instrument was acknowledged before me this
23rd day of July, 2001 by
JOAN ANN STEED in his her capacity

as a Manager of Duchesne Land, L.C., a Utah limited partnership,
who executed this instrument in his or her capacity as the
Manager of Duchesne Land, L.C.

Audrey Brittain

NOTARY PUBLIC
Residing at: Duchesne, Utah

My Commission Expires:



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EXHIBIT 'A' TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
UTAH MINI RANCHES

Legal Description of the Property

TOWNSHIP 4 SOUTH, RANGE 4 WEST, UINTAH SPECIAL BASE AND MERIDIAN

- Section 4: The South half of the northwest quarter;
and the south west quarter of the southwest
quarter of the northeast quarter; and the
west half of the south east quarter,
containing 470 acres, more or less
- Section 5: The South half, containing 320 acres
- Section 6: The South half of the southeast quarter,
containing 80 acres
- Section 7: All, containing 640 acres
- Section 8: All, containing 640 acres
- Section 9: The West half. EXCEPT: Beginning at a point
being North 16°30'08" East 4617.07 feet from
the Southwest corner of Section 9; thence
North 80°38'45" West 500 feet; thence North
9°21'15" East 346 feet; thence South
80°38'45" East 500 feet; thence South
9°21'15" West 436 feet to the Point of
Beginning. ALSO EXCEPTING: A 50 foot wide
Right of Way, containing 315 acres
- Section 16: The Northwest quarter; and the Northwest
quarter of the Southwest quarter, containing
240 acres
- Section 17: All, containing 640 acres
- Section 18: All, containing 640 acres
- Section 19: The North half, containing 320 acres
- Section 20: The East half; and the East half of the West
half; and the West half of the northwest
quarter, containing 560 acres

(Containing a total of 4,865 acres)

EXHIBIT 'A' PAGE 1 OF 1

Exhibit 'A'

EXHIBIT 'B'

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
UTAH MINI RANCHES

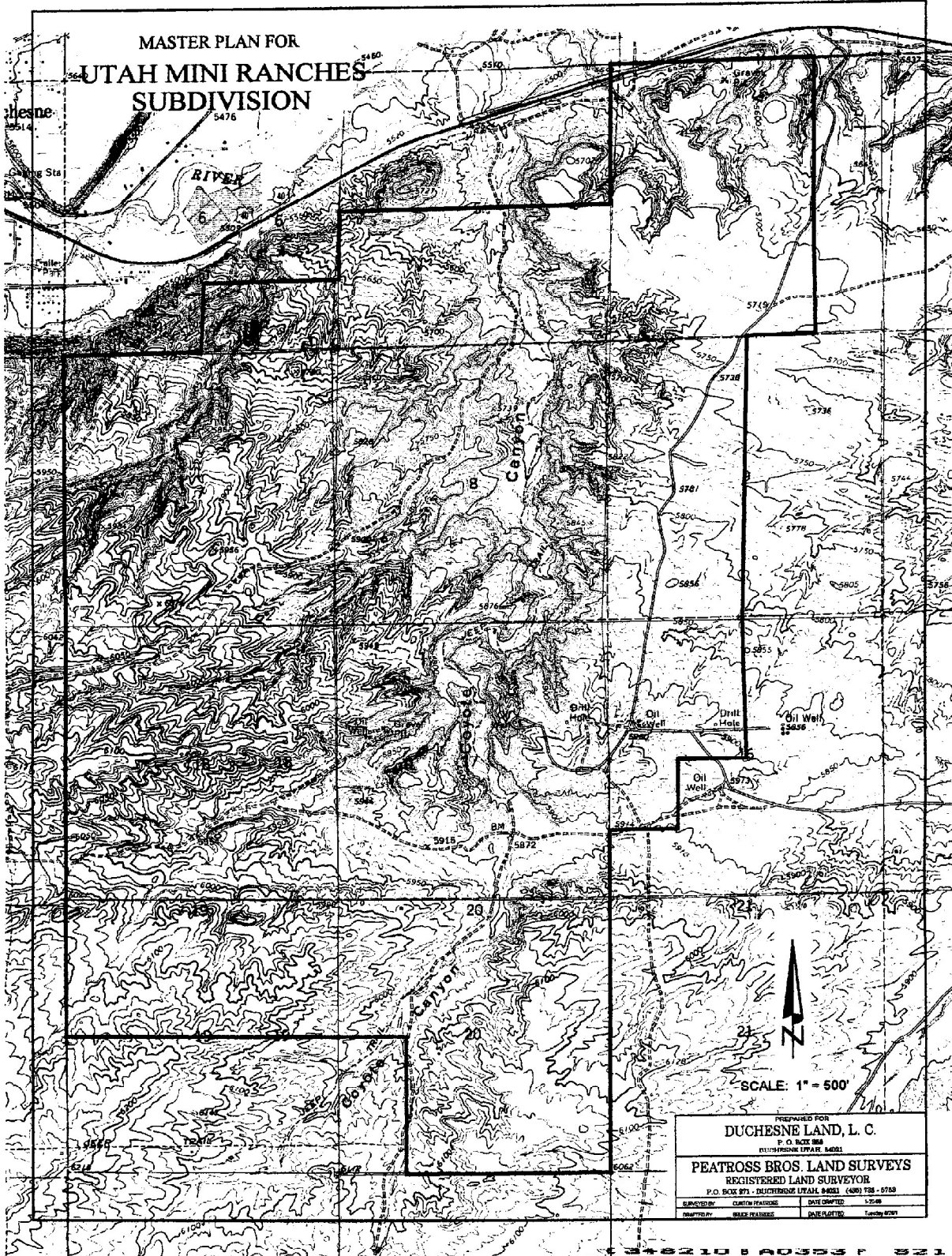
Map Showing Approximate Location of the Additional Land

