

AFTER RECORDING RETURN TO:
Apple Hollow Owners Association Inc
C/o Urban Outsourcing Inc
716 E 4500 S, Suite N140
Salt Lake City, UT 84107

ENT 19441:2011 PG 1 of 70
Jeffery Smith
UTAH COUNTY RECORDER
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**DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS AND RESERVATION OF
EASEMENTS FOR**

APPLE HOLLOW OWNERS ASSOCIATION INC

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS (the "Declaration") is made this 2nd day of March, 2011 by Santaquin Orchards Group LLC, a Utah limited liability company, whose principal address is 3115 E Lion Lane, Suite 300, Salt Lake City, UT 84121 ("Declarant").

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND RESERVATION OF EASEMENTS (the "Declaration") **supersedes** prior documents filed as APPLE HOLLOW PLAT A on 14 May, 2010 (Entry:42030:2010 PG 1 of 28) and APPLE HOLLOW PLAT A-1 filed on June 11, 2010 (Entry 48263:2010 PG 1 of 26).

RECITALS

A. Declarant owns certain real property in the City of Santaquin, Utah County, Utah, and a portion of which, as more particularly described in Exhibit "A", shall constitute the property initially covered by this Declaration ("Original Property").

B. Declarant further reserves the right, pursuant to the terms of this Declaration, from time to time, to add all or any portion of certain other real property, including without limitation multi-family or high density housing, more particularly depicted on Exhibit "B" (the "Annexable Property") to the Original Property.

NOW, THEREFORE, Declarant hereby declares that all of the Original Property, and, from the date(s) of respective annexation, all Annexable Property annexed pursuant to Article VI (collectively, the "Properties") shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved subject to the following protective covenants, conditions, restrictions, reservations, easements, and equitable servitudes, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Properties (as defined in Article I below). The protective covenants, conditions, restrictions, reservations, easements, and equitable servitudes (the "Covenants") set forth below shall run with and burden the Properties and shall be binding upon all Persons, their heirs, successors and assigns having or acquiring any right, title or interest in the Properties, or any part thereof, and shall inure to the benefit of every portion of the Properties

and any interest therein. In addition, the Covenants shall inure to the benefit of, be binding upon, and enforceable by, Declarant, and each Owner, their respective heirs, executors and administrators, and successive owners and assigns, and, as set forth in this Declaration, by the Community Council. All Lots, Cottage and Townhomes, within the Properties shall be used, improved and devoted exclusively to single family residential use, except that mother-in-law apartments, for exclusive family use, may be permitted consistent with City ordinances.

ARTICLE I

1. DEFINITIONS

1.1 "Annexable Property" shall mean all real property depicted on Exhibit B of this Declaration, as amended.

1.2 "Architectural Review Committee" or "ARC" shall mean the architectural review committee created pursuant to Article III below.

1.3 "Architectural Plan Review Administrator" or "APRA" shall mean the architectural plan review administrator identified pursuant to Article III below. Initially, the APRA shall be Santaquin Orchards Group LLC, a Limited Liability Company, whose principal address is 3115 E Lion Lane, Suite 300, Salt Lake City, UT 84121. The APRA may be owned wholly or in part by Declarant's successor in interest or by those with ownership therein.

1.4 "Architectural Committee Rules" shall mean the rules, if any, adopted by the Architectural Committee.

1.5 "Association" shall mean the association of Owners described herein.

1.6 "Association Fees" shall mean those fees described in Section 2.3

1.7 "City" shall mean the City of Santaquin, Utah.

1.8 "Community Council" shall be as defined in Article V.

1.9 "County" shall mean Utah County, Utah.

1.10 "Declarant" shall mean that person identified above as "Declarant", and any Person to whom it shall have assigned any rights hereunder of Declarant by an express written and recorded assignment executed by the Declarant.

1.11 "Family" means: A group of two (2) or more persons related by blood, marriage, or adoption living together in a single dwelling unit and maintaining a common household. A family may include two (2), but not more than two (2) non-related persons living as guests with the residing family. The term family shall not be construed to mean a group of non-related individuals, a fraternity, club, or institutional group.

1.12 "Lot" shall mean any numbered portion of a parcel of real property shown upon any official plat(s) of all or a portion of the Property including recorded plat(s) of all or a portion of the Properties, designated as Townhome or Cottage Homes, together with any improvements constructed thereon, with the exception of the areas designated as lettered tracts and areas dedicated to the public or as common areas. "Lots" shall include any and all building lots that are made subject to this Declaration by a recorded instrument within ten (10) years from the date of origination recordation of this document. Each Lot shall be a separate freehold estate.

1.13 "Owner" shall mean the Person or Persons, including Declarant, holding fee simple interest of record to any Lot. The term "Owner" includes a seller under an executory contract of sale but excludes Mortgagees under Mortgage instruments and Beneficiaries and Trustees under Deeds of Trust.

1.14 "Person" shall mean a natural individual, a corporation, or any other entity with the legal right to hold title to real property.

1.15 "Plat" shall mean the final plat maps of The Apple Hollow Plat A, No. 1, Recorded on _____, 2008, in Book _____ of Plats, Page _____, and any other plat map(s) of additional parcel(s) subsequently Recorded, as said plat maps from time to time maybe amended or supplemented of record by Declarant, together with any maps which may, in the future, be Recorded with respect to the Annexable Property.

1.16 "Project" shall mean all Townhomes, Cottage Homes, Common & Limited Common areas, including but not limited to pool, sports court and supporting structures per the Apple Hollow recorded plat maps.

1.17 "Properties" shall mean the real, personal, or mixed property described and defined in the Recitals above which is subject to this Declaration, and all property as may be brought within this Declaration pursuant to Article IX (the "Annexation").

1.18 "Record," "Recorded," "Recorder," "Filed" or "Recordation" shall mean, with respect to any document, the recordation of such document in the official records of the County Recorder of the County.

1.19 "Residence" shall mean a building located on a Lot designed and intended for use and occupancy as a residence by a single Family.

1.20 "Occupancy" shall mean holding title to a property designated as a residence for use by a single family for a period of six (6) to twelve (12) months prior to resale. Short sale and Real Estate Owners are exempt upon written approval of the Association.

1.21 "Upgraded Building Materials" shall mean upgraded exterior building materials of brick, stucco, stone, composite siding (Hardi-board or equal) or appropriate combinations.

ARTICLE II

2. ASSOCIATION

2.1 Establishment of Association. The Declarant hereby establishes an association of Owners ("Association") which shall consist of the Declarant and each of the Owners of the Lots in the Properties. Each owner shall be entitled and required to be a member of the Association.

2.2 Membership. Membership shall begin immediately and automatically upon becoming an Owner of Record, through the recording of a deed and submission of Association documents (Exhibit 'G' contained within) and shall terminate immediately and automatically upon ceasing to be an Owner of Record through the transference of deed. If title to a residence is held by more than one person, the membership appurtenant to that residence shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the residence is held. An Owner shall be entitled to one membership for each residence owned by such Owner.

2.3 Association Fees. Upon closing on a residence within the property, the closing month, prorated if necessary and two months of assessment will be collected, and an initial membership fee of \$150 will be held in reserve to cover potential delinquency or last months' dues in the event of a sale. For the first year, Townhome assessments will be \$65 per month and Cottage Home assessments will be \$100 per month. Until the establishment of the Community Council, all fees paid to the association will be under the direction of the Declarant. Fees are to be paid by each owner by the 1st of the month, with a 10 day grace period, after which time a 10% late fee may apply. At the end of the first year of existence, Declarant or Community Council, whichever applies will re-evaluate the fees and expenses.

ARTICLE III

3. USE RESTRICTIONS

3.1 General Use Restrictions. The Properties shall be held, used and enjoyed subject to the following restrictions and exemptions of Declarant set forth herein. The APRA or the Architectural Review Committee shall have no responsibility or authority to enforce the terms of this Article III except as they specifically apply to construction, improvements and approval requirements for the Lots.

3.1.1 Business or Commercial Activity. No part of the Properties may ever be used for any business, commercial (including auctions or similar events), manufacturing, mercantile, storage, vending or other nonresidential purposes, including without limitation any activity for which the provider is compensated or receives any consideration, regardless of whether the activity is engaged in full or part-time,

generates or does not generate a profit, or requires or does not require a license. This paragraph does not preclude any of the above-described activities without external evidence thereof (except for signs as permitted by City ordinance), provided that: (a) such activities are conducted in conformance with all applicable governmental ordinances; (b) the patrons or clientele of such activities do not visit the Lot or park automobiles or other vehicles within the Properties; (c) the existence or operation of such activities is not apparent or detectable by sight, sound or smell from outside the boundaries of the Lot; and (d) such activities are consistent with the residential character of the Properties and conform with the applicable provisions of this Declaration. Nothing in this section shall preclude Declarant or others specifically authorized in writing by Declarant from maintaining one or more model homes and sales offices in such homes, conducting sales/marketing activities and providing signage on the Properties in accordance with City Sign Regulations. Any other Person or entity (other than the Declarant) in the business of building and/or selling homes may only conduct sales activities in the Properties related to specific homes and lots in the Properties that the Person currently owns.

3.1.2 Storage of Building Materials. No building material of any kind or character shall be placed or stored upon any Lot until the Owner thereof is ready to commence improvements and then the material shall be placed within the property boundaries of the Lot upon which the improvements are to be erected, and shall not be placed in the streets or between the curb and the property line. Any builders or developers shall comply with the applicable sections of any Annexation and Development Agreement for the Properties, and the currently adopted City standards for site construction.

3.1.3 Animal Restrictions Cottage Homes. No animals, reptiles, poultry, fish, fowl or insects of any kind ("animals") may be raised, bred or kept on any Lot, except that a reasonable number of dogs, cats, birds, rabbits, or fish may be kept, provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities nor in violation of any applicable City or County ordinance or any other provision of the Declaration. As used in this Declaration, "unreasonable quantities" shall ordinarily mean more than three (3) pets per household or as defined by the City whichever is more restrictive. No Animals shall roam the community freely; as such they are required to be on a leash at all times accompanied by a homeowner. It is the responsibility of the homeowner to clean up after their animal immediately. Violators will be subject to fines and possible action from City or County Agencies.

3.1.4 Animal Restrictions Townhomes. No animals, reptiles, poultry, fish, fowl or insects of any kind ("animals") may be raised, bred or kept on any Lot, except that a reasonable number of dogs, **not to exceed 18" in height and 35 pounds**, cats, birds, rabbits, or fish may be kept, provided that they are not kept, bred or maintained for any commercial purpose, nor in unreasonable quantities nor in violation of any applicable City or County ordinance or any other provision of the Declaration. As

used in this Declaration, "unreasonable quantities" shall ordinarily mean more than two (2) pets per household or as defined by the City whichever is more restrictive. No Animals shall roam the community freely; as such they are required to be on a leash at all times accompanied by a homeowner. It is the responsibility of the homeowner to clean up after their animal immediately. Violators will be subject to fines and possible action from City or County Agencies.

3.1.5 Nuisances. No noxious or offensive activities may be engaged in upon the Properties or on any public street abutting or visible from the Properties. Furthermore, anything engaged in thereon which may become an annoyance or nuisance to the neighborhood is strictly prohibited.

3.1.6 Signs. With the exception of signs advertising building, contracting or other improvements to the Lot or building thereon as permitted by City ordinance and the Association, signs, billboards, and advertising structures on any Lot are prohibited. Subject to this restriction, a single sign, not more than 2 feet by 3 feet in size, advertising a specific unit for sale, house for rent or construction sign, may be displayed on the premises affected. For Townhomes, signs, not more than 2 feet by 3 feet in size, must only be displayed in the windows advertising an available unit for sale or rent. Furthermore, Declarant is expressly exempted from this restriction and may erect such signs as are deemed necessary by Declarant for its construction and marketing activities so long as it owns any lots in the subdivision that may be subject to such activities, pursuant to City Sign Regulations.

3.1.7 Antennae, Satellite Dishes and Solar Collectors. All Cottage Homes and Townhomes are equipped with cable television connections. No owner, of a Cottage Home, may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collector panels or equipment upon any Lot unless such apparatus is erected or maintained in such a way that is screened from public view. In no instance shall any such apparatus be placed in the front yard or areas visible from the roadway. Any roof-mounted antenna or equipment is to be placed behind the roof ridgeline so as not to be visible from the roadway. No owner, of a Townhome, may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collector panels or equipment upon any Lot without seeking prior written approval before installing any such equipment, failure to do so shall result in a significant fine and homeowner will be responsible for the removal and any costs associated with the removal and repairs to return the unit to its original condition.

3.1.8 Trash Disposal. No trash, ashes, rubbish or any other refuse may be dumped or thrown on any Lot or any part or portion thereof. All Residences must subscribe to a city garbage disposal service and all trash containers shall be placed as to not be visible from any roadway except during designated pickup times and must be returned to their storage area within 24 hours of collection.

3.1.9 Temporary-type Structures. Except as set forth herein, no structure of a temporary character, including, but not limited to, trailers, tents, shacks, sheds or other temporary buildings shall be used on any Lot at any time as a Residence, whether temporarily or permanently (this includes recreation vehicles).

3.1.10 Detached Buildings. Owners shall not erect any garage, shed or other detached accessory building on any Lot unless such building is first approved by the APRA in writing. Any detached building shall conform in design and materials with the Residence on the Lot, and in accordance with the guidelines found in this Declaration, unless a variance is approved in writing by the Architectural Review Committee. Detached buildings shall comply with all requirements for Residences.

3.1.11 Parking and Storage. The placement of any inoperative vehicle on any Lot or adjacent street for more than 48 hours is prohibited. No vehicles of any kind shall be parked or stored on the front yard setback of any Lot, or within the side yard on the street side of a corner Lot. Semi-trucks and trailers may not be parked on the street except while loading or unloading. Trailers, mobile homes, trucks over one-ton capacity, boats, campers not on a truck bed, motor homes, buses, tractors and maintenance or commercial equipment of any kind shall be parked or stored behind the front yard setback in an enclosed area screened from street view. Sufficient side yard gate access should be planned and provided for in the design of the Residence to permit ingress, egress and storage of trailers and recreational vehicles on the side and rear yards. The storage or accumulation of junk, trash, manure or other offensive or commercial materials is prohibited. No pads used for the storage of vehicles or other material either temporarily or permanently shall be constructed in the front yard of a given lot. The front yard shall remain unoccupied and unobstructed by buildings, vehicles and/or hard surfaces such as asphalt, cement and packed surface. In the event of any conflict between the provisions of this section and any City or County requirements, the more restrictive provision shall control. Maximum driveway width is 24 feet. No campers, vans, trucks over one ton, trailers, vehicles with advertising signage, recreational vehicles, motor home, travel trailer and other type of non-passenger vehicles, campers, camper shells/body, wagons, buses aircraft motorcycles, motor scooters inoperative automobiles, and garden maintenance equipment, equipment, implements or accessories may be kept on any Lot unless the same are fully enclosed within the garage located on such lot and/or said vehicles and accessories are parked on pavement and are totally screened from view from other Lots and common areas by a screening structure or fencing and said vehicles and accessories are in operable condition. Boats and other watercraft may be stored in the rear or side yard of such Lot provided a concrete pad and adequate screening or fencing is constructed to conceal the vehicle from view from adjacent streets (expressly excluding, however, the alley-ways adjacent to such lot). Any such fencing or screening material must be in accordance with the terms of this Declaration. This Section shall not apply to: (i) non-commercial vans and pickups, (ii) service and delivery vehicles temporarily parked on the property during daylight hours for such period of time as is reasonably necessary to provide service or to

make a delivery to a Lot, or (iii) vehicles and equipment temporarily parked on a Lot in connection with the construction or maintenance of a lot. No junk or junk yards of any kind or character shall be permitted, nor shall accumulation of scrap, used materials inoperative automobiles, or machinery, or other unsightly storage of personal property be permitted.

3.1.12 Maintenance. Every Lot, including the improvements thereon, shall be kept in good repair and maintained by the Owner thereof in a clean, safe and attractive condition.

3.1.13 Fuel Storage Tanks. No tank for storage of fuel may be installed or maintained in or on any Lot.

3.1.14 Exterior Building Elevations. Dwelling elevations shall vary from Lot to Lot and no elevation (including mirrored elevations) shall be duplicated on adjacent Lots having common side lot lines, or Lots on opposite sides of the road which have common frontage.

3.1.15 Ingress/Egress: No Lot within the Property shall be used for the temporary or permanent purpose of ingress and/or egress to another property inside or outside of this Property.

3.1.16 Building. No residence, detached building, structure, or fencing of any kind shall be constructed until a required building permit is issued by the City and all necessary approvals have been granted.

3.1.17 Weeds and Debris – Cottage Homes. Prior to construction on a Lot, the Lot Owner shall be responsible for clearing weeds and debris from such Lot. Upon completion of construction, Yards shall be kept in presentable and orderly state. Flower beds shall be cleaned of all weeds. Grass shall be maintained below 6 inches. Yards are to be made up of typically available and accepted grass types. Edges between grass and other medium shall be trimmed and/or edged. Regular seasonal lawn care shall be maintained. i.e.: fertilized, waters, weeded, mowed, and trimmed. Other vegetation shall be properly trimmed and maintained. Upon failure to maintain any lot, the Community Council may, at its option, have the grass, weeds and vegetation cut as often as necessary in its judgment, and the owner of such property shall be obligated, when presented with an itemized statement to reimburse the Community Council for the cost of such work. Until such time that the community is completely built out or a homeowner fences a portion of their property, all grass surfaces will be maintained by the Association after which time it will be reviewed by the Community Council.

