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AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
FARMINGTON PRESERVE MASTER ASSOCIATION

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made and entered into effective as of July 1, 1998 (the "Effective Date"), by and among the undersigned Members. This Declaration is also executed by certain other individuals and entities solely for the limited purposes set forth next to their respective signatures hereto and those individuals and entities do not intend to otherwise undertake any other obligations under, or become parties to, this Declaration.

R E C I T A L S:

A. As of February 24, 1997, Prows, Becknell & Alles, L.L.C., a Utah limited liability company ("PBA"), as declarant, entered into that certain Declaration of Covenants, Conditions and Restrictions For Farmington Preserve Master Association which document was recorded in the Official Records of Davis County, Utah, on February 27, 1997, at Entry No. 1306721, Book 2099 and Page 1374 (the "Original Declaration"). The purpose of this Declaration is to entirely amend and restate the Original Declaration.

B. This Declaration governs certain real property and improvements located west of Highway 89 and south of Shepard Lane in the City of Farmington, County of Davis, State of Utah, as more particularly described on Exhibit "A" hereto (the "Project") and depicted on the master plan attached as Exhibit "B" hereto (the "Master Plan").

I.

DEFINITIONS

Section 1. Articles. The term "Articles" shall mean the Articles of Incorporation of the Master Association as amended from time to time.

Section 2. Association Rules. The term "Association Rules" shall mean the rules and regulations regulating the use and enjoyment of the Common Area or governing the Master Association.

Section 3. Board. The term "Board" shall mean the duly elected Board of Directors or Board of Trustees of the Master Association.

Section 4. Bylaws. The term "Bylaws" shall mean the Bylaws of the Master Association as amended from time to time.

Section 5. City. The term "City" shall mean Farmington City.

Section 6. Common Area. The term "Common Area" shall mean the R-4 Residential Buffer Zone as depicted on the Master Plan which area is designated for the common use and enjoyment of all of the Owners.

Section 7. County. The term "County" shall mean the County of Davis, Utah.

Section 8. Governing Laws. The term "Governing Laws" shall mean all laws, ordinances, regulations, orders, judgements and legislation pertaining to and governing the Project and/or the activity or matter in question.

Section 9. Governing Documents. The term "Governing Documents" shall mean the following documents, as each such document (other than this Declaration) is amended by that certain First Amendment To Certain Governing Documents Farmington Preserve Project dated as of July 1, 1998, and recorded in the Official Records of Davis County on or about the date of recordation of this Declaration, by and among the City; the County; PBA; Shepard's Creek Homes, L.C.; Shepard Creek Properties, L.L.C.; and the Master Association (as well as other parties who signed for various limited purposes), as each of such documents may hereafter be amended from time to time:

A. The Master Development Agreement dated as of October 16, 1996, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1248 and File No. 1306717, by and between the City and PBA (the "Master Development Agreement").

B. The Indemnification Agreement dated as of February 24, 1997, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1303 and File No. 1306718, by PBA for the benefit of the City.

C. The Wetlands Development Agreement dated as of October 16, 1996, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1311, and File No. 1306719, by and between PBA and the County.

D. The Wetlands Easement dated as of October 16, 1996, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1343, and File No. 1306720, by and among the County, the City and PBA.

E. The Sewer and Storm Drain Easement dated as of February 24, 1997, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1239, and File No. 1306716, by PBA as grantor.

F. The Inter-Developer Agreement dated as of February 24, 1997, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1424, and File No. 1306728, by and among PBA; Shepard's Creek Homes, L.C.; and Shepard Creek Properties, L.L.C.

G. This Declaration.

Section 10. Institutional Holder. The term "Institutional Holder" shall mean any holder (beneficiary) of a Senior Mortgage which encumbers any portion of a Zone, which holder is a bank or savings and loan association or established mortgage company, or other entity chartered under federal or state laws, any corporation or insurance company, any real estate investment trust, or any federal or state agency.

Section 11. Maintenance Area. The term "Maintenance Area" shall mean the Common Area and the median strip within the Parkway.

Section 12. Master Association. The term "Master Association" shall mean FARMINGTON PRESERVE MASTER ASSOCIATION, a Utah nonprofit corporation, its successors and assigns.