Please see attached Master Plan Map for Utah Mini Ranches
Subdivision.

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Exhibit 'B'

MASTER PLAN FOR
**UTAH MINI RANCHES
 SUBDIVISION**



PREPARED FOR
DUCHESNE LAND, L. C.
 P. O. BOX 888
 11119 FRENCH LANE, SAGE
PEATROSS BROS. LAND SURVEYS
 REGISTERED LAND SURVEYOR
 P. O. BOX 871 - DUCHESNE UTAH, 84201 (409) 738-0780
 SURVEYED BY: CLAYTON PEATROSS DATE DRAFTED: 1-25-88
 DRAFTSMAN: BRUCE PEATROSS DATE PLOTTED: 1-25-88

EXHIBIT 'C'
TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
UTAH MINI RANCHES

The Constraints Map

Please see attached Master Plan Map for Utah Mini Ranches
Subdivision showing Constraints.

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Exhibit 'C'

MASTER PLAN FOR
UTAH MINI RANCHES
SUBDIVISION

PHASE 1



NOT TO SCALE

PREPARED FOR
DUCHESNE LAND, L. C.
P. O. BOX 263
Duchesne, UTAH, 84021

PEATROSS BROS. LAND SURVEYS
REGISTERED LAND SURVEYOR
P. O. BOX 871, DUCHESNE UTAH, 84021 (435) 788-5763

SURVEYED BY CLAYTON PEATROSS DATE SHOWN 12-94
DRAWN BY [illegible] CHECKED BY [illegible] DATE 12-94

EXHIBIT 'D' TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
UTAH MINI RANCHES

Articles of Incorporation of
Utah Mini Ranches Homeowners Association, Inc.

Please find copy of Articles of Incorporation of Utah Mini
Ranches Homeowners Association, Inc. attached.

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Exhibit 'D'

FILED

APR 05 2001

Utah Div. Of Corp. & Comm. Code **ARTICLES OF INCORPORATION**

OF

UTAH MINI RANCHES HOMEOWNERS ASSOCIATION, INC.

Date: 04/05/2001
Receipt Number: 283515
Amount Paid: \$50.00

THE UNDERSIGNED, Incorporator, being a natural person over the age of eighteen (18) years, acting as incorporator of a corporation under the Utah Non-Profit Corporation Act, adopt the following Articles of Incorporation for such corporation:

ARTICLE I - NAME

The name of this corporation is UTAH MINI RANCHES HOMEOWNERS ASSOCIATION, INC. (hereinafter sometimes referred to as the "Association").

ARTICLE II - DURATION

The period of its duration is perpetual.