3.1.18 Weeds and Debris – Townhomes. All townhomes will be maintained by the Association on a regular basis. Homeowners are encouraged to remove debris in the interim periods.

3.1.19 Storage Tanks. No tank for the storage of fluid is permitted.

3.1.20 Roof-Mounted Mechanical: Any roof-mounted equipment such as condensing units, swamp coolers, etc. shall be placed behind the roof ridgeline so as not to be visible from the roadway.

3.1.21 Clothes Hanging Devices. Exterior clothes hanging devices shall not be permitted.

3.1.22 Window Treatments. No aluminum foil, reflective film or similar treatment shall be placed on window or glass doors.

3.1.23 Ammenities. Use of Clubhouse, Pool and Sport Court will be limited to members in the Association. Upon completion of these items specific rules and regulations will be drafted to ensure proper liability coverage and usage is outlined.

3.2 Planned Unit Development PLAT A. In addition to the General Use Restrictions set forth above, Planned Unit Developments represented in Plat A shall be held, used and enjoyed subject to the following restrictions and exemptions of Declarant set forth herein. The Architectural Review Committee shall have no responsibility or authority to enforce the terms of this Article III except as they specifically apply to construction, improvements and approval requirements for the Lots. The APRA shall have no responsibility or authority to enforce the terms of this Article III or Article IV. Enforcement of Articles III and IV shall be the responsibility of the Community Council.

3.2.1 Single Family Residence. Each Lot shall be used as a residence for a single Family and for no other purpose, except that mother-in-law apartments may be permitted consistent with City ordinances. Visitors are permitted to stay at the residence upon permission of the Owner for a duration of no longer than 30 consecutive days. An Owner may rent his or her Lot to a single Family provided that the Lot is rented pursuant to a lease or rental agreement which is (a) in writing and (b) subject to all of the provisions of this Declaration. Rentals within the community will not exceed 20% of total completed lots at any given time. Owners must notify the association of their intent to rent the property for contact and emergency purposes. Townhome rentals will require the addition of proof of renters insurance along with lease requirements. All homes built upon the Lots shall be built in accordance with the provisions of this Section II and Section III and shall incorporate traditional styles such as Craftsman, Colonial, Tudor, Foursquare in accordance with the styles set forth in Exhibit "C".

3.2.2 Landscaping. All landscaping for each Lot shall be installed by the builder of the Residence prior to occupancy of the Residence on the Lot. However, if seasonal temperatures do not permit installation of the landscaping at that time, the landscaping shall be installed within six (6) months thereafter. Where landscaping is not installed prior to occupancy, the builder shall make a cash deposit of \$2,000.00 with the Association to ensure timely completion. If the landscaping is not installed within six (6)

months of occupancy, the Association may use the deposit to complete the landscaping. "Front yard landscaping" for purposes of this section is defined as landscaping in the front yards between the front of the house and the curb on the entire width of the lot excluding the driveway and sidewalk. This also includes the unfenced area between the home and street side curb on corner lots. Consistent with City ordinances, Owners shall landscape and maintain park strip areas in front of their Lots. Front yard landscaping shall include: final grading of the lot, two (2) 1-1/2" caliper trees or two (2) 4' tall evergreen or deciduous trees, four (4) one gallon shrubs, automatic sprinkling system, and grass sod. In order to assure uniformity of street appearance, no trees are to be planted upon property on the street side of any sidewalks without specific approval of the City. Any plants or trees installed by any builder or developer of a Lot shall be maintained by the Owner of the Lot and shall be replaced with the same kind and caliber of plant or tree at the sole expense of the Owner of the Lot. Landscaping shall not be installed until the APRA has given approval following a plan review as set forth in Article IV. See Exhibit 'D'

3.2.3 Garages. Each single family dwelling is to be provided with a two (2) car enclosed garage as a minimum.

3.2.4 Roof Pitch. Rooflines shall have a minimum roof pitch of 6:12 for single story homes and 5:12 for two story homes.

3.2.5 Upgraded Building Materials. Residences shall be built with Upgraded Building Materials, with 20% of front of residence consisting of brick or stone. No metal or vinyl siding is allowed. Brick or stone materials must wrap a minimum of two feet around the outer most side corner of Residences.

3.2.6 Front Porches. All Cottage Home dwellings shall have usable front porches.

3.2.7 Shingles. All roofs shall be built with 30 year architectural grade shingles.

3.2.8 Minimum Size of Residence. Residences built on any Lot shall be at least 1,200 square feet in size. Square footage of any style shall be measured excluding garages, basements, porches, verandas, patios, porches and steps.

3.2.9 Building Location. No building or structure shall be located on any Lot nearer to the front and side street line, if any, than the minimum building set back lines as required by the City and illustrated on the recorded subdivision plats affected by these CC&Rs.

In addition, the following shall apply:

For front setback, all primary buildings and other main buildings shall be set back at least twenty (20) feet and no greater than seventy-five (75) feet from the front lot line, and for corner lots from any street.

For side setback, all primary buildings and other main buildings shall be set back from the property line a distance of at least seven and one half (7-1/2) feet.

For rear setback, all primary buildings and other main buildings shall be set back from the rear property line a distance of at least twenty-five (25) feet.

3.3 Declarant's Exemption. Lots owned by Declarant (and by merchant-builders granted exemptions in writing by Declarant, (each being an "Exempt Builder")) are exempt from the provisions of this Article III, until such time as Declarant or Exempt Builder convey title to the Lot to a third-party. All activities of Declarant or such Exempt Builder reasonably related to their respective development, construction, sales, and marketing efforts, shall be exempt from the provisions of this Article III. This Article III and its subsections may not be amended without Declarant's prior written consent.

3.4 Variance. Any exceptions to the provisions of Sections 3.1 to 3.3 must be obtained by the written permission of the Owners of at least two-thirds (2/3) of the Lots within the Properties, or by approval of the ARC only as set forth in Article IV. Any variance as to items in Article III or Article IV must also be in accordance with City and other governmental requirements.

ARTICLE IV

4. ARCHITECTURAL CONTROL – COTTAGE HOMES

4.1 Architectural Control. Except as to construction by Declarant, no development, erection, construction, alteration, grading, addition, excavation, modification, decoration, redecoration or reconstruction of the visible exterior of any improvement, including without limitation any Residence, garage or outbuilding, or any other activity within the jurisdiction of this Declaration ("Construction Activity") shall take place on any Lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the APRA, or its successor, as to quality of workmanship, materials, harmony of external design with existing structures, and location with respect to topography and finish grade elevations ("Plan Approval"). No landscaping on any Lot shall take place until landscape plans have been approved by the APRA, or its successor, as to compliance with this Declaration ("Landscape Plan Approval"). No building, including, without limitation, garages and other out-buildings, shall be painted or repainted in other than its original colors until the color has been approved by the ARC.

4.2 Basic Architectural Requirements. In addition to those set forth in Article III, the following are the Basic Architectural Requirements. Excluding multi-family structures, no Single Family Residences shall be erected, altered, placed or permitted to exceed two (2) stories in height (split-level homes not included). Power and telephone lines must be run underground. Any variances from these requirements, or those in Article III must be approved in writing by the ARC, which approval may be withheld in the ARC's sole discretion. The height of all Residences must be consistent with all applicable zoning and building codes.

4.3 Submittals to APRA. Submittals to the APRA must comply with the provisions herein. Persons submitting proposals or plans and specifications to the APRA (any such Person is referred to in this Article IV as the "Applicant") must obtain a dated, written receipt for such plans and specifications and furnish the APRA with the address to which further communications from the APRA to the Applicant are to be directed. The address of the APRA for submission of plans and specifications shall be at the business address set forth in the definitions section herein unless or until changed by the APRA or as a successor is determined as set forth herein.

4.3.1 Plan Approval. The following are the requirements for submission to the APRA for Plan Approval. With each submission, the Applicant shall submit a one-time review fee of \$250 which will compensate the APRA for undertaking the review.

4.3.1.1 Preliminary Drawings. The following information shall be the minimum to be initially submitted to the APRA for approval:

- (a) A plot plan to scale of the entire proposed site with buildings located and elevation of floors shown above or below a designated point on the street.
- (b) Floor plans of each floor level to scale.
- (c) Elevations to scale of all sides of the Residence.
- (d) One major section through the Residence.
- (e) Specifications of all outside materials to be used on the exterior of the Residence.
- (f) The color scheme for the Residence.

4.3.1.2 Working Drawings. "Working drawings" shall be submitted, along with the plan submission forms, to the APRA for approval. APRA acceptance is required, in writing, before submitting plans to the City, with copy of said letter, for permitting and before construction is commenced. The Working Drawings shall include the following as a minimum:

(a) Plot plans to scale showing the entire site, building, garages, walks, drives, fences, carriage lights, retaining walls, with elevations of the existing and finished grades and contours including those at the outside corners of the buildings and at adjacent property lines and street fronts, and elevations of floors from a designated point on the street.

(b) One-eighth scale detailed floor plans on 11"x17" paper.

(c) One-eighth scale detailed elevations, indicating all materials and showing existing and finished grades on 11"x17" paper.

(d) Detailed sections, cross and longitudinal.

(e) Details of cornices, porches, windows, doors, garages, garden walls, steps, patios, fences, carriage lights, etc.

(f) Specifications shall give complete descriptions of materials to be used, and shall be supplemented with a notation of the colors of all materials to be used on the exterior of the Residence.

4.3.2 Landscape Approval. The following are the requirements for submission to the APRA for Plan Approval. With each submission, the Applicant shall submit a one-time review fee of \$50 which will compensate the APRA for undertaking the review. Landscape plans must be 11x17 and be based on the plot plan submitted with the working drawings, and must indicate compliance with the landscape requirements set forth in Article II.

4.4 Approval and Disapproval. The APRA shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration, addition, landscaping, or other Construction Activity on the basis of satisfaction of the APRA with the grading plan; the location of the improvements on the Lot; the finished ground elevation; the color scheme, finish, design, proportions, architecture, shape, height, style, and appropriateness of proposed improvements; the effect on adjoining Lots; the materials to be used; the kinds, pitch or type of roof proposed; the planting, landscaping, size, height, or location of vegetation on the front yard of the Lot; and on the basis of aesthetic considerations and the overall benefit or detriment to the Properties generally which would result from such improvement, alteration, addition or other Construction Activity. The APRA shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any proposal, plan or design from the standpoint of structural safety or conformance with building or other codes. **Each Owner shall be responsible for obtaining all necessary permits and for complying with all governmental requirements.**

4.5 Submittals to ARC. Submittals to the ARC must comply with the provisions herein. Persons submitting proposals or plans and specifications to the ARC (any such Person is also referred to in this Article III as the "Applicant") must obtain a dated, written receipt for such plans and specifications and furnish the ARC with the address to which further communications from the ARC to the Applicant are to be directed. The address of the ARC for submission of plans and specifications shall be Declarant's business address, c/o the Architectural Review Committee unless or until changed by the ARC or until the automatic resignation of Declarant's representatives pursuant to Article III, whichever occurs first. Unless the ARC is acting in place of the APRA, there is no submittal fee.

4.6 No Waiver of Future Approvals. APRA approval of any proposals, plans and specifications or drawings ("Plans") requiring its approval or consent does not constitute a waiver of the right to withhold approval or consent for any subsequently submitted similar or additional plans.

4.7 Time Requirements. Until the APRA receives Plans or other materials deemed necessary by the APRA and the review fee (if any), the APRA may postpone review of any plans submitted for approval. Any application submitted pursuant to this Article III shall be deemed approved, unless the APRA's written disapproval or a request for additional information or materials is transmitted to the Applicant within forty-five (45) days after the date of receipt by the APRA of all required materials. APRA approval for any particular Construction Activity shall expire in one (1) year from the date of APRA approval. If substantial work pursuant to the approved Plans is not commenced within one (1) year of APRA approval, the Applicant will be required to resubmit its Plans to the APRA for approval pursuant to this Article III, and pay the applicable fees anew. All Construction Activities shall be performed as promptly and as diligently as possible and shall be completed within such reasonable time period as is specified by the APRA.

4.8 Pre-Approvals. The APRA may provide pre-approval of certain specified types or categories of Construction Activities. Applicants for pre-approval shall submit a review fee of \$300 to the APRA which will compensate the APRA for undertaking the review. Provided that the affected Owner implements his or her Construction Activities in compliance with the standards for design, materials and other criteria established for such pre-approved Construction Activities no additional review by the APRA will be required. The ARC may from time to time adopt, supplement or amend the Architectural Rules to establish, expand, limit or otherwise modify the categories and criteria for any pre-approved Construction Activities. Therefore, it is the duty of the Owner to review the specifications for pre-approved Construction Activity before beginning any construction project.

4.9 Variance. The ARC may grant variances from the architectural provisions of this Declaration or the architectural rules it has adopted when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations may require. Such variances may include, without limitation, restrictions on height, size, floor area, placement of structures or similar restrictions. Such variances must be in writing and must be

signed and acknowledged by a majority of the members of the ARC. If such variances are granted, no violation of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose, nor shall it affect in any way the Owner's obligation to comply with all laws and regulations of any governmental authority affecting the use of his Lot, including, but not limited to, zoning and building requirements of any governmental agency or entity having jurisdiction over the Properties.

4.10 Compensation of ARC Members. The individual members of the ARC shall receive no compensation for services rendered.

4.11 Non-liability of APRA. Neither the APRA, nor any members, employees, members, managers, owners, shareholders, agents, officers, directors, attorneys or agents thereof, nor its duly authorized representatives, shall be liable to any Owner for any loss, damage, or injury arising out of or in any way connected with the performance of the APRA's duties hereunder, unless due to willful misconduct. Plans and specifications approved by the APRA are not approved for: (a) engineering or safety design; (b) compliance with zoning, building and safety ordinances, codes and other applicable statutes, ordinances or governmental rules and regulations; or (c) compliance with the requirements or any public utility or compliance with any easements or other agreements. By approving any such plans and specifications, neither the APRA nor the members thereof, nor its agents, employee, managers, owners, officers, directors, attorneys or consultants assume any liability or responsibility for any improvement constructed or any defect therein as a result of such plans and specifications.

4.12 Non-liability of ARC Members. Neither Declarants, the ARC, nor any members thereof, nor their duly authorized representatives shall be liable to any Owner for any loss, damage, or injury arising out of or in any way connected with the performance of the ARC's duties hereunder, unless due to willful misconduct.

4.13 Removal or resignation of the APRA. On 30 days written notice, the APRA may be removed and a successor elected by a vote of three-fourths majority of all Owners, consistent with the election and voting requirements and rules set forth in 3.15 below. The APRA may resign at any time on 30 days written notice to the ARC. In the event of notice of resignation, the ARC shall hold an election (consistent with the rules set forth in 3.15 below) to elect a successor APRA. Following the 30 day notice period, the ARC shall assume all duties and responsibilities of the APRA until a successor is elected. Upon removal or resignation, the APRA shall transfer collected fees to the successor APRA for any plans not approved at the time of the expiration of the 30 days notice.

4.14 Members of ARC. The ARC shall consist of three (3) members. The initial members shall be representatives of Declarant. Declarant reserves the right to appoint and remove any or all the members the ARC and to fill any vacancies on the ARC until the "Turnover Date." The Turnover Date shall be the first of either (a) the date on which a certificate of occupancy has been issued by the relevant governmental authority for all the Lots in the

Properties, or (b) the date on which Declarant delivers written notice of withdrawal from the ARC to a majority of the Owners. Declarant may at any time assign in writing the powers of removal and appointment of the members of the ARC to the other Owners, in whole or in part, subject to such terms and conditions as Declarant may impose. After the Turnover Date, the other Owners shall have the power to appoint and remove all of the members of the ARC pursuant to Section 4.14 below. With the exception of ARC members appointed by Declarant, ARC members must be Owners. As of the Turnover Date, any representatives of Declarant remaining on the ARC shall be deemed to have automatically resigned and Declarant shall have no further right or obligation to participate on the ARC or enforce any of the covenants, conditions or restrictions of this Declaration.

4.15 Election of ARC Members. After the Turnover Date, appointment of any member of the ARC by the Owners shall be by election conducted as follows:

4.15.1 Voting Rights. Each Owner of a Lot shall be entitled to cast one (1) vote for every Lot owned. Votes may be cast in person or by written proxy. Proxies shall be revocable and shall automatically terminate after completion of the meeting for which the proxy was filed. In the event that more than one Person holds fee title to a Lot ("co-owners"), only one such co-owner shall be entitled to exercise the vote to which the Lot is entitled. Such co-owners may from time to time all designate in writing one of their number to vote. Fractional votes are prohibited. Where no voting co-owner is designated, or if such designation has been revoked, the vote for such Lot shall be exercised as the majority of the co-owners of the Lot mutually agree. No vote shall be cast for any Lot where the co-owners present in person or by proxy owning the majority interests in such Lot cannot agree to said vote or other action. The nonvoting co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and shall be entitled to all other benefits of ownership.