Section 13. Member. The term "Member" shall mean those individuals and entities entitled to membership in the Master Association. The only Owner that may be a Member shall be an Owner that owns any one or more entire Zones in the

Project. The Owner of any area less than an entire Zone in the Project shall not be a Member, except that if two or more Owners hold undivided interests in an entire Zone, then (a) all of those Owners taken together shall constitute the Member associated with that Zone, and (b) the consent or joinder by the Owners holding a majority of the fractional ownership interests in that Zone shall be required for an approval, consent or other act of the Member associated with that Zone. Notwithstanding the foregoing, if at the time in question there is a Member Association as regards an entire zone, then the Member for that Zone shall be the Member Association. Persons or entities that hold an interest in a Zone merely as security for the performance of an obligation shall not be Members.

Section 14. Member Association. The term "Member Association" means any owner association that is established and operates pursuant to covenants, conditions and restrictions recorded against any one or more entire Zones in the Project. Member Association shall not include any association that is established and operates pursuant to covenants, conditions and restrictions recorded against less than an entire Zone in the Project. Member Association shall not include the Master Association or any other owner association which is established and operates pursuant to covenants, conditions and restrictions recorded against all the Zones in the Project.

Section 15. Mortgage. The term "Mortgage" shall mean any duly recorded and valid mortgage or deed of trust encumbering any portion of a Zone.

Section 16. Owner. The term "Owner" shall mean the holder of record ownership of fee title interest in any portion of a Zone.

Section 17. Parkway. The term "Parkway" shall mean Shepard Creek Parkway, as described and dedicated by the Road Dedication Plat recorded in the County on July 9, 1998, as Entry No. 1421193, in Book 2323, at Page 303.

Section 18. Party. The term "Party" shall mean the Master Association, a Member and/or an Owner. The term "Parties" shall mean more than one Party.

Section 19. Senior Mortgage. The term "Senior Mortgage" shall mean any Mortgage that is (a) recorded against any portion of a Zone prior to the recordation of a lien for delinquent assessments by the Master Association; and (b) either (i) is recorded prior to all other loans encumbering the area in question, or (ii) secures in excess of \$100,000 of debt associated with the area in question. Encumbrances for loans of less than \$100,000 recorded in second or lower position shall not be Senior Mortgages without an express written subordination agreement from the Master Association which may be given or withheld in the Master Association's sole discretion.

Section 20. Trustees. The term "Trustees" shall mean the duly appointed or elected persons comprising the Board.

Section 21. Zone. The term "Zone" shall mean any one of the following four areas in the Project as depicted on the Master Plan and further described on Exhibit "C" attached hereto: (1) the R-4 Residential Zone A; (2) the Business Park Zone; (3) the Commercial Zone; and (4) the Church Parcel. Although the R-4 Residential Buffer Zone and the Church Access Zone are part of the Project, those areas are not designated as Zones in this Declaration. There shall be no membership, voting rights or assessment obligations associated with those areas. The area designated herein as a Zone shall remain such even though the zoning or use classification of part or all of the Zone may change from that assumed by the Master Plan.

The boundary line between two or more adjacent Zones may be modified by a recorded document that is executed by all of the Owners owning land contiguous to the old and/or new boundary line in question as well as by the Members for the Zones whose boundaries are being modified. That boundary line

adjustment must also comply with all applicable Governing Laws. Any modification to a boundary of a Zone that satisfies the foregoing requirements shall be effective without the need for any further consents, approvals or amendments to the Governing Documents or documents related thereto. The foregoing provisions may not be used to delete land from one Zone unless that same land is added to another Zone.

II.

NATURE AND PURPOSE OF COVENANTS

This Declaration hereby entirely amends and restates the Original Declaration and the Original Declaration is of no further force or effect.

The covenants, conditions and restrictions set forth in this Declaration are imposed upon the Parties and Project. Such covenants, conditions and restrictions shall be a burden upon and a benefit to not only each original Party, but also that Party's successors and assigns having any interest in the Project. By acceptance of a deed or by acquiring any ownership interest in any of the real property included within the Project, each Party hereby binds itself and its heirs, personal representatives, successors, transferee and assigns, to all of the provisions restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration and any amendments thereof. In addition, each such Party by so doing thereby acknowledges that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by and against the various subsequent and future Parties.

III.

COVENANTS

Section 1. Governing Documents and Laws. Each portion of the Project shall be used subject to and in compliance with all Governing Documents and Governing Laws. The Master Association shall have the right, but not the obligation, to take reasonable actions, including the imposition of assessments, to ensure that each portion of the Project shall be used subject to and in compliance with all Governing Documents and Governing Laws. Notwithstanding anything herein to the contrary, the Master Association may only levy assessments against the Owners responsible for complying with the Governing Documents. If no Owner is responsible for that compliance, the Master Association may not levy any such assessments.