ARTICLE III - PURPOSES AND POWERS

The Association is organized to manage, maintain and protect real property known as UTAH MINI RANCHES (the "Subdivision") located in Duchesne County, Utah, and to enforce the Declaration of Covenants, Conditions and Restriction (the "Declaration") for the lots within the Subdivision and to further engage in such other activities as may be to the mutual benefit of the owners of property in the UTAH MINI RANCHES Subdivision. The Association shall have all powers conferred upon it under the Utah Non-Profit Corporation Act as set forth in Utah Code Annotated 16-6a-302, including, but not limited to :

- a. To take and hold any property;
- b. To establish, administer, and enforce covenants, conditions and restrictions, easements, licenses, liens or other

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charges for the support and benefit of the Association and its members;

c. To construct, install, maintain and repair utilities and other facilities in the Utah Mini Ranches Subdivision for the welfare of the Association and its members;

d. To manage, regulate and control common areas located in the Utah Mini Ranches Subdivision for common use and enjoyment;

e. To do any other act necessary or proper for the accomplishment of any of the purposes enumerated herein.

ARTICLE IV - MEMBERSHIP

Members of the Association shall be limited to persons who are owners of a lot or lots within the Utah Mini Ranches Subdivision. Members shall be entitled one (1) vote for each lot owned by the person or persons collectively owning a lot. The membership rights (including voting rights) of any member may be suspended by action of the Board of Directors (Board of Trustees) if the member has failed to pay, when due, any assessments lawfully imposed upon him or upon any property owned by him, or if the member, his family, his tenant or guest shall have violated any rule or regulation of the Board regarding conduct or the use of any property.

ARTICLE V - AMENDMENT

These Articles of Incorporation may be amended by the affirmative vote of two-thirds (2/3) of the members entitled to vote.

ARTICLE VI - INITIAL OFFICE AND AGENT

The address of this Association's initial registered office is: 289 W. Main St., P.O. Box 358, Duchesne, Utah 84021-0983. Frank J. Steed is the initial registered agent at that address of the Corporation as set forth above.

ARTICLE VII - INCORPORATOR

The name and address of the incorporator is:

Frank J. Steed
289 West Main Street
P.O. Box 358
Duchesne, Utah 84021-0983

ARTICLE VIII

BY-LAWS

Provisions for the regulation of the internal affairs of the Association shall be set forth in the By-Laws and the Declaration of Covenants, Conditions and Restrictions.

ARTICLE IX

LIMITATIONS OF DIRECTORS' LIABILITY

The Trustees of this Association shall have no personal liability to the Association or its members for money damages for breach of fiduciary duty.

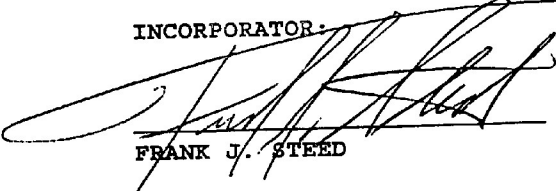
ARTICLE X

DISSOLUTION

In the event of dissolution of the corporation, the distribution of assets shall be consistent with §16-6a-202(h) and shall be applied as follows:

1. Payment to creditors.
2. Payment to members according to their interests.

INCORPORATOR:

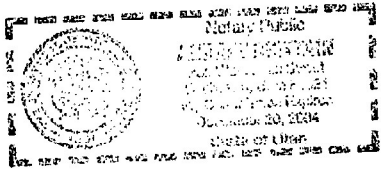

FRANK J. STEED

CONSENT OF REGISTERED AGENT:

[Handwritten Signature]
FRANK J. STEED

STATE OF UTAH)
) : ss.
COUNTY OF DUCHESNE)

I, the undersigned Notary Public, hereby certify that on the 2nd day of April, 2001, personally appeared before me FRANK J. STEED, who, being by me first duly sworn, declared that he is the person who signed the foregoing document as an incorporator and that the statements therein contained are true.



Audrey Brittain
Notary Public

EXHIBIT "E" TO
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
UTAH MINI RANCHES

By-Laws of Utah Mini Ranches

Please find Bylaws of Utah Mini Ranches Homeowners Association,
Inc., a Utah Nonprofit Corporation, attached.

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Exhibit 'E'

**BYLAWS OF
UTAH MINI RANCHES HOMEOWNERS ASSOCIATION, INC.**

A Utah Nonprofit Corporation

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Board of Directors of the UTAH MINI RANCHES HOMEOWNERS ASSOCIATION, INC., a Utah Nonprofit Corporation, hereby adopts the following Bylaws for such Nonprofit Corporation.