4.15.2 Notice of Election. After the Turnover Date, any Owner (or the Declarant merely as a courtesy to the Owners), may call for an election meeting by (i) mailing to all Owners or (ii) posting at each entrance to the Properties which are conspicuous and readily accessible to all Owners, a written notice specifying the date, time, location and purpose of the meeting. Such notice shall be mailed or posted not less than (10) and not more than thirty (30) days before the meeting is to be held.

4.15.3 Quorum. A quorum for any such meeting shall be the presence in person or by proxy of no fewer than twenty-five percent (25%) of all Owners entitled to cast a vote ("Qualified Owners"). Absent a quorum, the Qualified Owners who are present at the noticed meeting may adjourn the meeting to a date, time and place specified prior to adjournment which is no less than five (5) and no more than thirty (30) days after the time of the noticed meeting. A quorum at such later "adjourned meeting" shall be the presence in person or by proxy of no fewer than ten percent (10%) of all Qualified Owners.

4.15.4 Conduct of Meeting. If a quorum is present at any meeting or adjourned meeting, the first item of business shall be the selection of a Director of Election who shall preside over the conduct of the meeting. The Qualified Owners shall act by majority vote of a quorum, except that members of the ARC shall be elected by plurality such that the individual receiving the highest number of votes shall be elected to fill first vacancy, the individual receiving the next highest number of votes shall be elected to fill a second vacancy (if any), and so on.

4.15.5 Term of Office. The term of office of each ARC member elected pursuant to this Section 4.15 shall be two (2) years, commencing on the date of election and extending until a successor is elected as provided above. Any such ARC member may succeed himself/herself, and there shall be no limit to the number of terms of any such member.

4.15.6 Removal. An ARC member may be removed from office at any time and for any reason by an election conducted and noticed pursuant to this Section 4.15. However, the ARC member to be removed must be given personal notice by mail or personal services within the time period provided for notice under Section 4.15.2, and have an opportunity to be heard at the election. Said member may only be removed by a majority of a quorum of Qualified Owners.

ARTICLE V

5. COMMUNITY COUNCIL

5.1 Establishment of Community Council. The Declarant may establish a Community Council for the purposes of enforcing the provisions of this Declaration other than those provisions set forth in Articles III and IV, the enforcement of which shall be by the ARC.

5.2 Members. The initial members of the Community Council shall consist of three (3) individuals. Each member shall have one equal vote, which shall consist of one member appointed by the Declarant and the remaining members elected by the Owners. A member may serve any number of consecutive terms.

5.3 Removal & Recognition of Community Council Members. A member may resign at any time by giving written notice to the other directors or secretary. Any member may be removed, with or without cause. Any vacancy may be filled for the unexpired term of a member who has been removed or vacated such, upon a majority of the other members or by the Declarant, so long as it falls within the Declarants control period.

5.4 Meetings. Regular Community Council meetings may be held at such time and places as a majority of the members determine from time to time; however, at least four meetings shall be held during each fiscal year with at least one meeting each fiscal quarter. Special meetings may be held at any time upon notice by any member.

5.5 Powers. The Community Council shall have such enforcement rights set forth in this Declaration and all other powers that Utah law provides for nonprofit corporations and those necessary to administer the Community Council's affairs and to perform the Community Council's responsibilities and to exercise its rights.

5.6 Duties. The Community Council, for the benefit of the Owners and Declarant shall have the following general powers and duties, in addition to the specific powers and duties provided for herein:

5.6.1 To execute all declarations of ownership for tax assessment purposes with regard to the common areas if any on behalf of all owners.

5.6.2 To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent owners if the Community Council sees fit.

5.6.3 To enter into contracts, maintain one or more bank accounts, and generally have all the power necessary or incidental to the operation and management of the Association.

5.6.4 To protect or defend the common areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

5.6.5 To make reasonable rules and regulations for the operation of the common maintenance areas and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument in writing signed by the owners constituting a majority of the votes of the Community Council, or with respect to a rule applicable to less than all of the common areas, by a majority of the votes of the owners in the portions affected.

5.6.6 To make available for inspection by owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Community Council available for the inspection by owners at reasonable times and intervals.

5.6.7 To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the owners in proportionate amounts to cover the deficiency.

5.6.8 To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any owner for violation of such provisions or rules.

5.6.9 To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

5.6.10 The Community Council shall have the exclusive rights to contract for all goods, services and insurance, payment of which is to be made from the operation account and the exclusive right and obligation to perform the functions of the Community Council except as otherwise provided herein.

5.6.11 The Community Council, shall have full power and authority to contract with any owner or other person or entity for the performance by the Community Council of services which the Community Council is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Community Council may deem proper advisable and in the best interest of the Community Council.

5.7 Right to Appoint Committees. The Community Council may appoint such committees, as they deem appropriate to perform such tasks as the Community Council may designate by resolution. Each committee shall operate in accordance with the terms of such resolution creating the committee; service on a committee shall be for a term of two years. The Community Council shall have the right to disapprove or veto any committee decision or action. Committees shall not have the authority contractually to bind the Community Council or to commit the Community Council financially or otherwise.

5.8 Accounting. The Community Council shall keep such books and records with detailed accounts of the receipts and expenditures affecting the Properties and the administration of the "Properties", specifying the maintenance and repair expenses of the common areas and other expenses incurred. Said documents, books, financial statements and vouchers accrediting the entries thereupon shall be available for examination by the Declarants, homeowners and their duly authorized agents or attorney's, and general business owners. All records and books shall be kept in accordance with generally accepted accounting practices. Each year the directors shall obtain either a reviewed financial statement of audited financial statement if requested in writing by a majority of the members of the Association.

5.9 Snow Removal. When snow fall is between 2"-3", the contracted snow removal company will remove snow in the following areas:

1. Apple Seed Lane
2. Newton Way
3. 90 West
4. 40 West
5. 930 North
6. 20 East

Private driveway approaches to the following lots will also be plowed:

Plat A

1-7, 63-70, 71&72, 81&82, 83-86, 87-90, 91-94, 95-98, 99-102, 103-106, 113-116,

117-120.

The Community Council will also be responsible for snow removal all common area walk ways around community mail boxes.

Each Cottage Home Owner is responsible for clearing snow and ice from their property in a reasonable time (48 hours) after a snow or ice storm. This is applicable to driveways and sidewalks, including sidewalks that run parallel to the street in front of the home.

5.10 Liability of Management Committee. The Association shall indemnify every officer and member of the Committee against any and all expenses, including but not limited to attorney's fees reasonably incurred by or imposed upon any officer or member of the Committee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Committee) to which he may be a party by reason of being or having been an officer or member of the Committee. The officers and members of the Committee shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and members of the Committee shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or members of the Committee may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and member of the Committee free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be exclusive of any other rights to which any officer or member of the Committee, or former officer or member of the Committee, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officer's and director's insurance coverage to fund this obligation, if such insurance is reasonably available.

ARTICLE VI

6. ENFORCEMENT.

6.1 Enforcement. In the event of any claim, dispute or other matter arising under or relating to this Declaration, the Declarant or any aggrieved Owner may present such claim or dispute to the Community Council or may initiate any appropriate legal or equitable proceeding to enjoin, abate, restrain or otherwise remedy any violation of the Restrictions. Prior to any aggrieved Owner initiating any such proceedings, the aggrieved Owner shall provide written notice of the grievance to the party allegedly responsible for the grievance and the Community Council, and if Declarant owns any Lot in the Properties, the aggrieved Owner shall provide a copy of the written notice to Declarant. The Community Council may take such action as permitted and necessary to enforce such claim, or may allow the Declarant or the Owner to bring such legal action as necessary to enforce the claim. The covenants, conditions, and restrictions contained in this Declaration shall bind and inure to the benefit of and shall be

enforceable by each Owner; said enforcement rights shall also be held by the Declarant until the date of close of escrow for the sale of all the Lots owned by Declarant in the Properties. Once close of escrow has occurred as to each of the Lots owned by Declarant in the Properties, Declarant shall have neither right nor obligation to enforce any of the terms of the Declaration. Notwithstanding any provision of this Declaration, Declarant shall have no obligation to enforce the provisions of Article III or to initiate litigation to enforce any of the terms of this Declaration.

ARTICLE VII

7. DISPUTES.

7.1 MANDATORY BINDING ARBITRATION FOR MATTERS INVOLVING DECLARANT.

To the fullest extent permitted by law, all claims and disputes of any kind that an Owner may have involving the Declarant or any affiliate, partner, joint venture partner, consultant, entitler, general contractor, agent, employee, executing officer, manager, Owner of Declarant, the APRA, or any affiliate, partner, joint venture partner, consultant, entitler, general contractor, agent, employee, executing officer, manager, Owner of the APRA, or any predecessor in interest of Declarant, or any consultant, entitler, agent, employee, attorney, officer, manager or owner of such predecessor in interest or agent thereof (a "Dispute") shall be submitted to final and binding arbitration. Binding arbitration shall be the sole remedy for resolving disputes between such covered Persons and any Owner. Disputes subject to binding arbitration include, but are not limited to:

1. Any alleged violations of consumer protection, unfair trade practice, or other statutes;
2. Any allegation of negligence, strict liability, fraud, breach of contract, and/or breach of duty of good faith, and all other claims arising in equity or from common law;
3. Any disputes concerning the issues that should be submitted to binding arbitration;
4. Any dispute as to the payment or reimbursement of the arbitration filing fee; and
5. Any dispute as to any of the responding party's duties and/or responsibilities set forth in this Declaration.

The arbitration shall be conducted by a reputable arbitration service or arbitrator that party responding to the arbitration request shall select, at its sole discretion, at the time the request for arbitration is submitted. The rules and procedures of the designated arbitration organization, that are in effect at the time the request for arbitration is submitted, will be followed.

The arbitration shall be governed by the United States Arbitration Act (9 U.S.C. §§ 1-16) to the exclusion of any inconsistent state law, regulation, or judicial decision. The award of the arbitrator shall be final and binding and may be entered as a judgment in any court of competent jurisdiction.

Each party shall bear its own attorneys fees and costs (including expert costs) for the arbitration. The arbitration filing fee and other arbitration fees shall be divided and paid equally as between the parties. This filing fee shall be no more than the amount charged by the arbitration service or arbitrator for arbitration of a Dispute. The arbitrator shall, as part of any decision, award to the party prevailing at the arbitration any applicable filing fees or other arbitration fees paid by that party.

If any Owner or the Declarant files a proceeding in any court to resolve any Dispute, such action shall not constitute a waiver of the right of such party or a bar to the right of any other party to seek arbitration of that or any other Dispute, and the Court shall, upon motion of any party to the proceeding, direct that such Dispute be arbitrated in accordance herewith.

7.2 Amendment Requires Consent of Declarant. Notwithstanding any other provision of this Declaration, this Article VII and its subsections may not be amended except with the written consent of the Declarant.

ARTICLE VIII

8. RESERVATION OF EASEMENTS

8.1 Easements on Plat. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the Recorded Plat.

8.2 Reservation of Easements. Declarant hereby reserves for the benefit of each Owner and such Owner's Lot reciprocal nonexclusive easements over the adjoining Lot or Lots for the control, maintenance and repair of the utilities serving such Owner's Lot. Declarant expressly reserves for the benefit of all the real property in the Property, and for the benefit of all the Lots and of the Owners, reciprocal nonexclusive easements over all Lots, for maintenance and repair of utility services, drainage and flow of water from the Lots resulting from the normal use of adjoining Lots, and maintenance and repair of any Residence. Declarant and the Owners of Lots on which there is constructed a Residence along or adjacent to a Lot line shall have an easement appurtenant to such Owner's Lot over the Lot line of the adjacent Lot for the purposes of accommodating any natural movement or settling of such Residence, any encroachment of such Residence due to minor engineering or construction variances, and any encroachment of eaves, roof overhangs and architectural features comprising parts of the original construction of such Residence located on such Lot.

8.3 No Limitation. This Declaration shall in no way limit the right of Declarant to grant additional licenses, easements, reservations and rights-of-way to itself, governmental or

public authorities (including without limitation public utility companies), or to others, as from time to time may be reasonably necessary to the proper development and disposition of each Lot within the Properties.

ARTICLE IX

9. ANNEXATION

9.1 Right of Annexation. Declarant hereby expressly reserves the right to expand the Property without the consent of any Owner, Mortgagee or any other party with an interest in the Property until fifteen (15) years from the date of recording of this Declaration by annexing all or any portion of the Annexable Property. The annexation of any or all of the Annexable Property shall be accomplished by the Declarant recording with the County Recorder a Declaration of Annexation. However, Declarant shall not be obligated to annex all or any portion of the Annexable Property, and may annex non-contiguous portions of the Annexable Property at its sole discretion. A Declaration of Annexation annexing property as permitted hereunder may contain such complementary additions and modifications of the Covenants, Conditions and Restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the general plan of this Declaration, including without limitation to allow for multi-family, high density housing as permitted by City. In no event, however, shall any such document revoke, modify or add to the covenants established by this Declaration and applicable to the Original Property or to any property previously covered by a recorded Declaration of Annexation. Declarant hereby expressly reserves the right from time to time to unilaterally supplement or modify by recorded instrument the description of the Annexable Property described in Exhibit "B" of this Declaration.

9.2 Effect of Annexation. Upon the effective date of an annexation pursuant to this Article IX: (a) the property so annexed shall immediately be and become a part of the Property and be subject to all of the provisions hereof; (b) any Lot then or thereafter constituting a part of the annexed property, and the Owner of such Lot, shall thereupon be subject to all of the provisions of this Declaration; and (c) improvements then or thereafter situated upon the annexed property shall be subject to the provisions of this Declaration and shall be reasonably consistent, in terms of quality of construction, with the improvements situated upon other portions of the Property prior to such annexation.

9.3 Withdrawal. Notwithstanding any other provisions of this Declaration, Declarant reserves the right to amend this Declaration so long as it has the right to annex additional property pursuant to this Article VI, for the purpose of removing property then owned by the Declarant or its assignees from coverage of this Declaration, to the extent originally included in error or as a result of any changes in Declarant's plans for the Property, provided such withdrawal is not unequivocally contrary to the overall scheme of development for the Property.

9.4 No Obligation to Annex. Nothing herein shall constitute a representation, warranty or covenant that Declarant, their successors or assigns, or any other Person will subject any additional property to the provisions of this Declaration, nor shall Declarant, its successors or assigns, or any other Person be obligated so to do, and Declarant may, by recorded instrument executed by Declarant, waive its rights so to do, in whole or in part, at any time or from time to time.

9.5 FHA/VA Approval. In the event that, and for so long as, the FHA or the VA is insuring or guaranteeing loans or has agreed to insure or guarantee loans on any portion of the Annexable Property with respect to the initial sale by Declarant or builder to the initial purchaser of any Residence, a condition precedent to any annexation of any property other than the Annexable Property shall be written confirmation by the FHA or the VA that the annexation is in accordance with the development plan submitted to and approved by the FHA or the VA; provided, however, that such written confirmation shall not be a condition precedent if at such time the FHA or the VA has ceased to regularly require or issue such written confirmations.

ARTICLE X

10. MISCELLANEOUS

10.1 Severability. The provisions hereof are independent and severable, and a determination of invalidity or partial invalidity or unenforceability of any one provision or portion hereof by a court of competent jurisdiction does not affect the validity or enforceability of any other provision hereof.

10.2 Interpretation. This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of a residential community, and any violation of this Declaration is a nuisance. The Article and Section headings have been inserted for convenience only, and may not be considered or referred to in resolving questions of interpretation or construction. As used herein, the singular includes the plural and the plural the singular; and the masculine, feminine and neuter each include the other, unless the context dictates otherwise.

10.3 Amendment Prior to First Close of Escrow. Notwithstanding any other provisions of this Declaration, at any time prior to the first Close of Escrow in the Properties, Declarant may unilaterally amend or terminate this Declaration by Recording a written instrument which effects the amendment or termination and is signed and acknowledged by Declarant.

10.4 Amendment for Conformance. Notwithstanding any other provisions of this Declaration, for so long as any Declarant owns any portion of the Properties, such Declarant may unilaterally amend this Declaration by Recording a written instrument signed by Declarant in order to conform this Declaration to the requirements of Veterans Administration, Federal Housing Administration, Department of Real Estate, Federal National Mortgage

Association, Government National Mortgage Association or Federal Home Loan Mortgage Corporation.

10.5 Amendment or Termination by Owners. This Declaration may be terminated or any term herein may be amended by Recording a written instrument which effects the amendment or termination, and which has been executed by the then-Owners of at least three-fourths (3/4) of all of the Lots in the Properties. However, as long as any Declarant owns a Lot, the Declaration may not be amended or terminated without the written consent of such Declarant.

10.6 No Public Right or Dedication. Nothing contained in this Declaration constitutes a gift or dedication of all or any part of the Properties to the public, or for any public use.

10.7 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot or other portion of the Properties does hereby consent and agree, and shall be conclusively deemed to have consented and agreed, to every limitation, restriction, easement, reservation, condition and covenant contained herein, whether or not any reference to these restrictions is contained in the instrument by which such person acquired an interest in the Properties or any portion thereof.