Section 2. Project Sign. The Master Association shall take all actions and pay all costs necessary to erect and maintain in good condition, a sign for the entire Project at a location in the Common Area and in a style all as approved by the Board.

Section 3. Maintenance. The Master Association shall take all actions and pay all costs necessary to maintain the landscaping, irrigation, improvements and all other conditions associated with the Maintenance Area in a safe, clean, sanitary, workable and attractive condition. Each Party shall take all actions and pay all costs necessary to maintain in good condition (consistent with an overall standard approved by the Board) the landscaping and irrigation along that portion of any property owned by that Party that fronts on the Parkway.

Section 4. Common Area Facilities. Nothing shall be altered or constructed in or removed from the Common Area, nor shall the Common Area be used in any manner, except as first approved in writing by the Board.

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Membership in the Master Association shall be held by the Members.

Section 2. Absence of Member. If, at any time, there is no Member in existence for a particular Zone, then (a) the vote, consent or approval that would otherwise be required from that Member need not be obtained; and (b) if a Party seeks to have the Member for that Zone perform some action, that Party is hereby authorized, but not required, to perform that action, but in doing so that Party must behave reasonably.

Section 3. Voting Rights. Each Member shall be entitled to one vote for each Zone with respect to which it is a Member. In no event shall more than one vote be cast with respect to any Zone.

Section 4. Vote.

A. Majority Vote. Any action by the Master Association which must have the approval of the Members of the Master Association before being undertaken, shall require the vote or written assent of a majority of all the Members except as otherwise expressly set forth in this Declaration. If the Member voting results in a tie vote, that impasse may be resolved in any manner agreed upon by the vote or written assent of a majority of all the Members. If the voting results in a tie vote and the method for resolving the impasse also results in a tie vote, then the action in question shall not be deemed approved until it is ultimately approved by the vote or written assent of a majority of all the Members.

B. Unanimous Vote. Notwithstanding anything in this Declaration to the contrary, the following actions must have the unanimous approval of all of the Members before being undertaken:

- i. Any amendments to this Declaration; and/or
- ii. Any other matters where a unanimous vote is specifically required by this Declaration.

V.

BOARD OF TRUSTEES

Section 1. Decisions. Any action by the Master Association which must have the approval of the Board before being undertaken, shall require the vote or written assent of a majority of all the Trustees except as otherwise expressly set forth in this Declaration.

VI.

ASSESSMENTS

Section 1. Covenant to Pay Assessment. The Owners shall pay to the Master Association regular, special, emergency, reimbursement and other assessments as authorized by the Board. Each assessment against an Owner, together with late charges, interest, costs and reasonable attorneys' fees, shall be a lien against the area of a Zone owned by such Owner and shall also be the personal obligation of that Owner and shall run with the land and be binding upon that Owner's successors in title unless extinguished by a Senior Mortgage as discussed below.

Section 2. Determination of Assessments. The amount and time of payment of the assessments against the Zones shall be determined by the Board. The Board may also levy assessments against only a Zone or portion of a Zone in order to compensate the Master Association for damages incurred by the Master Association as a result of the breach of this Declaration by the Owner of that area. All property in the Project dedicated to and accepted by any public authority as well as the Common Area shall be exempt from the assessments created in this Declaration.

A. Assessments levied against the Zones shall be apportioned to the separately owned areas within the Zones according to the ratio of number of acres in each separately owned area to the total number of acres of all the land in the Zones subject to assessments. In the case of an area in which two or more Owners hold fractional interests, each Owner shall be separately assessed and shall be deemed to own the number of acres that results when the acreage of the area is multiplied by the Owner's fractional interest.

Section 3. Effect of Nonpayment of Assessments; Remedies of the Master Association. Each Owner shall pay to the Master Association the amount assessed against the land owned by such Owner. In addition, a late charge of 10 percent shall be assessed on any assessment not paid within 15 days after the date on which it becomes due. Any assessment, including late charges and previously accrued interest associated therewith, that is not paid within 30 days after the assessment becomes due shall thereafter bear interest at an annual percentage rate of 18 percent or the highest rate allowed by law, whichever is less. In the event attorneys are employed for collection of any assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, the delinquent Owner shall pay actual attorneys' fees and costs thereby incurred in addition to any other amounts due or any other relief or remedy obtained against said Owner. In addition to any other remedies herein provided, the Board, or its authorized representative, may enforce the obligations of the Owners to pay the assessments provided for in this Declaration, and each of them, in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures:

A. Enforcement by Suit. The Master Association may commence and maintain a suit at law against any other defaulting Party obligated to pay assessments for such delinquent assessments as to which that defaulting Party is personally obligated. Such suit shall be maintained in the name of the Master Association. Any judgment rendered in any such action shall include the amount of the delinquency, together with late charges and interest thereon as provided for herein, costs of collection, court costs and reasonable attorneys' fees in such amount as the Court may adjudge against the delinquent Party. Suit to recover a money judgment for unpaid assessments shall be maintainable without foreclosing or waiving the lien discussed below.