ARTICLE I

NAME, PRINCIPAL OFFICE

1. Name. The name of the nonprofit corporation is "Utah Mini Ranches Homeowners Association, Inc.", hereinafter referred to as "Association".

2. Offices. The principal office of the Association shall be 289 West Main Street, Duchesne, Utah 84021. The mailing address is Post Office Box 358, Duchesne, Utah 84021.

ARTICLE II

PURPOSE

The Association is organized as a nonprofit corporation and shall be operated exclusively for the purpose of maintaining, operating and governing the Parcels within those certain tracts of real property in Duchesne County, State of Utah, commonly referred to as the Utah Mini Ranches.

No dividend shall be paid and no part of the net income of the Association, if any, shall be distributed to the Members, Directors or officers of the Association except as otherwise provided herein or under Utah law.

ARTICLE III

POWERS OF THE ASSOCIATION

Subject to the purposes declared in Article II above and any limitations herein expressed, the Association shall have and may exercise the following powers:

1. All of the powers and privileges to perform all of the duties and obligations of the Association as set forth in the Declaration of Covenants, Conditions and Restrictions of Utah Mini Ranches Subdivision, hereinafter referred to as "Declaration", as recorded in the office of the County Recorder of Duchesne County, State of Utah, as amended from time to time; and

2. The power to improve, build upon, operate and maintain the property in connection with the affairs of the Association.

ARTICLE IV

MEMBERSHIP

Every person or entity who is a record Owner of an interest in any Parcel which is subject to covenants under the Declaration (hereinafter called "Parcel") shall be a Member of the Association. If record ownership of a Parcel is jointly

held, the Membership appertaining to such Parcel shall also be jointly held. Membership in the Association shall be mandatory and not optional and shall be appurtenant to and may not be separated from ownership of any Parcel. There shall be one Membership in the Association appurtenant to each of said Parcels. No person or entity other than an Owner of a Parcel may be a Member of the Association. Membership in the Association shall begin immediately and automatically upon becoming a record Owner of the Parcel to which such membership appertains and shall cease immediately and automatically upon ceasing to be a record Owner of such Parcel. Record Owner shall be defined as those in the records of the Association.

ARTICLE V

MEETINGS OF THE ASSOCIATION

1. Place of Meeting. Meetings of the Association Members shall be held within the Subdivision unless determined otherwise by the Board of Directors.

2. Annual Meetings. The annual meeting of the Members of the Association shall be held in the second quarter of each year at a date and time fixed by the Board of Directors. However, the initial meeting of the Association shall be held within 45 days after the closing of the sale of the Parcel which represents the sale of the fifty-first percentile of all Parcels in UTAH MINI RANCHES. The initial meeting of the Association

shall be held for the purpose of electing Directors and transacting such other business as may become before the meeting. The Board of Directors may from time to time by resolution change the date and time for the annual meeting of the Members.

3. Special Meetings. Special meetings of the Members shall be promptly called by the Board of Directors upon:

(a) the vote for such meeting by a majority of a quorum of the Board of Directors; or

(b) the written request of Members holding not less than thirty-three (33%) per cent of the total votes of the Association.

4. Notice of Meetings. The Board of Directors shall cause written or printed notice of regular and special meetings to be delivered personally or by mail to each Member of record entitled to vote at such meeting. This notice shall not be given less than ten (10) nor more than sixty (60) days before the date of any meeting in which Members are required or permitted to take any action. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of business to be undertaken. If mailed, such notice shall be deemed to be delivered when in the United States mail addressed to the Members with first class postage thereon. Only one notice will be mailed per parcel. In the

event of multiple ownership, the individual owners must designate one of the owners to receive notices of meetings on behalf of all the owners.

5. Fixing Record Date of Meeting. Upon purchasing a Parcel in the Subdivision, each Owner shall promptly furnish to the Association a certified copy of the recorded instrument by which ownership of such Parcel has been vested in such Owner, which copy shall be maintained in the records of the Association. For the purpose of determining Members entitled to notice of or to vote at meetings of the Members, or any adjournment thereof, the Board of Directors may designate a record date, which shall not be more than sixty (60) nor less than ten (10) days prior to the meeting. If no record date is designated, the date on which notice of the meeting is mailed shall be deemed to be the record date for determining Members entitled to notice of or to vote at the meeting. The persons or entities appearing in the records of the Association on such record date as the Owner of record of a Parcel in the Subdivision shall be deemed to be the Member of record entitled to notice of and to vote at the meetings of the Members.