10.8 Additional Disclosures, Disclaimers and Releases of Certain Matters. Without limiting any other provision in this Declaration, by acceptance of a deed to a Lot or possession of a Lot, each Owner (for purposes of this Section 9.8, the term "Owner" shall include the Owner, resident, and their respective families, guests and tenants), shall conclusively be deemed to understand, and to have acknowledged and agreed to, all of the following:

(a) Residential subdivision and new home construction are subject to and accompanied by substantial levels of noise, dust, construction-related traffic and traffic restrictions, and other construction-related "disturbances." Each Owner acknowledges and agrees that it is purchasing a Lot and/or Residence which is within a residential subdivision currently being developed, and that the Owner will experience and accepts substantial levels of construction-related "disturbances" until the subdivision, and any neighboring or nearby land, have been completed and sold, and that such construction-related "disturbances" are not a violation of any restriction herein;

(b) The Property is or may be located adjacent to or nearby a religious center and subject to levels of traffic, sound, noise and other disturbances resulting from proximity to such religious center;

(c) The Property is or may be located adjacent to or nearby neighboring agricultural, commercial and/or industrial uses and subject to levels of traffic, smells, sound, noise, use of pesticides and other disturbances resulting from proximity to such agricultural, commercial and industrial uses;

(d) Declarant hereby specifically disclaim any and all representations or warranties, express or implied, with regard to or pertaining to roads and/or noise, dust, and other disturbances therefrom;

(e) Canals currently located near the Property may subject the Property to the presence of wildlife, disturbances, and dangers inherent in such a feature, as well as possible high water flow or flooding from time to time. Declarant has no control over water flow through the canals or the existence or nonexistence of the canals in the future;

(f) The Property is or may be located adjacent to or nearby a school, and subject to levels of noise, dust, and other disturbances resulting from proximity to such school or otherwise related to such school;

(g) The Lot and other portions of the Property are or from time to time may be located within or nearby certain airplane flight patterns, and/or subject to significant levels of airplane traffic and noise;

(h) The Property is located adjacent to railroad tracks and railroad crossings, and subject to levels of noise, dust, smells, dangers, and other disturbances resulting from proximity to such railroad tracks and railroad crossings;

(i) The Property is or may be located adjacent to or nearby a storm drain detention basin(s), channel(s), sewer treatment plants, and lift stations, and may be subject to certain disturbances resulting from proximity to such detention basin(s), channel(s) and lift stations; and

(j) Certain Lots on the Property are or may be subject to certain sewer, secondary water, and natural gas pipeline easements, and may be subject to disturbances associated with the use and maintenance of these facilities.

10.9 Releases. By acceptance of a deed to a Lot, each Owner, for itself and all Persons claiming under such Owner, shall conclusively be deemed to have acknowledged and agreed: (a) that Declarant specifically disclaims any and all representations and warranties, express and implied with regard to any of the foregoing disclosed or described matters (other than to the extent expressly set forth in the foregoing disclosures); and (b) to fully and unconditionally release Declarant (or any affiliate, consultant, entitler, partner, joint venture partner, general contractor, agent, employee, executing officer, manager, Owner of Declarant, or any predecessor in interest of Declarant, or any agent, consultant, entitler, partner, joint venture partner, employee, attorney, officer, manager or owner of such predecessor in interest or agent thereof), the APRA (or any affiliate, consultant, entitler, general contractor, agent, employee, executing officer, manager, Owner of the APRA), and the ARC, and their respective officers, managers, agents, employees, suppliers and contractors, from any and all loss, damage or liability (including, but not limited to, any claim for nuisance or health hazards) related to or arising in connection with any disturbance, inconvenience, injury, or damage resulting from or pertaining to all and/or any one or more of the conditions, activities, and/or occurrences described in the foregoing portions of this Declaration.

10.10 Duration. This Declaration shall have perpetual duration. If Utah law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive 20-year periods unless terminated as provided above.

10.11 Business of Declarant. Except to the extent expressly provided herein, no provision of this Declaration shall be applicable to limit or prohibit any act of Declarant, or their respective agents or representatives in connection with or incidental to their improvement, development, or sales and marketing activities regarding the Properties, so long as any Lot therein is owned by any Declarant.

ARTICLE XI

11 .INSURANCE

11.1 Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage, when and where applicable and as needed, provided by companies licensed to do business in the State of Utah:

(a) Fire and Casualty Insurance. A policy or policies of insurance on the Common Areas of the Project in such amounts as shall provide for replacement thereof in the event of damage or destruction from casualty against which such insurance is customarily maintained by other projects similar in construction, design, and use. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection as to the Common Areas. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

(b) Public Liability and Property Damage Insurance. The Association shall obtain a broad form of comprehensive liability insurance coverage for the Project, in such amounts and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death and property damage. Coverage shall include without limitation, liability for operation of automobiles on behalf of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project.

(c) Workers' Compensation Insurance. Workers' compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association, if any, in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance or Bond. Fidelity insurance or a bond in such amounts and in such forms as the Association deems appropriate to cover against dishonesty of employees or the Manager, destruction or disappearance of money or securities, and forgery.

(e) Director and Officer Coverage. A director's and officer's liability or errors and omissions policy, if reasonably available, with at least One Million (\$1,000,000) Dollars in coverage.

11.2 Form of Insurance. Insurance coverage on the Project, insofar as possible, shall be in the following form:

(a) Casualty and Flood Hazard Insurance. Casualty and hazard insurance in a form or forms naming the Association as the insured, as trustee for the Owners and for the Declarant, whether or not the Declarant is an Owner, and which policy or policies shall specify the interest of each Owner (Owner's name and Unit number), and shall contain a standard, noncontributory mortgagee clause in favor of each Mortgagee which from time to time shall give notice to the Association of its Mortgage. The Association shall furnish to each Owner, and to each Mortgagee requesting in writing the same, a certificate of coverage, including an identification of the Owner's interest.

(b) Public Liability and Property Damage Insurance. Public liability and property damage insurance which names the Association as the insured, as trustee for each Owner, for the Manager, if any, and for the Declarant, whether or not the Declarant is an Owner, and which protects each Owner, the Manager, if any, and the Declarant against liability for acts or omissions of any of them in connection with the ownership, operation, maintenance, or other use of the Project

11.3 Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by this Declaration in such amounts and in such forms as the Association may from time to time deem appropriate. The addition of amenities in the common areas will result in additional coverage.

11.4 Adjustment and Contribution. Exclusive authority to adjust losses under the insurance policies hereafter in force on the Project shall be vested in the Association. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

11.5 Insurance Carried by Owners. Each Owner is responsible for and must obtain insurance, at his own expense, providing coverage upon his Unit, and all improvements and personal property located thereon, and for general liability coverage, including without limitation, coverage for personal injury, property damage, and such other risks as each Owner may deem appropriate; provided that if the insurer under said policy is the insurer under any policy issued pursuant to Section 10.1 through 10.3 above, then any insurance policy obtained by an Owner shall provide that it does not diminish the insurance carrier's coverage for liability arising under any of the insurance policies obtained by the Association pursuant to this Article. The Association shall have no obligation or responsibility to carry insurance on the Cottage Home Units, or any other improvements a part of or appurtenant to the Cottage Home Units. Townhome Units will be required to submit proof of insurance on an annual basis to the Association.

11.6 Review of Insurance. The Association shall review annually the coverage and policy limits of all insurance on the Project and shall adjust the same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or such other qualified appraisers as the Association may select.

ARTICLE XII

12. DAMAGES AND DESTRUCTION

12.1 Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place and stead for the purpose of dealing with the Common Areas or Limited Common Areas of the Project upon their damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or any Owner shall constitute an appointment by said grantee of the Association as his attorney in fact as herein provided. As attorney in fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed or other instrument with respect to the interest of an Owner which may be necessary or appropriate to execute the powers herein granted.

12.2 Total Destruction. If damage or destruction occurs in or to the Project that is so extensive that every Owner of every Unit in the Project votes to not rebuild, repair or reconstruct the Common Areas and Limited Common Areas damaged or destroyed, then in such event and upon written agreement of every Owner, this Declaration shall be terminated, and each Owner shall own his Unit, and all Owners together shall own all Common Areas as tenants in common, and there shall be no obligation to repair or reconstruct the damaged portions of the Common Areas or Limited Common Areas. Upon the dissolution of the Project as herein provided, a notice of such shall be filed with the Salt Lake County Recorder, and upon filing of such notice, the following shall occur:

(a) The Common Areas shall be deemed to be owned in common by the Owners as tenants in common on an equal, undivided basis;

(b) Any liens affecting any of the Units shall remain a lien on their respective lots, but also shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Common Areas;

(c) If a majority of the Total Votes so elects within ninety (90) days after the damage has occurred, and if allowed by the applicable governmental authorities, the Common Areas shall be dedicated as public roads in accordance with applicable statutes and ordinances, and all Owners shall join in such dedication; and

(d) If the option described in Section 11.2(c) above is not elected, the Common Areas shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance on the Project, if any, shall be considered as one fund and shall be divided equally among all the Owners, after first paying out of the respective share of each Owner, to the extent sufficient for such purpose, all liens on the undivided interest in the Project owned by such Owner.

12.3 Partial Destruction. As long as any one Owner of any Unit so elects, upon the damage or destruction of any portion of the Common Areas or Limited Common Areas, the Association shall proceed to repair and reconstruct the Common Areas, and at such time as a house constituting any Unit, if damaged, is reconstructed or repaired, the Association also shall reconstruct and repair all Limited Common Areas as to that Unit so damaged. The Association shall use insurance proceeds from the insurance it is obligated to carry to accomplish such repair and reconstruction. In the event insurance proceeds are insufficient to accomplish the repair and reconstruction as required herein, then the Association shall levy a special assessment against all Owners pursuant to the provisions of Article IX above to collect funds necessary to accomplish such repairs and reconstruction.

12.4 Repair or Reconstruction. As soon as practicable after receiving estimates on the cost of repair or reconstruction, the Association shall, if repair or restoration is to occur, diligently pursue to completion the repair or reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith.

12.5 Disbursement of Funds for Repair or Reconstruction. If repair or reconstruction is to occur, then the insurance proceeds held by the Association and any amounts received from assessments shall constitute a fund for the payment of the costs of such repair and reconstruction. It shall be deemed that the first monies disbursed in payment for the costs of such repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all of the costs of such repair or reconstruction, such balance shall be distributed equally to the Owners.

ARTICLE XIII

13. CONDEMNATION

13.1 Condemnation. If at any time or times all or any part of the Common Areas shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article shall apply. A voluntary sale or conveyance of all or any part of the Common Areas in lieu of condemnation, but under threat of condemnation, shall be deemed to be taken by power of eminent domain.

13.2 Proceeds. All compensation, damages, and other proceeds from any such taking by power of eminent domain shall be allocated among and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Such distribution shall be made by check payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

ARTICLE XIV

14. COMPLIANCE WITH DECLARATION AND BYLAWS

14.1 Compliance. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, rules and regulations promulgated by the Association, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association or by an aggrieved Owner.

14.2 Enforcement and Remedies. The obligations, provisions, covenants, restrictions and conditions contained in this Declaration, or in any supplemental or amended Declaration, with respect to the Association or Units within the Project, shall be enforceable by the Declarant or by any Owner of a Unit within the Project subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction. The obligations, provisions, covenants, restrictions and conditions contained in this Declaration, or in any supplemental or amended Declaration, with respect to a person or entity or property of a person or entity other than the Association or the Declarant, shall be enforceable by the Declarant or the Association by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid.

ARTICLE XV

15. DECLARANT'S SALES PROGRAM

15.1 Declarant's Right to Promote and Sell the Project. Notwithstanding any other provisions of this Declaration, until Declarant ceases to be a Unit Owner (hereinafter referred to as the "Occurrence"), Declarant, its successors or assigns shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of Units owned by Declarant:

(a) Sales Offices and Model Units. Declarant, its successors and assigns, shall have the right to maintain sales offices and model Units. Sales offices may be located in Units (at any location) owned by Declarant or may be located on any of the Common Areas of the Project or any of the Limited Common Areas existing between the roads of the Project and any Units. Declarant shall have the right to maintain any number of model units it may desire using the Units Declarant owns.

(b) **Promotional Devices.** Declarant, its successors and assigns, shall have the right to maintain a reasonable number of promotional, advertising, and/or directional signs, banners and similar devices at any place or places on the Project, but any such devices shall be of sizes and in locations as are reasonable and customary.

(c) **Right to Use the Common Areas and Facilities.** Declarant shall have the right to use the Common Areas and Facilities of the Project and any of the Limited Common Areas existing between the roads of the Project and any Units, to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

15.2 **Declarant's Rights to Relocate Sales and Promotional Activities.** Declarant shall have the right from time to time to locate or relocate its sales offices, model Units and signs, banners and similar devices, but in connection with each such location or relocation Declarant shall observe the limitations imposed by the preceding portions of this Article. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project any sales structures not a part of a Unit, fixtures, improvements, signs, banners and similar sales materials and properties.

15.3 **Limitation on Improvements by Association during Sales Program.** Prior to the Occurrence, the Association shall not, without the written consent of the Declarant, make any improvement to or alteration in any of the Common Areas and Facilities or any of the Limited Common Areas, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas and the Limited Common Areas as they existed when initially constructed.

ARTICLE XVI

16. MORTGAGEE PROTECTION

16.1 **Mortgage Protection.** No breach of any of the covenants, conditions, restrictions, and limitations contained herein shall defeat or render invalid the lien of any Mortgage made in good faith and for value; provided, however, that all such covenants, conditions, restrictions and limitations contained herein shall be binding upon an Owner whose title is derived through foreclosure or trustee's sale.

16.2 **Priority of Liens.** No enforcement of any lien provision herein contained shall defeat or render invalid the lien of any Mortgage. All sums assessed in accordance with the provisions herein shall constitute a lien on each respective Unit prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (2) the lien or charge of any recorded Mortgage on such Unit made in good faith and for value and recorded prior to the date on which any such assessment or assessments become due.

16.3 **Prior Liens Relate Only to Individual Units.** All taxes, assessments and charges which may become liens prior to the first Mortgage under local law shall relate only to the individual Unit and not to the Project as a whole.

16.4 Mortgage Holder Rights in Event of Foreclosure. Any Mortgagee of a Mortgage of record which obtains title to a Unit by the foreclosure of the Mortgage on the Unit or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments and charges against the Unit which accrued prior to the date of the acquisition of title to such Unit by such acquirer (except for claims for the pro rata reallocation of such assessments or charges to all Units in the Project, including the mortgaged Unit). Any unpaid assessments shall be deemed to be Common Expenses collectible from all of the Units in the Project, including the Unit that has been acquired in accordance with the provisions of this Section.

16.5 Amendment. No provision of this Article XVI shall be amended without the prior written consent of at least two-thirds of all first Mortgagees as appear on the official records of Salt Lake County, State or Utah, as of the date of such amendment.

ARTICLE XVII

17. GENERAL PROVISIONS

17.1 Intent and Purpose. The provisions of this Declaration and any supplemental or amended Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a planned unit development project. Failure to enforce any provision, restriction, covenant, or condition in this Declaration, or in any supplemental or amended Declaration, shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

17.2 Construction. The provisions of this Declaration shall be in addition and supplemental to all applicable provisions of law. Wherever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders. The Article and section headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define, or otherwise affect the context, meaning, or intent of this Declaration or any Article, section, or provision hereof. The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

17.3 Registration of Mailing Address. Each Owner shall register from time to time with the Association his current mailing address. All notices or demands intended to be served upon any Owner may be sent by first class U.S. mail, postage prepaid, addressed to the Owner at his registered mailing address, or, if no address has been registered, to the Unit of such Owner. All notice or demands intended to be served upon the Association may be sent by first class U.S. registered or certified mail, postage prepaid, addressed to the Association at the address of its offices as may be furnished to the Owners in writing from time to time. Any notice or demand referred to in this Declaration shall be deemed given when deposited in the U.S. mail, postage prepaid, and in the form provided for in this Section.

17.4 Audit. Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association.

17.5 Amendment. Except as otherwise provided herein, this Declaration may be amended if Owners holding at least sixty-nine percent (69%) of the Total Votes of the Association consent and agree to such amendment at a meeting of the Owners duly held in accordance with the provisions of the Articles, Bylaws, and this Declaration, which properly approved amendments shall be evidenced by instruments which are duly recorded in the office of the County Recorder for Salt Lake County, State of Utah.

17.6 Effective Date. This Declaration shall take effect upon recording.

17.7 Agent for Service. The person to receive service of process shall be the then current registered agent of the Association as shown on the records maintained in the office of the Division of Corporations and Commercial Code of the State of Utah.

17.8 Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service to be obtained and paid for by the Association hereunder, or for injury or damage to any person or property caused by the elements or by another Owner or person in the Project, or resulting from electricity, water, rain, snow or ice. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs, maintenance, or improvements to the Project or any part thereof, or from any action taken to comply with any law, ordinance, or order of a governmental authority.

17.9 Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be selling his Unit under contract. The owner of a Unit must notify the Association of their intent to lease, rent or sell their Unit. The Owner of a Unit within the Project shall have no obligation for expenses or other obligations accruing after he conveys title to such Unit.

IN WITNESS WHEREOF, Declarant have executed the instrument this 8 day of March, 2011

DECLARANT
Santaquin Orchards Group, LLC
a Utah limited liability companies

By: Scott M Brand
Scott M Brand
Its: Manager

By: Corey M Brand
Corey M Brand
Its: Manager

STATE OF UTAH

County of Utah

On the 8 day of March 2011, personally appeared before me Scott M Brand and Corey M Brand who being by me duly sworn did say that they, Scott M Brand and Corey M Brand are the Manager's of Santaquin Orchards Group, LLC that executed this instrument.

[Signature]
Notary Public
Residing at: AMERICAN FORK UT
My Commission Expires: 8/4/2014

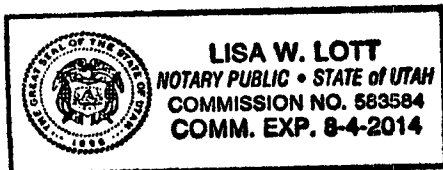


EXHIBIT "A"
ORIGINAL PROPERTY

The Original Property is described as follows:

Beginning at a point located North 476.28 feet and West 63.94 feet from the West 1/4 Corner of Section 36, Township 9 South, Range 1 East, Salt Lake Base & Meridian; thence S80°36'00"W 433.91 feet; thence along the arc of a 15.00 foot radius curve to the right 23.16 feet through a central angle of 88°27'00" (chord: N55°10'00"W 20.92 feet); thence N10°57'00"W 462.57 feet; thence along the arc of a 422.50 foot radius curve to the right 80.75 feet through a central angle of 10°57'00" (chord: N5°28'30"W 80.62 feet); thence North 85.01 feet; thence along the arc of a 477.50 foot radius curve to the left 229.18 feet through a central angle of 27°30'00" (chord: N13°45'00"W 226.99 feet); thence N27°30'00"W 96.57 feet; thence along the arc of a 15.00 foot radius curve to the right 23.68 feet through a central angle of 90°26'52" (chord: N17°43'26"E 21.30 feet); thence along the arc of a 4,799.00 foot radius curve to the right 197.46 feet through a central angle of 2°21'27" (chord: N64°07'36"E 197.45 feet); thence along the arc of a 769.00 foot radius curve to the right 331.44 feet through a central angle of 24°41'41" (chord: N77°39'10"E 328.88 feet); thence East 118.13 feet thence along the arc of a 15.00 foot radius curve to the right 23.56 feet through a central angle of 90°00'00" (chord: S45°00'00"E 21.21 feet); thence South 845.81 feet; thence along the arc of a 1045.00 foot radius curve to the left 166.14 feet through a central angle of 9°06'32" (chord: S4°33'16"E 165.96 feet); thence along the arc of a 15.00 foot radius curve to the right 23.49 feet through a central angle of 89°42'32" (chord: S35°44'44"W 21.16 feet) to the point of beginning.

Contains: +/-12.90 Acres

Units/Lots 1-80 Townhomes

Building 1 – Units/Lots 1-4
 Building 2 – Units/Lots 5-7
 Building 3 – Units/Lots 8-11
 Building 4 – Units/Lots12-17
 Building 5 – Units/Lots 18-21
 Building 6 – Units/Lots22-27
 Building 7 – Units/Lots28-33
 Building 8 – Units/Lots34-39
 Building 9 – Units/Lots40-45
 Building 10 – Units/Lots 46-50
 Building 11 – Units/Lots51-54
 Building 12 – Units/Lots55-58
 Building 13 – Units/Lots59-62
 Building 14 – Units/Lots63-66
 Building 15 – Units/Lots 67-70

EXHIBIT A - Continued

EXHIBIT "A" – Original Property Continued

Townhomes Continued:

Building 16 – Units/Lots 73-76

Building 17 – Units/Lots 77-80

Cottage Home Lots

71,72

81,82

83-86

87-90

91-94

95-98

99-100

101-102 – Road Facing Lots

103-106

107-110 – Road Facing Lots

111-112 – Road Facing Lots

113-116

117-120

Unless otherwise noted all lots are Auto Court lots

EXHIBIT "B"**ANNEXABLE PROPERTY**

The Annexable Property is described as follows:

Beginning at a point located North 1,231.44 feet and West 316.56 feet from the West 1/4 Corner of Section 36, Township 9 South, Range 1 East, Salt Lake Base & Meridian; thence S86°10'00"W 55.84 feet; thence N20°38'36"W 148.05 feet; thence along the arc of a 656.00 foot radius non-tangent curve (radius bears: S20°06'56"E) to the right 11.41 feet through a central angle of 0°59'46" (chord: N70°22'57"E 11.41 feet); thence N3°54'25"E 41.09 feet; thence along the arc of a 694.00 foot radius non-tangent curve (radius bears: S17°47'33"E) to the left 83.27 feet through a central angle of 6°52'27" (chord: S68°46'14"W 83.22 feet); thence S65°20'00"W 15.60 feet; thence along the arc of a 10.00 foot radius curve to right 15.21 feet through a central angle of 87°00'00" (chord: N71°05'00"W 13.79 feet); thence N27°30'00"W 55.02 feet; thence along the arc of a 10.00 foot radius curve to the right 16.16 feet though a central angle of 92°34'40" (chord: N18°47'20"E 14.46 feet); thence along the arc of a 4799.00 foot radius curve to the right 19.06 feet through a central angle of 0°13'39" (chord: N65°11'30"E 19.06 feet); thence along the arc of a 769.00 foot radius curve to the right 283.80 feet through a central angle of 21°08'43" (chord: N75°52'41"E 282.19 feet); thence S5°00'00"E 113.11 feet; thence S85°00'00"W 20.48 feet; thence along the arc of a 656.00 foot radius curve to the left 35.51 feet through a central angle of 3°06'04" (chord: S83°26'58"W 35.50 feet); thence S8°48'10"E 21.70 feet; thence along the arc of a 634.00 foot radius non-tangent curve (radius bears: S8°10'12"E) to the left 58.92 feet through a central angle of 5°19'30" (chord: S79°10'03"W 58.90 feet); thence S13°29'28"E 120.04 feet; thence S3°50'00"E 19.08 feet to the point of beginning.

Contains: +/-0.94 Acres

PLAT B**Units/Lots 121-188 Townhomes**

Building 18 – Units/Lots 121-124
 Building 19 – Units/Lots 125-130
 Building 20 – Units/Lots 131-134
 Building 21 – Units/Lots135-138
 Building 22 – Units/Lots 139-144
 Building 23 – Units/Lots145-148
 Building 24 – Units/Lots149-154
 Building 25 – Units/Lots155-160
 Building 26 – Units/Lots161-166
 Building 27 – Units/Lots 167-170
 Building 28 – Units/Lots171-175
 Building 29 – Units/Lots176-179
 Building 30 – Units/Lots180-184

EXHIBIT B - Continued

EXHIBIT "B" – Annexable Property Continued

Townhomes Continued:

Building 31 – Units/Lots 185-188

Cottage Home Lots

189-194

195-203

204-208

209-212

213-216

217-220

221-224

225-226 – Road Facing Lots

227-228 – Road Facing Lots

229-232

233-236

237-240

Unless otherwise noted all lots are Auto Court lots

EXHIBIT "C"

BUILDING STYLES

All homes built upon the Lots shall be built in accordance with the provisions of Article IV of this document using, but not limited to, one of the following:

Cottage Homes

- Applewood
- Crown Pear
- Jamestown (Hybrid)
- Liberty
- Mountain Cherry
- The Blossom

Townhomes

- Bishop Townhomes

Other home/townhome designs and floor plans may be introduced as the Project expands subject to Architectural Review Committee Approval.

EXHIBIT "D"

LANDSCAPING

All homes built upon the Lots shall be landscaped and maintained in accordance with the provisions of Article III and Article IV of this document.

EXHIBIT "E"
RECORDED DOCUMENTS 2010

Prior documents:

APPLE HOLLOW PLAT A on 14 May, 2010 (Entry:42030:2010 PG 1 of 28)

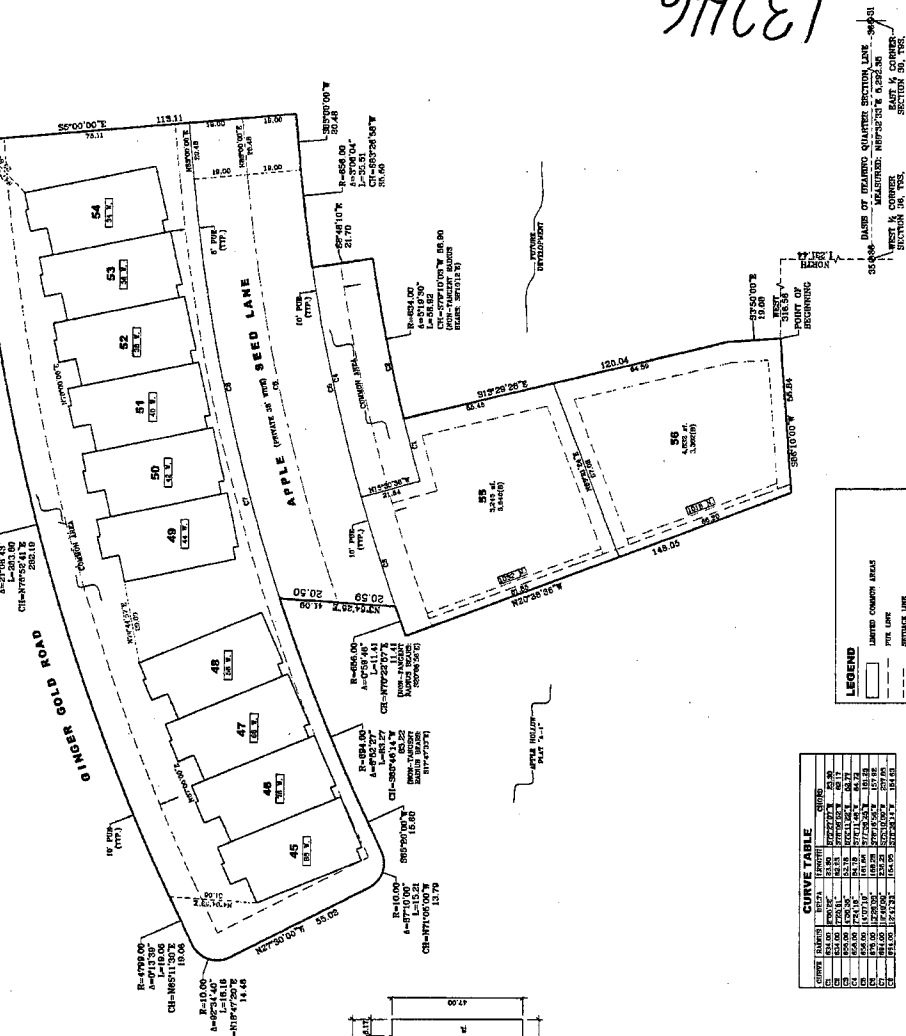
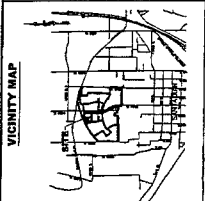
APPLE HOLLOW AT THE ORCHARDS – Plat "A-5"

Lot Numbers 1-12 with Lot 12 referred to as Common Area

APPLE HOLLOW PLAT A-1 filed on June 11, 2010 (Entry 48263:2010 PG 1 of 26)

APPLE HOLLOW AT THE ORCHARDS – Plat "A-1"

Lot Numbers 45-57 with Lot 57 referred to as Common Area



CONFORMANCE OF COMMON AREAS TO ASSOCIATION

THE COMMON AREAS OF THIS PROJECT, INCLUDING BUT NOT LIMITED TO THE DRIVEWAY, WALKWAYS, AND OTHER AREAS, SHALL BE MAINTAINED AND REPAIRED BY THE ASSOCIATION OF HOMEOWNERS IN ACCORDANCE WITH THE BYLAWS AND COVENANTS OF THIS PROJECT.

NOTES OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE COVENANTS, CONDITIONS AND RESTRICTIONS OF THIS PROJECT SHALL BE GOVERNED BY THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FILED WITH THE CLERK OF THE DISTRICT COURT OF SALT LAKE COUNTY, UTAH, ON [DATE].

QUESTAR ACCEPTANCE

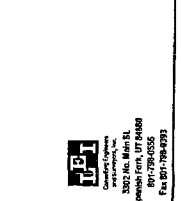
QUESTAR HAS REVIEWED THE PLANS AND FOUND THEM TO BE IN CONFORMANCE WITH THE CITY ZONING ORDINANCES AND THE CITY ENGINEERING DEPARTMENT REQUIREMENTS.

LEGEND

- LIMITED COMMON AREAS
- PLAT LANE
- COMMON AREA

CURVE TABLE

CURVE	STATION	CHORD	ARC	ANGLE	AREA
1	1+00.00	100.00	100.00	90.00	7853.98
2	1+00.00	100.00	100.00	90.00	7853.98
3	1+00.00	100.00	100.00	90.00	7853.98
4	1+00.00	100.00	100.00	90.00	7853.98
5	1+00.00	100.00	100.00	90.00	7853.98
6	1+00.00	100.00	100.00	90.00	7853.98
7	1+00.00	100.00	100.00	90.00	7853.98
8	1+00.00	100.00	100.00	90.00	7853.98
9	1+00.00	100.00	100.00	90.00	7853.98
10	1+00.00	100.00	100.00	90.00	7853.98



SURVEYOR'S CERTIFICATE

I, [NAME], DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR, AND THAT I WAS PRESENT AT THE TIME OF THE SURVEY AND THAT THE SURVEY WAS MADE IN ACCORDANCE WITH THE PROFESSIONAL STANDARDS OF THE SURVEYING BOARD OF UTAH.

OWNERS CERTIFICATE AND DEDICATION

THE UNDERSIGNED OWNERS HEREBY CERTIFY THAT THE LAND DESCRIBED HEREIN IS THE PROPERTY OF THE UNDERSIGNED OWNERS AND THAT THE SAME IS BEING OFFERED FOR SALE TO THE PUBLIC.

ACKNOWLEDGMENT

STATE OF UTAH, COUNTY OF [COUNTY], on this [DATE] day of [MONTH], 2011, before me, the undersigned Notary Public, personally appeared [NAME], known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

ACCEPTANCE BY LEGISLATIVE BODY

THE BOARD OF HEALTH OF THE CITY OF SALT LAKE COUNTY, UTAH, HAS REVIEWED THE PLANS AND FOUND THEM TO BE IN CONFORMANCE WITH THE CITY ZONING ORDINANCES AND THE CITY ENGINEERING DEPARTMENT REQUIREMENTS.

BOARD OF HEALTH

APPROVED SUBJECT TO THE FOLLOWING CONDITIONS:

PLANNING COMMISSION APPROVAL

APPROVED THIS [DATE] DAY OF [MONTH], 2011.

APPLE HOLLOW AT THE ORCHARDS

PLAT "A-C"

SUBDIVISION

SALT LAKE COUNTY, UTAH

APPROVED THIS [DATE] DAY OF [MONTH], 2011.

PLANNING COMMISSION

BOARD OF HEALTH

APPROVED THIS [DATE] DAY OF [MONTH], 2011.

PLANNING COMMISSION

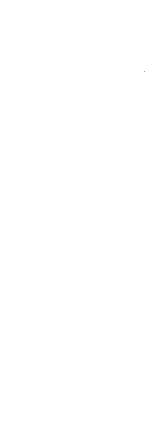


EXHIBIT "F"
PLAN SUBMISSIONS

Required at the time a buyer(s) expresses the intent to build, per the sales agreement, on a Cottage Lot within the designated Apple Hollow property. All Plan submissions are to be approved by the Architect Committee prior to construction commencing.

APPLE HOLLOW OWNERS ASSOCIATION INC

ARCHITECTURAL COMMITTEE – CONSTRUCTION/LANDSCAPING PLAN SUBMISSION FORM CHECK LIST

COTTAGE HOMES

Attach this form with the Plan Submission Document

Lot # _____ Name: _____ Date: _____

Plan Submission – Fee

Attached	Description
	Check in the amount of \$250 for Plan Submission
	Check in the amount of \$300 for Preliminary Plan Submission

Plan Submission – Preliminary Drawings:

Attached	Description
	A plot plan to scale of the entire proposed site with buildings located and elevation of floors shown above or below a designated point on the street
	Floor plans of each floor level to scale
	Elevations to scale of all sides of the residence
	One major section through the residence
	Specifications of all outside materials used on the exterior of the Residence
	Color scheme for the residence

Plan Submission: Working Drawings: Must be approved in writing before submitting to City

Attached	Description
	Plot plans to scale showing the entire site, building, garages, walks, drives, fences, carriage lights, retaining walls, with elevations of the existing and finished grades and contours including those at the outside corners of the buildings and at adjacent property lines and street fronts, and elevations of floors from a designated point on the street
	One-eighth scale detailed floor plans on 11"x17" paper
	One-eighth scale detailed elevations, indicating all materials and showing existing and finished grades on 11"x17" paper
	Detailed sections, cross and longitudinal
	Details of cornices, porches, windows, doors, garages, garden walls, steps, patios, fences, carriage lights etc
	Specifications - complete descriptions of materials to be used, and supplemented with a notation of the colors of all materials to be used on the exterior of the Residence

Landscape Plan Submission – Fee

Attached	Description
	Check in the amount of \$50 – One Time Review

Landscape Plan Submission:

Attached	Description
	Landscape plans must be 11x17 and be based on the plot plan submitted with the working drawings, and must indicate compliance with the landscape requirements set forth in Article II.