6. Quorum. At any meeting of the Members, the presence of Members holding, or holders of proxies, entitled to cast more than fifty (50) percent of the total votes of the Association shall constitute a quorum for the transaction of business. In

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the absence of a quorum at a Members' meeting, a majority of those present in person or by proxy may adjourn the meeting to another time but may not transact any other business. An adjournment for lack of a quorum by those in attendance shall be to a date not less than five (5) and not more than thirty (30) days from the original meeting date. The quorum for the adjourned meeting shall be the presence of Members holding, or holders of proxies, entitled to cast at least twenty-five percent (25%) of the total votes of the Association. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for the adjourned meeting, it shall be given to the Members in the manner prescribed in Article V hereof for regular meetings.

7. Proxies. At each meeting of the Members, each member entitled to vote shall be entitled to vote in person or by proxy, provided, however, that the right to vote by proxy shall exist only where the instrument authorizing such proxy to act shall have been executed by the Member himself or by his attorney thereunto duly authorized in writing. If a Membership is jointly held, the instrument authorizing a proxy to act must have been executed by all holders of such Membership or their attorneys thereunto duly authorized in writing. Such instrument authorizing a proxy to act shall be delivered at the beginning

of the meeting to the Secretary of the Association or to such other officers or person who may be acting as Secretary of the meeting. The Secretary of the meeting shall enter a record of all such proxies in the minutes of the meeting.

8. Votes. The Association shall have one class of voting Membership.

All Owners shall be entitled to one (1) vote for each Parcel owned by them. When more than one (1) person or entity is the Owner of a Parcel, the vote for such Parcel shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Parcel.

Whenever these Bylaws, the Declaration or the Articles of Incorporation require the vote, assent to presence of a stated number of Owners or Members entitled to a vote on a matter or at a meeting with regard to the taking of any action or any other matter whatsoever, the provision of the Section shall govern as to the total number of available votes one Owner is entitled to cast at the meeting, and the manner in which the vote attributable to a Parcel having more than one Owner shall be cast. With respect to each matter submitted to a vote of the Members, each Member entitled to a vote at the meeting shall have the right to cast votes in person or by proxy. The affirmative vote of a majority of the votes entitled to be cast by the Members present or represented by proxy at a meeting at

(f) Payment of taxes and assessments which are or could become a lien on any common area hereinafter acquired.

(g) Contracting for casualty, liability or other insurance on behalf of the Association if such insurance is deemed necessary by the Association.

(h) Entering upon any Parcel as necessary in connection with any construction, maintenance or emergency repair made for the common benefit of the Members of the Association.

2. Election Number, Tenure and Qualifications. The number of Directors of the Association shall be three (3). The Directors shall have two-year terms except for the initial Board. Two Directors shall have two-year terms and one Director shall have a one year term. The initial Board of Directors specified in the Articles of Incorporation shall serve until the initial meeting of the Members as specified in Article V.1 hereof, at which time all seats on the Board shall be filled by the vote of the Members of the Associations as provided herein. In that election and each election thereafter Members shall be entitled to one vote for each Director to be elected. Each Member may cumulate his votes and cast all of his votes for one candidate or distribute such votes on the same principle to any number of such candidates. Voting shall be by written secret ballot. Each Director shall hold office until the next annual

meeting of the Members and until his successor shall have been elected and qualified, or until he resigns or is removed pursuant to Article VI.7 hereof. All Directors, except the initial Directors listed in the Articles of Incorporation, must be Members of the Association.

3. Regular Meetings. Regular meetings of the Board of Directors shall be held not less often than semiannually,

(a) Immediately after, and at the same place as, the annual meeting of the Members, and

(b) The Board of Directors may from time to time, by resolution, change the dates and times for the regular meeting of the Board. Notice of the time and place of each meeting of the Board of Directors shall be posted at a prominent place or places within the Subdivision.

4. Special Meetings. Special meetings of the Board of Directors may be called by written notice, signed by the President of the Association, or by any two Members of the Board of Directors. The notice shall specify the time and place of the meeting and shall be posted in a manner prescribed for notice of regular meetings of the Board of Directors not less than 72 hours prior to the scheduled time of the meeting; provided; however, that notice of such meeting need not be given to any Directors signing a waiver of notice or a written consent to the holding of such meeting. If mailed, such notice shall be

which a quorum was initially present shall be necessary for adoption of any matter voted on by the Members, unless a greater proportion is required by these Bylaws, the Declaration or Utah law. The election of Directors shall be by secret ballot. If a Membership is jointly held, all or any holders thereof may attend each meeting of the Members, but any holder present at any meeting must act unanimously to cast the votes relating to the joint membership.