CERTIFICATE OF OCCUPANCY

	Submit Copy to Property Manager upon receipt - Prior to Closing - Final sign off of Plan Process
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ARCHITECTURAL COMMITTEE – CONSTRUCTION/LANDSCAPING PLAN SUBMISSION FORM COTTAGE HOMES

Date of Submission: _____ Date submission Received by ARC/APRA: _____

Contact Information of Plan Submitter:

Name: _____ Email Address: _____

Address: _____

Primary Phone: _____ Secondary Phone: _____ Fax: _____

Lot# _____ Address: _____ Santaquin, Utah 84655

The following are required with the **CONSTRUCTION** form:

- (1) Check for \$250 (\$300 for Pre or Expedited Review) Payable to *Apple Hollow Owners Association Inc*
- (2) Copy of Full Plans: Plan Name _____ Contractor: _____
- (3) I certify that I have received a copy of the CC&R's (initial) _____ Date Received _____

The following are required with the **LANDSCAPING** form:

- (1) Check for \$50 (\$100 for Pre-Expedited Review) Payable to *Apple Hollow Owners Association Inc*
- (2) Deposit of \$ _____ upon receipt of approval toward Landscaping installation
- (3) Copy of Full Plans: Plan Name _____ Contractor: _____
- (4) I certify that I have received a copy of the CC&R's (initial) _____ Date Received _____

SEE CC&R's for Specific plan submission requirements

Internal use only:

Date Reviewed by ARC/APRA: _____

Letter of Approval Date: _____ Objection Letter Date: _____

(Letters must be submitted within 10 days of receipt)

If objection letter is submitted by ARC/APRA to the plan submitter – Plan submitter has 15 days to resubmit

Date of Plan Resubmission: _____ Approval Date (post objection) _____

Date of Approval Letter: _____

Certificate of Occupancy Received: Date _____ Copy submitted to Property Manager _____

Article 4: ARCHITECTURAL CONTROL

4.1 Architectural Control. Except as to construction by Declarant, no development, erection, construction, alteration, grading, addition, excavation, modification, decoration, redecoration or reconstruction of the visible exterior of any improvement, including without limitation any Residence, garage or outbuilding, or any other activity within the jurisdiction of this Declaration ("Construction Activity") shall take place on any Lot until the construction plans and specifications and a plan showing the location of the structure have been approved by the APRA, or its successor, as to quality of workmanship, materials, harmony of external design with existing structures, and location with respect to topography and finish grade elevations ("Plan Approval"). No landscaping on any Lot shall take place until landscape plans have been approved by the APRA, or its successor, as to compliance with this Declaration ("Landscape Plan Approval"). No building, including, without limitation, garages and other outbuildings, shall be painted or repainted in other than its original colors until the color has been approved by the ARC.

4.2 Basic Architectural Requirements. In addition to those set forth in Article III, the following are the Basic Architectural Requirements. Excluding multi-family structures, no Single Family Residences shall be erected, altered, placed or permitted to exceed two (2) stories in height (split-level homes not included). Power and telephone lines must be run underground. Any variances from these requirements, or those in Article III must be approved in writing by the ARC, which approval may be withheld in the ARC's sole discretion. The height of all Residences must be consistent with all applicable zoning and building codes.

4.3 Submittals to APRA. Submittals to the APRA must comply with the provisions herein. Persons submitting proposals or plans and specifications to the APRA (any such Person is referred to in this Article IV as the "Applicant") must obtain a dated, written receipt for such plans and specifications and furnish the APRA with the address to which further communications from the APRA to the Applicant are to be directed. The address of the APRA for submission of plans and specifications shall be at the business address set forth in the definitions section herein unless or until changed by the APRA or as a successor is determined as set forth herein.

4.3.1 Plan Approval. The following are the requirements for submission to the APRA for Plan Approval. With each submission, the Applicant shall submit a onetime review fee of \$250 which will compensate the APRA for undertaking the review.

4.3.1.1 Preliminary Drawings. The following information shall be the minimum to be initially submitted to the APRA for approval:

- (a) A plot plan to scale of the entire proposed site with buildings located and elevation of floors shown above or below a designated point on the street.
- (b) Floor plans of each floor level to scale.
- (b) Elevations to scale of all sides of the Residence.
- (c) One major section through the Residence.
- (d) Specifications of all outside materials to be used on the exterior of the Residence.
- (e) The color scheme for the Residence.

4.3.1.2 Working Drawings. "Working drawings" shall be submitted to the APRA for approval. APRA acceptance is required, in writing, before submitting plans to the City, with copy of said letter, for permitting and before construction is commenced. The Working Drawings shall include the following as a minimum:

(a) Plot plans to scale showing the entire site, building, garages, walks, drives, fences, carriage lights, retaining walls, with elevations of the existing and finished grades and contours including those at the outside corners of the buildings and at adjacent property lines and street fronts, and elevations of floors from a designated point on the street.

(b) One-eighth scale detailed floor plans on 11"x17" paper.

(c) One-eighth scale detailed elevations, indicating all materials and showing existing and finished grades on 11"x17" paper.

(d) Detailed sections, cross and longitudinal.

(e) Details of cornices, porches, windows, doors, garages, garden walls, steps, patios, fences, carriage lights, etc.

Specifications shall give complete descriptions of materials to be used, and shall be supplemented with a notation of the colors of all materials to be used on the exterior of the Residence.

4.3.2 Landscape Approval. The following are the requirements for submission to the APRA for Plan Approval. With each submission, the Applicant shall submit a one-time review fee of \$50 which will compensate the APRA for undertaking the review. Landscape plans must be 11x17 and be based on the plot plan submitted with the working drawings, and must indicate compliance with the landscape requirements set forth in Article II.

4.4 Approval and Disapproval. The APRA shall review and approve or disapprove all plans submitted to it for any proposed improvement, alteration, addition, landscaping, or other Construction Activity on the basis of satisfaction of the APRA with the grading plan; the location of the improvements on the Lot; the finished ground elevation; the color scheme, finish, design, proportions, architecture, shape, height, style, and appropriateness of proposed improvements; the effect on adjoining Lots; the materials to be used; the kinds, pitch or type of roof proposed; the planting, landscaping, size, height, or location of vegetation on the front yard of the Lot; and on the basis of aesthetic considerations and the overall benefit or detriment to the Properties generally which would result from such improvement, alteration, addition or other Construction Activity. The APRA shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any proposal, plan or design from the standpoint of structural safety or conformance with building or other codes. **Each Owner shall be responsible for obtaining all necessary permits and for complying with all governmental requirements.**

4.5 Submittals to ARC. Submittals to the ARC must comply with the provisions herein. Persons submitting proposals or plans and specifications to the ARC (any such Person is also referred to in this Article III as the "Applicant") must obtain a dated, written receipt for such plans and specifications and furnish the ARC with the address to which further communications from the ARC to the Applicant are to be directed. The address of the ARC for submission of plans and specifications shall be Declarant's business address, c/o the Architectural Review Committee unless or until changed by the ARC or until the automatic resignation of Declarant's representatives pursuant to Article III, whichever occurs first. Unless the ARC is acting in place of the APRA, there is no submittal fee.

4.6 No Waiver of Future Approvals. APRA approval of any proposals, plans and specifications or drawings ("Plans") requiring its approval or consent does not constitute a waiver of the right to withhold approval or consent for any subsequently submitted similar or additional plans.

4.7 Time Requirements. Until the APRA receives Plans or other materials deemed necessary by the APRA and the review fee (if any), the APRA may postpone review of any plans submitted for approval. Any application submitted pursuant to this Article III shall be deemed approved, unless the APRA's written disapproval or a request for additional information or materials is transmitted to the Applicant within forty-five (45) days after the date of receipt by the APRA of all required materials. APRA approval for any particular Construction Activity shall expire in one (1) year from the date of APRA approval. If substantial work pursuant to the approved Plans is not commenced within one (1) year of APRA approval, the Applicant will be required to resubmit its Plans to the APRA for approval pursuant to this Article III, and pay the applicable fees anew. All Construction Activities shall be performed as promptly and as diligently as possible and shall be completed within such reasonable time period as is specified by the APRA.

4.8 Pre-Approvals. The APRA may provide pre-approval of certain specified types or categories of Construction Activities. Applicants for pre-approval shall submit a review fee of \$300 to the APRA which will compensate the APRA for undertaking the review. Provided that the affected Owner implements his or her Construction Activities in compliance with the standards for design, materials and other criteria established for such pre-approved Construction Activities no additional review by the APRA will be required. The ARC may from time to time adopt, supplement or amend the Architectural Rules to establish, expand, limit or otherwise modify the categories and criteria for any pre-approved Construction Activities. Therefore, it is the duty of the Owner to review the specifications for pre-approved Construction Activity before beginning any construction project.

4.9 Variance. The ARC may grant variances from the architectural provisions of this Declaration or the architectural rules it has adopted when circumstances such as topography, natural obstructions, hardship or aesthetic or environmental considerations may require. Such variances may include, without limitation, restrictions on height, size, floor area, placement of structures or similar restrictions. Such variances must be in writing and must be signed and acknowledged by a majority of the members of the ARC. If such variances are granted, no violation of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose, nor shall it affect in any way the Owner's obligation to comply with all laws and regulations of any governmental authority affecting the use of his Lot, including, but not limited to, zoning and building requirements of any governmental agency or entity having jurisdiction over the Properties.

4.10 Compensation of ARC Members. The individual members of the ARC shall receive no compensation for services rendered.

4.11 Non-liability of APRA. Neither the APRA, nor any members, employees, members, managers, owners, shareholders, agents, officers, directors, attorneys or agents thereof, nor its duly authorized representatives, shall be liable to any Owner for any loss, damage, or injury arising out of or in any way connected with the performance of the APRA's duties hereunder, unless due to willful misconduct. Plans and specifications approved by the APRA are not approved for: (a) engineering or safety design; (b) compliance with zoning, building and safety ordinances, codes and other applicable statutes, ordinances or governmental rules and regulations; or (c) compliance with the requirements or any public utility or compliance with any easements or other agreements. By approving any such plans and specifications, neither the APRA nor the members thereof, nor its agents, employee, managers, owners, officers, directors, attorneys or consultants assume any liability or responsibility for any improvement constructed or any defect therein as a result of such plans and specifications.

4.12 Non-liability of ARC Members. Neither Declarants, the ARC, nor any members thereof, nor their duly authorized representatives shall be liable to any Owner for any loss, damage, or injury arising out of or in any way connected with the performance of the ARC's duties hereunder, unless due to willful misconduct.

4.13 Removal or resignation of the APRA. On 30 days written notice, the APRA may be removed and a successor elected by a vote of three-fourths majority of all Owners, consistent with the election and voting requirements and rules set forth in 3.15 below. The APRA may resign at any time on 30 days written notice to the ARC. In the event of notice of resignation, the ARC shall hold an election (consistent with the rules set forth in 3.15 below) to elect a successor APRA. Following the 30 day notice period, the ARC shall assume all duties and responsibilities of the APRA until a successor is elected. Upon removal or resignation, the APRA shall transfer collected fees to the successor APRA for any plans not approved at the time of the expiration of the 30 days notice.

4.14 Members of ARC. The ARC shall consist of three (3) members. The initial members shall be representatives of Declarant. Declarant reserves the right to appoint and remove any or all the members the ARC and to fill any vacancies on the ARC until the "Turnover Date." The Turnover Date shall be the first of either (a) the date on which a certificate of occupancy has been issued by the relevant governmental authority for all the Lots in the Properties, or (b) the date on which Declarant delivers written notice of withdrawal from the ARC to a majority of the Owners. Declarant may at any time assign in writing the powers of removal and appointment of the members of the ARC to the other Owners, in whole or in part, subject to such terms and conditions as Declarant may impose. After the Turnover Date, the other Owners shall have the power to appoint and remove all of the members of the ARC pursuant to Section 4.14 below. With the exception of ARC members appointed by Declarant, ARC members must be Owners. As of the Turnover Date, any representatives of Declarant remaining on the ARC shall be deemed to have automatically resigned and Declarant shall have no further right or obligation to participate on the ARC or enforce any of the covenants, conditions or restrictions of this Declaration.

4.15 Election of ARC Members. After the Turnover Date, appointment of any member of the ARC by the Owners shall be by election conducted as follows:

4.15.1 Voting Rights. Each Owner of a Lot shall be entitled to cast one (1) vote for every Lot owned. Votes may be cast in person or by written proxy. Proxies shall be revocable and shall automatically terminate after completion of the meeting for which the proxy was filed. In the event that more than one Person holds fee title to a Lot ("co-owners"), only one such co-owner shall be entitled to exercise the vote to which the Lot is entitled. Such co-owners may from time to time all designate in writing one of their number to vote. Fractional votes are prohibited. Where no voting co-owner is designated, or if such designation has been revoked, the vote for such Lot shall be exercised as the majority of the co-owners of the Lot mutually agree. No vote shall be cast for any Lot where the co-owners present in person or by proxy owning the majority interests in such Lot cannot agree to said vote or other action. The nonvoting co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly owned Lot and shall be entitled to all other benefits of ownership.

4.15.2 Notice of Election. After the Turnover Date, any Owner (or the Declarant merely as a courtesy to the Owners), may call for an election meeting by (i) mailing to all Owners or (ii) posting at each entrance to the Properties which are conspicuous and readily accessible to all Owners, a written notice specifying the date, time, location and purpose of the meeting. Such notice shall be mailed or posted not less than (10) and not more than thirty (30) days before the meeting is to be held.

4.15.3 Quorum. A quorum for any such meeting shall be the presence in person or by proxy of no fewer than twenty-five percent (25%) of all Owners entitled to cast a vote ("Qualified Owners"). Absent a quorum, the Qualified Owners who are present at the noticed meeting may adjourn the meeting to a date, time and place specified prior to adjournment which is no less than five (5) and no more than thirty (30) days after the time of the noticed meeting. A quorum at such later "adjourned meeting" shall be the presence in person or by proxy of no fewer than ten percent (10%) of all Qualified Owners.

4.15.4 Conduct of Meeting. If a quorum is present at any meeting or adjourned meeting, the first item of business shall be the selection of a Director of Election who shall preside over the conduct of the meeting. The Qualified Owners shall act by majority vote of a quorum, except that members of the ARC shall be elected by plurality such that the individual receiving the highest number of votes shall be elected to fill first vacancy, the individual receiving the next highest number of votes shall be elected to fill a second vacancy (if any), and so on.

4.15.5 Term of Office. The term of office of each ARC member elected pursuant to this Section 4.15 shall be two (2) years, commencing on the date of election and extending until a successor is elected as provided above. Any such ARC member may succeed himself/herself, and there shall be no limit to the number of terms of any such member.

4.15.6 Removal. An ARC member may be removed from office at any time and for any reason by an election conducted and noticed pursuant to this Section 4.15. However, the ARC member to be removed must be given personal notice by mail or personal services within the time period provided for notice under Section 4.15.2, and have an opportunity to be heard at the election. Said member may only be removed by a majority of a quorum of Qualified Owners.

EXHIBIT "G"
CLOSING DOCUMENTS

At the time a residence is completed, whether it is a Townhome or Cottage Home, the following documents must be submitted at the time of closing. Subject to revision on an as needed basis or at a minimum on an annual basis.

APPLE HOLLOW OWNERS ASSOCIATION INC

c/o Urban Outsourcing Inc

716 E 4500 S, Suite N140 Salt Lake City, Utah 84107

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801-264-2244 (Office) 801-261-3944 (Fax) urbanoutsourcing@hotmail.com

At the time of closing the following documents are required by the Homeowners Association ('HOA') from the Title Company and Homeowner (Buyer).

- (1) All homes are to be owner occupied, please notify the HOA immediately if this property is being purchased by an investor as there are caps on rentals within the community. Any home purchased for an investment must be held for twelve (12) months prior to resale. All resale of homes are to be to an Owner Occupied individual.
- (2) Signed Affidavit – The buyer is confirming:
 - a. Receipt of CC&R's & By-Laws and understand they are moving into a PUD
 - b. Completion of the Cottage or Townhome Data Sheet – Attached
 - c. Proof of Insurance Requirement – Townhomes Only
 - d. Receipt of Association Current Assessment and dues requirements
 - e. Understand Townhome Pet & Exterior Alterations Requirements
 - f. Mailbox Key Information, if applicable
- (3) Copy of recorded warranty deed to be submitted to HOA at time of closing
- (4) Proof of Insurance for Townhome Owners – HO6 Policy required within 15 days of closing to be faxed from Insurance Company to 801-261-3944.
- (5) Mailbox key and assigned box number to be obtained from current owner. If not, contact the Santaquin Post Office Supervisor at (801) 754-3827 - 20 West Main Street, Santaquin
- (6) **Two checks**
 - Membership Fee & HOA Dues**
 - a. Membership Fee – All homeowners purchasing in Apple Hollow are required to pay \$150 at the time of purchase, these funds will be placed directly into the Reserve Account for future Capital Improvements
 - b. Townhome Dues: \$65.00 prorated for month of closing plus two additional months paid in advance, payable to *Apple Hollow Owners Association* for HOA dues.
 - c. Cottage Homes Dues: \$100 prorated for month of closing plus two additional months paid in advance payable to *Apple Hollow Owners Association* for HOA dues.
 - ADMINISTRATIVE FEE**
 - d. \$100 payable to *Urban Outsourcing Inc* – New homeowner set up, Correspondence & Document follow up

Mailing Address for both Checks:

Apple Hollow Owners Association
c/o Urban Outsourcing Inc
716 E 4500 S, Suite N140
Salt Lake City, Utah 84107

Homeowner will receive a welcome letter from the Property Manager upon receipt of all closing documents and checks. The Rules and Regulations at this time are all outlined in the CC&R's & By-Laws, however there is one item to clarify, in the event that the homeowner wishes to install a satellite dish, alter the exterior of the home/townhome they need to make sure they understand that they need prior approval or clarification of location prior to installation or alteration.

Property Manager Information – Please contact with any questions or concerns - Elvira Nelson – 801-264-2244

APPLE HOLLOW OWNERS ASSOCIATION INC

AFFIDAVIT

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Property Address: _____ Lot # _____

ON THIS _____ day of _____, 20 __, personally agreed before me, _____

and _____, the undersigned buyer(s) who, being duly sworn, deposes and says:

____ I (We) have received a copy of the CC&R's and By-Laws for the Association and understand our Cottage home or Townhome is part of a PUD with applicable rules and regulations.

____ I (We) have received a copy of the COTTAGE or TOWNHOME OWNER DATA SHEET and understand we must complete the data sheet and submit with this affidavit and that there are **Proof of insurance** requirements for **Townhome Owners** to be submitted within **15 days** of closing to the following address:

Apple Hollow Owners Association Inc
C/o Urban Outsourcing Inc
716 E 4500 S, Suite N140
Salt Lake City, Utah 84107

____ I (We) understand that there is a \$150 fee for Membership in Apple Hollow Owners Association Inc applied directly to the Association reserve account for future capital improvements, and that the Monthly HOA Dues are \$65/Townhome or \$100/Cottage Home, payable at the time of closing (Prorated in the month of closing) plus two additional months paid in advance. I further understand that these fees may change on an annual basis.

____ I (We) understand that if we are moving into a Townhome that there are:

- Pet requirements, dogs may not exceed 18" in height or in excess of 35 pounds.
- No alterations may be made to the exterior of the units as the Association is responsible for the paint out and any alterations may result in fines and the Homeowner will be responsible for any damage incurred. This includes but is not limited to Satellite dish installation for which prior written approval is required

____ I (We) have received notice of the assigned mailbox for this address and have received a key to the box. If not, contact the Santaquin Post Office Supervisor at (801) 754-3827 - 20 West Main Street, Santaquin, Utah

BY: _____

BY: _____

STATE OF: _____

COUNTY OF: _____

On the _____ day of _____, 20 __, before me, _____ Notary Public, personally

appeared _____ and _____ known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature: _____

My Commission Expires: _____

APPLE HOLLOW OWNERS ASSOCIATION INC
 C/o Urban Outsourcing Inc
 716 E 4500 S, Suite N-140 Salt Lake City, Utah 84107
 Urbanoutsourcing@hotmail.com

THIS INFORMATION IS REQUIRED BY THE MANAGEMENT OF THE ASSOCIATION AND THE COMMUNITY IN WHICH YOU LIVE SHOULD AN ACCIDENT OCCUR PEOPLE WILL NEED TO BE CONTACTED AND FOR EMERGENCY PERSONNEL in the event of fire or natural disaster – THIS MUST BE RETURNED WITH YOUR CLOSING DOCUMENTS

COTTAGE HOMEOWNER DATA SHEET – OWNER OCCUPIED

Owner Occupant	
List those persons who reside in the home. Include reference to Disabilities for Emergency Personnel	
List Pets residing in the home (Breed & Name)	
Address	
Mailing Address – (Ex:PO Box)	
Home Phone	
Alternate Phone	Work:
Email Address	Cell:
Emergency Contact: Person not living in residence	
Name	
Relationship	
Address	
Phone Number	

I agree to allow Apple Hollow to publish my name, address and phone number in an Association directory.

Homeowner Signature _____ Date _____

APPLE HOLLOW OWNERS ASSOCIATION INC
 C/o Urban Outsourcing Inc
 716 E 4500 S, Suite N-140 Salt Lake City, Utah 84107
 801-264-2244 (Office) 801-261-3944 (Fax)
Urbanoutsourcing@Hotmail.Com

THIS INFORMATION IS REQUIRED BY THE MANAGEMENT OF THE ASSOCIATION SHOULD AN ACCIDENT OCCUR PEOPLE WILL NEED TO BE CONTACTED OR FOR EMERGENCY PERSONNEL IN THE EVENT OF NATURAL DISASTER OR INCIDENT ON SITE

COTTAGE HOME - RENTAL DATA SHEET

Rentals require prior approval before executing as there is a 20% cap on the community for rentals
 You must request in writing and receive approval prior to rental – Upon approval you must submit a copy of the lease agreement – Leases are not to be transient therefore must be for 6 months or longer along with this sheet to the office

PROPERTY ADDRESS	
Owner Name(s)	
MAILING ADDRESS	

RENTAL UNIT – CONTACT INFORMATION

Name	
Phone #	
Email Address	
Other occupants including Pets	
Emergency Contact Someone not living in the home (Name, Address, Phone)	

The Association advises renters to obtain renters insurance for coverage of their personal property along with homeowners maintaining individual homeowners insurance

RENTERS must be of legal age and there cannot be more than 2 unrelated individuals residing in this unit at any given time as these are single family dwellings.

APPLE HOLLOW OWNERS ASSOCIATION INC
 C/o Urban Outsourcing Inc
 716 E 4500 S, Suite N-140 Salt Lake City, Utah 84107
 801-264-2244 Office – 801-261-3944 – Fax – urbanoutsourcing@hotmail.com

THIS INFORMATION IS REQUIRED BY THE MANAGEMENT OF THE ASSOCIATION AND THE COMMUNITY IN WHICH YOU LIVE SHOULD AN ACCIDENT OCCUR PEOPLE WILL NEED TO BE CONTACTED AND FOR EMERGENCY PERSONNEL IN THE EVENT OF FIRE OR NATURAL DISASTER – THIS MUST BE RETURNED WITH YOUR CLOSING DOCUMENTS

TOWNHOME OWNER DATA SHEET – OWNER OCCUPIED

Owner Occupant	
List those persons who reside in the home, Include reference to Disabilities for Emergency Personnel	
List Pets residing in the home (Breed & Name)	
Address	
Home Phone	
Alternate Phone	Work:
Email Address	Cell:
Emergency Contact: Person not living at Residence	
Name	
Relationship	
Address	
Phone Number	

As a Townhome Owner you are required to be insured for your dwelling outside of the scope of the association insurance (paint out) on the structures – Please provide proof of insurance by providing the information below and requesting an evidence of insurance document to be sent to the Association. AN H06 Policy is recommended with a loss assessment rider – Fax to: 801-261-3944

Insurance Company	
Policy # & Policy Period	
Agent Name	
Phone Number	

I agree to allow Apple Hollow to publish my name, address and phone number in an Association directory.

Homeowner Signature _____ Date _____

APPLE HOLLOW OWNERS ASSOCIATION INC
 C/o Urban Outsourcing Inc
 716 E 4500 S, Suite N-140 Salt Lake City, Utah 84107
 801-264-2244 (Office) 801-261-3944 (Fax)
Urbanoutsourcing@Hotmail.Com

THIS INFORMATION IS REQUIRED BY THE MANAGEMENT OF THE ASSOCIATION SHOULD AN ACCIDENT OCCUR PEOPLE WILL NEED TO BE CONTACTED OR FOR EMERGENCY PERSONNEL IN THE EVENT OF NATURAL DISASTER OR INCIDENT ON SITE

TOWNHOME - RENTAL DATA SHEET

Rentals require prior approval before executing as there is a 20% cap on the community for rentals
 You must request in writing and receive approval prior to rental – Upon approval you must submit a copy of the lease agreement – Leases are not to be transient therefore must be for 6 months or longer along with this sheet to the office

PROPERTY ADDRESS
Owner Name(s)
MAILING ADDRESS

RENTAL UNIT – CONTACT INFORMATION AND INSURANCE REQUIREMENTS (Proof of insurance is required & Copy of Lease Agreement prior to occupancy)

Name
Phone #
Email Address
Other occupants including Pets
Emergency Contact Someone not living in the home (Name, Address, Phone)
Insurance Co
Policy Number/Policy Period
Address/Phone #

RENTERS must be of legal age and there cannot be more than 2 unrelated individuals residing in this unit at any given time as these are single family dwellings.
 Please see the CC&R's for clarification of Single Residence occupant.

Apple Hollow Owners Association, Inc
 716 East 4500 South, Suite N140, Salt Lake City, Utah 84107
 801-264-2244 (Office) 801-261-3944 (Fax)
 Urbanoutsourcing@hotmail.com

2011 Assessment

As stated in the covenants of Apple Hollow Owners Association, Inc we are required to provide you with a notice of the annual assessment for your home.

Townhome Properties:

MONTHLY ASSESSMENT	-	\$ 65.00
ANNUAL ASSESSMENT	-	\$780.00

Cottage Home Properties:

MONTHLY ASSESSMENT	-	\$ 100.00
ANNUAL ASSESSMENT	-	\$1,200.00

Payment of dues are required by the 1st of each month and considered delinquent if not received by the 10th. Late payments are subject to interest (18%) and late fees (\$25) as outlined. You will be mailed a coupon book for 2011 dues and a statement will be sent after the 15th with fees and interest assessed if you are late.

If you would like to pay quarterly or annually we would certainly encourage that. Just mail in your payment and indicate your desired payment method, monthly, quarterly (due Jan, April, July, Oct), annual (due Jan 1)

Please make checks payable to:

Apple Hollow Owners Association, Inc (Apple Hollow)

Mail to:

Apple Hollow Owners Association, Inc C/o Urban Outsourcing Inc
 716 East 4500 South, Suite N140
 Salt Lake City, Utah 84107

BYLAWS
OF THE
APPLE HOLLOW OWNERS ASSOCIATION INC
A Nonprofit Corporation of the State of Utah

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Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Community Council of the **APPLE HOLLOW OWNERS ASSOCIATION INC**, a Utah nonprofit corporation (the "Association"), hereby adopts the following Bylaws:

ARTICLE I
NAME AND PRINCIPAL OFFICE

1.1 Name. The name of the Association is as follows:

APPLE HOLLOW OWNERS ASSOCIATION INC

1.2 Offices. The permanent office of the Association will be at 3115 E Lion Lane #300, Salt Lake City, Utah 84121. The current office of the Association will be c/o Urban Outsourcing Inc, 716 E 4500 S, Suite N140, Salt Lake City, Utah 84107

ARTICLE II
MEMBERS AND MEETINGS

2.1 Membership. The Members (collectively, the "Members") of the Association shall be the owners of lots (collectively, the "Lots") in the APPLE HOLLOW Planned Unit Development ("APPLE HOLLOW ") or the "Property", or the "Development"). Membership is deemed an appurtenance to each Lot, and shall pass automatically to the owner of each Lot upon conveyance of title. "Unit" shall mean a structure which is designed, constructed, and intended for use or occupancy as a single family residence on a Lot, together with all improvements located on the same Lot.

2.2 Annual Meetings. The annual meeting of the Members shall be held at the time and place designated by the Community Council of the Association (the "Community Council") by delivering proper notice of the annual meeting not less than ten (10) nor more than sixty (60) days before the date of the annual meeting. The purpose of the annual meeting is the election of Officers (the "Officers") and members of the Community Council of the Association, and to consider such other business that comes before the meeting. If the Directors (collectively, the "Directors") are not elected at the annual meeting, the existing Directors shall continue to serve until their successors are named in a special meeting.

2.3 Special Meetings. Special meetings of the Members may be called by the Community Council or by the Chairman of the Community Council, as they see fit, or by the Members of the Association representing a majority of the total voting power within the Association. Any notice of special meeting shall state the time, place, and date and the matters to be considered at that meeting. When a special meeting is called by the Members of the Association, the notice shall be in writing, and delivered to the Chairman of the Community Council.

2.4 Place of Meetings. Meetings will be held within the State of Utah, as chosen by the Community Council.

2.5 Notice of Meeting. The Community Council shall cause written or printed notice of the date, time, place and purposes of all meetings of the Members to be sent to each of the Members not more than sixty (60) but not less than ten (10) days prior to the meetings. Mailed notice is deemed delivered when it is deposited in the United States Mail, postage prepaid, addressed to the Member at the last known address. Each Member shall register his or her contact information including but not limited to address and E-mail address with the Association, and it shall be the obligation of the Member to provide notice of any change of contact information to the Association. If no address is registered, the Association may mail that Member's notice to the Secretary of the Association as the agent for the Member. Only one notice will be mailed for each Lot. If there are multiple owners of a Lot, they must designate one of them to receive the notice of the meeting on their behalf.

2.6 Members of Record. Upon purchasing a Lot in APPLE HOLLOW, each Owner shall promptly furnish the Association with a copy of the deed or other instrument under which he or she acquired title to the Lot. For purposes of determining the persons entitled to vote and all other matters before a meeting of the Members, the Association may designate a record date, not more than sixty (60) days nor less than ten (10) days prior to the meeting date to determine the Members entitled to notice and to vote at the meeting. If no record date has been fixed, the record date is deemed to be the date on which notice of the meeting was mailed to the Members. The persons appearing as Members as of the record date are deemed entitled to notice and to vote at the meeting. Persons who become Members subsequent to the record date, or whose ownership is not registered with the Association until subsequent to the record date shall not be entitled to notice, shall not be counted in comprising a majority of the Members, and shall not be entitled to vote at the meeting. This shall not preclude a person who acquires his or her Membership subsequent to the record date from voting the interest of his predecessor under a written proxy.

2.7 Majority Attendance at Meetings. At any meeting of the Members, the presence of Members, in person or by proxy, who own sixty nine percent (69%) of the Lots and hence hold the right to cast at least a majority of the total votes of the Association shall be required for any action to be taken and shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth herein) at which a quorum shall be one-half of the quorum, in person or by proxy, which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

2.8 Proxies. At each meeting of the Members, each Member entitled to cast a vote shall be entitled to vote in person or by written proxy. All proxies must be in writing, signed by the Member as shown on the records of the Association. When a Membership is jointly held, the proxy must be signed by all of the joint owners of the Membership. Proxies must be presented to the Secretary of the Meeting at the beginning of the meeting. The Secretary of the Meeting will make an entry of proxies in the minutes of the meeting.

2.9 Voting Rights. Each Owner shall be entitled to one (1) vote for each Lot in which such member holds the interest. If the property is jointly owned, each owner shall be entitled to the appropriate fractional vote.

2.10 Simple Majority. Unless a greater vote is required by Utah law, the recorded Declaration of Protective Covenants, Conditions, Restrictions and Easements for the APPLE HOLLOW Planned Unit Development (the "Declaration") or the Articles of Incorporation of the Association (the "Articles of Incorporation"), any matter placed before the Members for a vote shall pass if there is an affirmative vote of the majority of the votes entitled to be cast by the Members. Election of Directors and other matters may be voted by secret ballot or by show of hands or such other means as the officer conducting the meeting shall determine.

2.11 Waiver of Irregularities. Any inaccuracies, irregularities, or errors in any call for a meeting or notice of meeting, inaccuracies or irregularities in the determination of a the presence of a majority of the votes entitled to be cast or acceptance of proxies are deemed waived unless there is a objection stated at the meeting prior to the vote being taken.

2.12 Informal Action. Any act which is required to be taken or approved at a meeting may be taken or approved without a formal meeting if Members holding a majority of the total voting power within the Association consent to the action in writing prior to the action being taken. The Members may hold meetings for which formal notice was not given if the Members waive notice prior to the meeting.

ARTICLE III COMMUNITY COUNCIL

3.1 General Powers. The Community Council shall have authority to manage and control the property and affairs of the Association. The Community Council may exercise all powers conferred upon them by law, by the Articles of Incorporation, by the Declaration or by these Bylaws, provided however, that those powers which are specifically reserved to the Members by law, the Articles of Incorporation or the Declaration shall be exercised only by the Members. The Community Council may delegate to the Officers or other appropriate persons such of its powers as are appropriately delegated.

3.2 Initial Composition of Community Council. Declarant alone shall have the right to select the initial Community Council which may be composed of less than five (5) Directors but not less than three (3), none of whom need be Owners. Such right of the Declarant to appoint the Community Council shall remain with Declarant until the expiration of three (3) years after the first conveyance of title to any Lot or until Declarant voluntarily waives such right, in whole or in part, in writing and requests the Association to elect members (owners of record holding membership in the Association) to the Community Council in accordance with the Association's Bylaws, whichever event shall first occur.

3.3 Community Council Meetings. The Community Council shall have at least four meetings per year. The Directors may meet as often as they see fit, and as required by law or the Articles for purposes of approving annual reports, tax returns, budget preparation and review and similar matters. Special meetings may be called by the Chairman of the Community Council or by a majority of the Community Council by giving notice to the other Community Council members. Notice of meetings of the Community Council will be given in writing or by telephone not more than thirty (30) days, and not less than five (5) days prior to the date of the meeting.

3.4 Quorum. A quorum at a meeting of the Community Council will consist of a simple majority of the Community Council. Members of the Community Council may be counted as present if they are participating in the meeting by telephone. No proxies will be given among members of the Community Council. Actions of the Community Council may only be taken by formal action of the Community Council, and no individual Director shall have the authority to act on behalf of the Association in his or her capacity as a Director.