9. Waiver of Irregularities. All inaccuracies and irregularities in calls or notices of meetings and in the manner of voting, form of proxies and methods of ascertaining Members present shall be deemed waived if no objection thereto is made in the meeting prior to the vote being taken.

10. Informal Action by Members. Any action which is required or approved at a meeting or permitted to be taken at a meeting of the Members may be taken or approved without a formal meeting if consent in writing setting forth the action so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE VI

BOARD OF DIRECTORS

1. General Powers. The property affairs and business of the Association shall be managed by its Board of Directors. The Board of Directors may exercise all of the powers of the

Association, whether derived by law, the Articles of Incorporation, any of the Declarations, or these Bylaws, except such powers as are by law, by these Bylaws, by the Articles of Incorporation or by the Declarations vested solely in the Members. The Board of Directors may by written contract delegate, in whole or in part, to a professional management organization or person such of its duties, responsibilities, functions or other powers as are properly delegable. The powers and duties of the Board of Directors shall include, but not be limited to, the following as well as the other powers and duties enumerated elsewhere herein:

- (a) Enforcement of applicable provisions of the Declaration, these bylaws and other instrument of ownership, management and control of the Subdivision;
- (b) Contracting for goods and/or services for the Association subject to the limitations set forth below;
- (c) Delegation of its powers to committees, officers, or employees of the Association as expressly authorized herein;
- (d) Preparation of budgets and financial statements for the Association as prescribed herein or in the Declaration;
- (e) Initiation and execution of the proceedings against Members of the Association to enforce the provisions of the Declaration in accordance with procedures set forth therein;

deemed to be delivered when deposited in the United States mail, with first class postage thereon prepaid.

5. Quorum and Manner of Actions. A majority of the then number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. The Directors shall act only as a Board, and individual Directors shall have no power as such. Regular meetings of the Board of Directors shall be open to all Members of the Association; provided, however, that the Association Members who are not on the Board of Directors may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board of Directors may, with the approval of a majority of its Members, adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

6. Compensation. No Director shall receive compensation for any services that he may render to the Association as a Director; provided, however, that a Director may be reimbursed

for expenses incurred in performance of his duties as a Director to the extent such expenses are approved by the Board of Directors and (except as otherwise provided in these Bylaws) may be compensated for services rendered to the Association other than in his capacity as a Director.

7. Resignation and Removal. A Director may resign at any time by delivering a written resignation to either the President or the Board of Directors. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any Director may be removed by the vote of at least the majority of the voting power of the Association.

8. Vacancies and Newly Created Directorships. If vacancies shall occur in the Board of Directors by reason of the death, resignation, or disqualification of a Director or if the authorized number of Directors shall be increased, the Directors then in office shall continue to act and such vacancies of newly created Directors occurring by reason of removal of a Director by the Members may be filled by election at the meeting at which such Director is removed or at another regular or special meeting of the Association. The Board of Directors is authorized to fill any vacancies on the Board resulting from the removal of a Director. Any Director elected or appointed hereunder to fill a vacancy shall serve for the unexpired term

of his predecessor or for the term of the newly created Directorship, as the case may be.

9. Informal Action by Director. Any action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors, and an explanation of the action so taken is posted at a prominent place or places within the Subdivision within three (3) days after the written consent of Directors has been obtained.

10. Budget and Financial Statements. The Board of Directors shall be responsible for the preparation of the budgets and financial statements of the Association Members. Preparation of those financial documents may be delegated, assigned or contracted for as the Board sees fit. Financial statements for the Association shall be regularly prepared and distributed to all Members regardless of the number or the amount of assets of the Association as follows:

(a) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

(b) An annual report consisting of the following shall be distributed within one hundred twenty (120) days after the close of the fiscal year.

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- (1) A balance sheet as of the end of the fiscal year.
- (2) An income statement for the fiscal year.
- (3) A statement of changes in financial position for the fiscal year.
- (4) Any other disclosures required by applicable state law.

So long as the gross income of the Association does not exceed \$75,000.00 the annual report referred to in Subsection (b) above need not be prepared by an independent accountant; however, if not prepared by an independent accountant, the report shall be accompanied by the certificate of the President and Treasurer of the Association stating that the statements included in the report were prepared without audit from the books and records of the Association and that, to the best of such officer's knowledge, the statements are true and accurate.

ARTICLE VII

OFFICERS

1. Officers. The officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer and such other officers as may from time to time be appointed by the Board of Directors.

2. Election, Tenure and Qualification. The officers of the Association shall be chosen by the Board of Directors

annually at the regular meeting of the Board of Directors which follows the regular annual meeting of the Members of the Association. In the event of failure to choose officers at such meeting of the Board of Directors, officers may be chosen at any other regular or special meeting of the Board of Directors. Each such officer (whether chosen at a regular meeting of the Board of Directors or otherwise) shall hold his office until the next regular meeting of the Association and until his successor shall have been chosen and qualified, or until his death, or until his resignation, disqualification or removal in the manner provided in these Bylaws, whichever occurs first. Any one person may hold any two or more of such offices, except that the President may not be also the Secretary. No person holding two or more offices shall act in or execute any instrument in the capacity of more than one office. The President and Vice President (other than the initial ones) shall be and remain Members of the Association during the entire term of their respective offices. No other officer needs to be a Member.

3. Subordinate Officers. The Board of Directors may from time to time appoint such other officers or agents as it may deem advisable, each of whom shall have such title, hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine. The Board of Directors may from time to time delegate to any officer

or agent the power to appoint any such subordinate officers or agents and to prescribe their respective titles, terms of office, authorities and duties. Subordinate officers need not be Members of the Association.

4. Resignation and Removal. Any officer may resign at any time by delivering a written resignation to the President or the Board of Directors. Unless otherwise specified therein, such resignation shall take effect upon delivery. Any officer may be removed by the Board of Directors at any time, with or without cause.

5. Vacancies and Newly Created Offices. If any vacancy shall occur in any office by reason of death, resignation, removal, disqualification or any other cause, or if a new office shall be created, such vacancies or newly created offices may be filled by the Board of Directors at any regular or special meetings thereof.

6. President. The President shall be the Chief Executive Officer of the Association and shall exercise general supervision over its property and affairs. He shall sign on behalf of the Association all Membership certificates, conveyances, mortgages and contracts and shall do and perform all acts and things which the Board of Directors may require of him. The President shall be invited to attend meetings of each committee.

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7. The Vice-President. The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such duties as may be required of him by the Board of Directors.

8. The Secretary. The Secretary shall keep the minutes of the Association and shall maintain such books and records as these Bylaws, the Declaration or any resolution of the Board of Directors may require him to keep. He shall be the custodian of the seal of the Association, if any, and shall affix such seal, if any, to all papers and instruments requiring the same. He shall perform such other duties as the Board of Directors may require of him.

9. The Treasurer. The Treasurer shall have the custody and control of the funds of the Association subject to the action of the Board of Directors and shall, when requested by the President to do so, report the state of the finances of the Association at each annual meeting of the Members and at any meeting of the Board of Directors. He shall perform such other duties as the Board of Directors may require of him.

ARTICLE VIII

COMMITTEES

1. Designation of Committees. The Board of Directors may from time to time by resolution designate such committees as it

may deem appropriate in carrying out its duties, responsibilities, functions and powers. The Membership of each such committee designated hereunder shall include two (2) or more of the Members of the Association. No committee member shall receive compensation for services that he may render to the Association as a committee member; provided, however, that in performance of his duties as a committee member, to the extent that such expenses are approved by the Board of Directors and (except as otherwise provided in these Bylaws), he may be compensated for services rendered to the Association other than in his capacity as a committee member. Selection to a Membership on the Architectural Committee for the Subdivision shall be governed by the terms of the Declaration.

2. Proceeding of Committees. Each committee designated hereunder by the Board of Directors may appoint its own presiding and recording officers and may meet at such place and times and upon such notice as such committee may from time to time determine. Each such committee shall keep a record of its proceedings and shall regularly report such proceedings to the Board of Directors.