3.5 Deadlock. In the event of a deadlock on the Community Council, the Community Council shall immediately call for a special meeting of the Members and, at the direction of the Chairman of the Community Council, either call for the election of a new Community Council, or submit the matter to the Members for determination.

3.6 Compensation. The Community Council shall serve without compensation, provided that their reasonable out of pocket expenses for Association business, including the costs of attending Community Council meetings, may be reimbursed by the Association.

3.7 Resignation or Removal. Any Director may resign at any time with written notice. Any Director may be removed prior to the end of his or her term of office by an affirmative vote of the Members.

3.8 Vacancies. Vacancies on the Community Council will be filled by appointment of a successor by the remainder of the Community Council, provided that any such appointee will be confirmed or rejected at the next regular meeting of the Members. Any such Director is to fill the balance of the vacant term which he or she has filled, and will stand for election at the expiration of that term.

3.9 Informal Action by Directors. The Directors may take any action they could take in a formal meeting without a formal meeting, provided that the action is authorized in advance in writing signed by a majority of the Community Council, and further provided that all of the Directors must have been given an opportunity to approve or reject the action. The Directors may waive notice of meetings by signing written waivers at the time of the meeting. Minutes of all Community Council meetings will be kept, and when a meeting is held without prior notice, the minutes will reflect the written waiver of notice.

ARTICLE IV OFFICERS

4.1 Number. The Officers of the Association shall consist of a Chairman of the Community Council, Vice Chair, Secretary /Treasurer. The Community Council also may appoint any other directors as it deems appropriate. For purposes of this document the Officers will be formally outlined however it is within the rights of the Community Council to name the Officer positions as they see fit.

4.2 Appointment/Tenure. The Officers will be appointed by the Community Council at their first meeting, and all Officers will serve at the pleasure of the Community Council and may be removed by a majority vote of the Community Council in a meeting called for that purpose. The officers shall serve a term of two years.

4.3 Duties of the Chairman of the Community Council. The Chairman of the Community Council shall preside at meetings of the Community Council and at meetings of Members. He/She may sign, on behalf of the Association, all legal documents approved by the Community Council, including deeds and mortgages and other contracts and shall have such other powers and responsibilities as assigned to him/her in the Declaration. The Chairman of the Community Council shall supervise and be primarily responsible for the day to day operation of the Association's affairs, including the firing and termination of employees and subordinates. In the event that the Chairman of the Community Council resigns or is removed from his/her office, he/she will retain his/her position as a Director until such time as he/she is removed by the Members or resigns as a Director.

4.4 Duties of the Vice Chair. The Vice Chair will perform the duties of the Chairman if the Chairman is not available, and shall perform such other duties as designated by the Community Council.

4.5 Duties of the Secretary/Treasurer. The Secretary/Treasurer is responsible to keep accurate records of the Members of the Association and the transfer of their interests to others, to keep minutes at the meetings of the Association Members and the Directors, and cause notice of any meetings to be issued as called for in these Bylaws, to file annual reports, keep the accounts of the association and to perform all other assignments designated to the Secretary/Treasurer by the Community Council.

4.6 Compensation. The Officers will serve without compensation, provided that their reasonable out of pocket expenses in performing their duties for the Association will be reimbursed. The Community Council may fix such other compensation as it finds appropriate given the responsibility of the Officers.

DUTIES AND POWERS OF THE ASSOCIATION

5.01 Duties of the Association. Without limiting any other duties which may be imposed upon the Association by its Articles of Incorporation, Bylaws or the Declaration, the Association shall have the obligation and duty to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property.

- (a) The Association shall accept all Owners as members of the Association.
- (b) The Association shall accept title to all Common Areas conveyed to it, whether by Declarant or by others, provided the same is free and clear of liens and encumbrances.
- (c) The Association shall maintain, repair, replace and landscape the Common Areas.
- (d) To the extent not assessed to or paid by the Owners directly, the Association shall pay all real property taxes and assessments levied upon any portion of the Common Areas, provided that the Association shall have the right to contest or compromise any such taxes or assessments.
- (e) The Association shall obtain and maintain in force the policies of insurance required of it by the provisions of the Declaration.
- (f) The Association may employ a responsible corporation, partnership, firm, person or other entity as the Managing Agent to manage and control the Common Areas, subject at all times to direction by the Community Council, with such administrative functions and powers as shall be delegated to the Managing Agent by the Community Council. The compensation of the Managing Agent shall be reasonable as specified by the Community Council. Any agreement appointing a Managing Agent shall be terminable by either party, with or without cause and without payment of any termination fee, upon thirty (30) days' written notice thereof, and the term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive periods of one (1) year each. Any Managing Agent may be an agent or employee of the Association or an independent contractor, as the Community Council deems appropriate.

5.02 Powers and Authority of the Association. The Association shall have all the powers set forth in its Articles of Incorporation and Bylaws, together with its general powers as a nonprofit corporation, and the power to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of the Declaration or the Bylaws, including the power to levy and collect assessments as hereinafter provided. Without in any way limiting the generality of the foregoing, the Association shall have the following powers;

- (a) At any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter upon any Lot for the purpose of maintaining and repairing such Lot or any improvement thereon if for any reason the Owner fails to maintain and repair such Lot or improvement as required herein. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the Declaration, the Bylaws or any rules and regulations promulgated by the Community Council, or to enforce by mandatory injunction or otherwise all of the provisions of the Declaration, the Bylaws and such rules and regulations.
- (b) In fulfilling any of its duties under the Declaration, including its duties for the maintenance, repair, operation or administration of the Common Areas and Lots (to the extent necessitated by the failure of the Owners of such Lots) or in exercising any of its rights to construct improvements or other work upon any of the Common Areas, the Association shall have the power and authority to obtain, contract and pay for, or otherwise provide for:

- (i) Construction, maintenance, repair and landscaping of the Common Areas on such terms and conditions as the Community Council shall deem appropriate,
- (ii) Such insurance policies or bonds as the Community Council may deem appropriate for the protection or benefit of the Association, the members of the Community Council and the Owners,
- (iii) Such Common Area related utility services as the Community Council may from time to time deem necessary or desirable,
- (iv) The services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Community Council may deem desirable,
- (v) Fire, police and such other protection services as the Community Council may deem desirable for the benefit of the Owners or any of the Property, and
- (vi) Such materials, supplies, furniture, equipment, services and labor as the Community Council may deem necessary.

5.03 Association Rules. The Community Council from time to time, subject to and not inconsistent with the provisions of the Declaration or the Bylaws, may adopt, amend, repeal and enforce reasonable rules and regulations governing, among other things (a) the use of the Common Areas, (b) the use of any roads or utility facilities owned by the Association, (c) the collection and disposal of refuse, (d) uses and nuisances pertaining to the Property, and (e) all other matters concerning the use and enjoyment of the Property and the conduct of Owners and their invitees within the Development.

5.04 Limitation of Liability. No member of the Community Council acting in good faith shall be personally liable to any Owner, guest, lessee or any other person for any error or omission of the Association, its representatives and employees, the Community Council, any committee of the Community Council, or the Managing Agent.

ARTICLE VI ASSESSMENTS

6.01 Personal Obligation and Lien. Each Owner shall, by acquiring or in any way becoming vested with his/her interest in a Lot, be deemed to covenant and agree to pay to the Association the annual, special assessments and reimbursement assessments described in this Article, together with late payment fees, interest and costs of collection, if and when applicable. All such amounts shall be, constitute, and remain (a) a charge and continuing lien upon the Lot with respect to which such assessment is made until fully paid, and (b) the personal, joint and several obligations of the Owner or Owners of such Lot at the time the assessment falls due. No Owner may exempt himself or his/her Lot from liability for payment of assessments by waiver of his/her rights in the Common Areas or by abandonment of his/her Lot. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all such unpaid assessments, late payments fees, interest and costs of collection, including reasonable attorneys fees, which shall be a charge on the Lot at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee there for.

6.02 Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the Development, the interests of the Owners therein, paying costs properly incurred by the Association, and the Maintenance, operation and carrying of the Common Areas. The use made by the Association of funds obtained from assessments may include, but shall not be limited to, payment of the cost of taxes and insurance on the Common Areas, establishment and funding of an adequate reserve to cover major repair or replacement of improvements within the Common Areas, and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under the Declaration or its Articles of Incorporation, Bylaws or rules and regulations.

6.03 Annual Assessments. Annual assessments shall be computed and assessed against all Lots in the Development based upon advance estimates of the Association's cash requirements to provide for payment of the cost of those items set forth in Section 6.02, above.

6.04 Annual Budget. Annual assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following, provided that first fiscal year shall begin on the date of recordation of this Declaration. On or before December 15 of each fiscal year the Association shall prepare and furnish to each Owner an operating budget for the upcoming fiscal year. The operating budget for the first fiscal year shall be prepared and furnished to each Owner within thirty (30) days of such Owner's initial purchase. The budget shall itemize the estimated cash requirements for such fiscal year, anticipated receipts, reserves, and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the annual assessments for the upcoming fiscal year and as the major guideline under which the Development shall be operated during such annual period.

6.05 Notice and Payment of Annual Assessments. The Association shall notify each Owner as to the amount of the annual assessment against his/her Lot on or before December 1 of the year preceding the year for which such annual assessment is made. Each annual assessment shall be payable in twelve (12) equal monthly installments, one such installment due on the first day of each calendar month during the fiscal year to which the assessment relates. The failure of the Association to give timely notice of any annual assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of the Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment, but the date when the payment shall become due in such case shall be deferred to a date ten (10) days after notice of such assessment shall have been given to the Owner in the manner provided in the Declaration.

6.06 Initial Fee. In addition, each Owner, shall be required to prepay at the time of purchase of his/her Unit, whether as a first time or subsequent Owner, a sum equal to \$150 to gain membership, which will be placed in the reserve account, plus two months of the then monthly installment of the annual assessment which sum shall be in addition to any proration of assessment which may be due for the month in which such purchase takes place.

6.07 Maximum Annual Assessment. Until December 31, 2011, the maximum annual assessment shall be \$780 per Townhome Unit or \$1,200 per Cottage Home Unit, from and after each January 1, the maximum annual assessment may be increased, by the Community Council, each calendar year thereafter by not more than twenty percent (20%) above the maximum annual assessment for the previous year without the vote of Owners entitled to cast a majority of the Association votes. Annual increases of less than ten percent (20%) may be approved by the Community Council.

6.08 Special Assessments. The Association may levy special assessments for the purpose of defraying in whole or in part (a) any expense or expenses not reasonably capable of being fully paid with funds generated by annual assessments, or (b) the cost of any construction, reconstruction, or unexpectedly required addition to or replacement of the Common Areas. Any such special assessment shall be apportioned among and assessed to all Lots in the same manner as annual assessments. Such special assessments must be assented to by a majority of the votes of the membership, which Owners present in person or represented by proxy are entitled to cast at a meeting duly called for such purpose. Written notice setting forth the purpose of such meeting shall be sent to all Owners at least ten (10) but no more than thirty (30) days prior to the meeting date.

6.09 Uniform Rate of Assessment. All monthly and special assessments authorized by Sections 6.03 and 6.08, respectively, shall be fixed at a uniform rate for all Lots.

6.10 Quorum Requirements. The quorum at any Association meeting required for any action authorized by Section 6.08, above, shall be as follows. At the first meeting called, the presence of Owners of or proxies entitled to cast sixty-nine percent (69%) of the total membership shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirements set forth in Section 6.08, above) at which a quorum shall be one-half (1/2) of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

6.11 Reimbursement Assessment on Specific Lot. In addition to the annual assessment and any special assessment authorized pursuant to Section 6.08, above, the Community Council may levy at any time Reimbursement Assessments (a) on every Lot especially benefitted (i.e., benefitted to a substantially greater degree than any other Lot) by any improvement to adjacent roads, sidewalks, planting areas or other portions of the Common Areas made on the written request of the Owner of the Lot to be charged, (b) on every Lot the Owner or occupant of which shall cause any damage to the Common Areas necessitating repairs, and (c) on every Lot as to which the Association shall incur any expense for maintenance or repair work performed, or enforcement action taken, pursuant to any of the provisions of the Declaration. The aggregate amount of any such Reimbursement Assessment shall be determined by the cost of such improvements, repairs, maintenance or enforcement action, including all overhead and administrative costs, and all attorney's fees and costs, and shall be allocated among the affected Lots according to the magnitude of special benefit or cause of damage or maintenance or repair work or enforcement may be, and such assessment may be made in advance of the performance of work. If a special benefit arises from any improvement, which is part of the general or operation obligations of the Association, it shall not give rise to a Reimbursement Assessment against the Lots benefitted.

6.12 Certificate Regarding Payment. Upon the request of any Owner or prospective purchaser or encumbrance of a Lot and upon the payment of a reasonable fee to the Association to cover administrative costs, the Association shall issue a certificate stating whether or not payments of all assessments respecting such Lot are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons who rely thereon in good faith.

6.13 Effect of Nonpayment: Remedies. Any assessment (whether annual, special or Reimbursement Assessment) not received within ten (10) days of the date on which it becomes due shall be subject to a late charge equal to \$25, which together with interest and costs of collection shall be, constitute, and remain a continuing lien on the affected Lot. If any assessment is not received within ten (10) days after the date on which it becomes due, the amount thereof shall also bear interest from the due date at the rate of

one and one-half percent (1.5%) per month, and the Association may bring an action against the Owner who is personally liable there for or may foreclose its lien against the lot, or both. Any judgment obtained by the Association in connection with the collection of delinquent assessments and related charges shall include reasonable attorney's fees, court costs and every other expense incurred by the Association in enforcing its rights. Liens will be filed on any home in excess of three (3) months delinquency.

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6.14 Subordination of Lien to First Mortgages. The lien of the assessments provided herein shall be subordinate to the lien of any first Mortgage given in the first instance to a bank, savings and loan association, insurance company or other institutional lender, and the holder of any such Mortgage or purchaser who comes into possession of or becomes the Owner of a Lot by virtue of the foreclosure of such first Mortgage or the exercise of a power of sale under such first Mortgage, or by deed in lieu of foreclosure, shall take free of such assessment lien as to any assessment installment which accrues or becomes due prior to the time such holder or purchaser comes into possession or ownership of such Lot, provided that in the extent there are any proceeds of the sale on foreclosure of such first Mortgage or by exercise of such power of sale in excess of all amounts necessary to satisfy all indebtedness secured by and owed to the holder of such first Mortgage, the lien shall apply to such excess. No sale or transfer of a Lot in connection with any foreclosure of a first Mortgage shall relieve any Lot from the lien of any assessment installment thereafter becoming due.

6.15 No Abatement. No diminution or abatement of any assessments under the Declaration shall be claimed or allowed for inconvenience, annoyance or discomfort arising from (a) any construction (or lack of construction) within the Development, (b) the making of (or failure to make) any repairs or improvements to or the maintenance of any Common Areas of the Development, or any part thereof, or (c) from any action taken to comply with the provision of the Declaration or with the laws, ordinances, regulations, rules, or orders of any governmental authority.

ARTICLE VII INDEMNIFICATION

7.1 Indemnification Against Third Party Actions. The Association shall defend and indemnify the Officers and Directors against all actions, claims, and suits brought by third parties against them individually which arise from the exercise of their obligations and duties as Officers and Directors to the fullest extent provided under Utah law. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorneys fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment.

7.2 Indemnification Against Member Actions. The Association shall defend and indemnify the Officers and Directors against all actions, claims, and suits brought by Members of the Association against them individually which arise from the exercise of their obligations and duties as Officers and Directors to the fullest extent provided under Utah law. This shall include all civil, administrative, criminal, or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorneys fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment.

7.3 Request For Indemnification. When any Officer or Director of the Association receives notice of any action referred to above, he or she must give notice to the Chairman of the Community Council and to the Community Council, stating the nature of the claim, the claimant, and providing all pertinent information about the claim. The Community Council, in the case of an action against an officer or employee, or against a single Director, may vote to indemnify the officer, employee or Director. In the event that the action is against the Community Council as a whole,

or names more than a single Director individually, and the claim is entirely covered by and within the policy limits of the Association's insurance coverage, the Community Council may vote to indemnify itself and the individuals named. In the event that the claim exceeds the limits of any insurance coverage, or is not covered, the Community Council may not agree to indemnify itself without presenting the matter to the Association for a vote at a special meeting called for that purpose.

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7.4 Insurance. The Community Council shall cause the Association to purchase liability insurance in a reasonable amount necessary to cover general liability of the Association and any additional insurance that the Community Council deems necessary and to specifically cover the indemnity obligations described above.

ARTICLE VIII MISCELLANEOUS

8.01 Amendment. These Bylaws may be amended by the Members of the Association from time to time as the Members see fit by a sixty-nine percent (69%) majority vote at a meeting called for that purpose.

Adopted this 2nd day of March, 2011.

By:

Name: Scott M Brand

Title: Chair of the Community Council

STATE OF UTAH)

ss.

COUNTY OF UTAH)

On this 2ND day of March, 2011 personally appeared before me Scott M. Brand, Chair of **APPLE HOLLOW OWNERS ASSOCIATION INC**, and on his oath acknowledged that he is the Chair of **APPLE HOLLOW OWNERS ASSOCIATION INC**, and that he signed this instrument with the authority and on behalf of said Nonprofit Corporation of the State of Utah.