3. Quorum and Manner of Action. At each meeting of any committee designated hereunder by the Board of Directors, the presence of Members consisting of at least a majority of the authorized Membership of such committee shall constitute a

quorum for the transaction of business and the act of a majority of the members present at any meeting at which a quorum is present shall be the act of such committee. The Members of any committee designated by the Board of Directors hereunder shall act only as a committee and the individual Members thereof shall have no powers as such.

4. Resignation and Removal. Any Members of any committee designated hereunder by the Board of Directors may resign at any time by delivering a written resignation to the President, the Board of Directors, or the presiding officers of the committee of which he is a Member. Unless otherwise specified therein such resignation shall take effect upon delivery. The Board of Directors may at any time, with or without cause, remove any Member of any committee designated by it hereunder.

5. Vacancies. If any vacancy shall occur in any committee designated by the Board of Directors hereunder due to disqualification, death, resignation, removal, or otherwise, the remaining Members shall, until the filling of such vacancy, constitute the then total authorized Membership of the committee and provided that two or more Members are remaining, may continue to act. Such vacancy may be filled at any meeting of the Board of Directors.

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ARTICLE IX

INDEMNIFICATION

1. Indemnification. Each Director and officer of the corporation now and hereafter serving as such shall be indemnified by the Association against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served as such Director or officer, or by reason of any action alleged to have been taken, omitted or neglected by him as such Director or officer, and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability; provided, however, that no such person shall be indemnified against or be reimbursed for any expense incurred in connection with any claim or liability arising out of his own willful misconduct or gross negligence.

2. Vote of Committee. The amount paid to any officer or Director by way of indemnification shall not exceed his actual, reasonable necessary expenses incurred in connection with the matter involved, and such additional amount as may be fixed by a committee of not less than three (3) nor more than five (5) persons selected by the Board of Directors who shall be Members of the Association, but not officers or directors or related to officers or directors, and any determination so made shall be binding on the indemnified officer or Director.

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3. State Law. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any director or Director of the Association may otherwise be entitled by law.

ARTICLE X

FISCAL YEAR AND SEAL

1. Vote of Committee. The fiscal year of the Association shall begin on the 1st day of January each year and shall end on the 31st day of December next following, except that the first year shall begin on the date of the closing of the sale of the first Parcel in the Utah Mini Ranches.

2. Seal. The Board of Directors may by resolution provide an Association seal which shall be circular in form and shall have inscribed thereon the name of the Association.

ARTICLE XI

RULES AND REGULATIONS

1. Rules and Regulations. The Board of Directors may from time to time adopt, amend, repeal and enforce reasonable rules and regulations governing the use and operation of the Project, to the extent that such rules and regulations are consistent with the rights and duties set forth in the Declaration or these Bylaws. Each member shall be provided with copies of all the rules and regulations affecting his Parcel as well as copies of all amendments and revisions thereof.

ARTICLE XII

INSPECTION OF BOOKS AND RECORDS

1. Inspection of Books and Records. The Membership register, books of account and minutes of meetings of the Members, of the Board of Directors and committees of the Board of Directors shall be made available for inspection and copying by any Member of the Association or his duly appointed representative at any reasonable time and for any purpose reasonably to his interest as a Member, at the office of the Association or at such other place within the Subdivision as the Board of Directors shall prescribe. The Board of Directors shall have reasonable rules with respect to:

- (a) notice to be given to the custodian of the records by the Member desiring to make the inspection;
- (b) hours and days of the week when such an inspection may be made; and
- (c) payment of the cost of reproducing copies of documents requested by a Member.

Every Director shall have the absolute right at any reasonable time to inspect and make copies of all books and records and documents of the Association and to inspect any physical properties owned or controlled by the Association.

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ARTICLE XIII

AMENDMENTS

1. Amendments. Except as otherwise provided by law, by the Declaration, or by these Bylaws, these Bylaws may be amended, altered or repealed. Any new Bylaws may be made and adopted by the Members upon the affirmative vote of a majority of the total votes of the Association, and the affirmative vote for a majority of the voting power residing in Members. No amendments shall be effective unless and until a written instrument setting forth:

- (a) the amended, altered, repealed or new Bylaw;
- (b) the number of votes cast in favor or such action;

and

- (c) the total votes of the association,

shall have been executed and verified by the current President of the Association and recorded in the official record of the Association.

IN WITNESS WHEREOF, the undersigned, consisting of all the Directors of Utah Mini Ranches Homeowners Association, Inc. have executed these Bylaws on the 23rd day of July, 2001.


Secretary

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