B. Enforcement by Lien.

i. Grant of Lien. There is hereby created a lien on each and every portion of the land in each Zone to secure payment to the Master Association of any and all assessments levied against that portion of each Zone pursuant to this Declaration, together with late charges, interest thereon and all costs of collection which may be paid or incurred by the Master Association in connection therewith, including actual attorneys' fees.

ii. Exercise of Lien Rights. At any time after the occurrence of any delinquency in the payment of any such assessment, the Board may make a written demand for payment to the delinquent Owner. Said demand shall state the date and amount of the delinquency. Each delinquency shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien and any demand

or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. If such delinquency is not paid within 10 days after delivery of such demand, the Board or its duly authorized representative may thereafter file and record a claim of lien on behalf of the Master Association in the Office of the County Recorder of the County, against all or any portion of the land with respect to which the delinquency exists. Such claim of lien shall be executed and acknowledged by any officer of the Master Association and shall contain substantially the following information:

- (1) The name of the Owner;
- (2) The legal description of the land in the Zone against which the claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, late charges and interest thereon, collection costs, and estimated attorneys' fees (with any proper offset allowed);
- (4) That the claim of lien is made by the Master Association pursuant to this Declaration; and
- (5) That a lien is claimed against the described land in the Zone in an amount equal to the amount stated, together with all other amounts thereafter becoming due from the Owner from time to time in accordance with this Declaration.

Upon recordation of a duly executed original or copy of a claim of lien, the lien claimed therein shall immediately attach and become effective in favor of the Master Association as a lien upon the area against which such assessment was levied.

iii. Foreclosure of Lien. Any such lien may be foreclosed by appropriate action in a court or in the manner provided under the Governing Laws. The Master Association shall have the power to bid at any foreclosure sale and to purchase, acquire, hold, lease, mortgage and convey any foreclosed land area. In connection with such action, Master Association shall be allowed to recover reasonable attorneys' fees, court costs, title search fees, late charges, interest and all other costs and expenses to the extent permitted by the Governing Laws. Upon the timely curing of any default for which a notice of claim of lien was filed by the Board and the payment of all sums secured by the lien created by the recordation of such claim of lien, the Board shall cause an officer of the Master Association to file and record an appropriate release of such claim of lien in the office of the Recorder of the County. No Owner may waive or otherwise escape liability for the assessments provided for in this Declaration by non-use or abandonment of the land owned by such Owner. Notwithstanding anything contained in this Declaration to the contrary, no action may be brought to foreclose the lien created by recordation of a claim of lien, whether judicially, by power of sale, or otherwise, until the expiration of 10 days after a copy of said claim of lien, showing the date of recordation thereof, has been mailed to the Owner owning the land described in such claim of lien.

iv. Lien Priority. Such a lien shall have priority over all liens or claims created subsequent to the recordation of this Declaration, except for (a) tax liens for real property taxes; (b) assessments in favor of any municipal or other governmental assessing unit; (c) Senior Mortgages; (d) utility easements; (e) the Governing Documents; and (f) arms-length leases, whether or not recorded.

Section 4. Effect of a Sale or Transfer on Assessments. The sale or transfer of any portion of a Zone shall not affect any assessment lien created pursuant to the term of this Declaration to secure assessments becoming due

whether prior to, on, or after the date of such sale or transfer, nor shall such sale or transfer diminish or defeat the personal obligation of any Party for delinquent assessments; provided, however, that the sale or transfer of land in a Zone pursuant to a judicial foreclosure or foreclosure by power of sale of a Senior Mortgage, or by a transfer in lieu of foreclosure of a Senior Mortgage, shall extinguish any assessment lien which has attached and become effective with regard to the land being so transferred prior to the time of such sale or transfer, and shall prohibit the recordation of any assessment lien against such land on account of assessments which became due prior to the date of such sale or transfer; provided, however, that there shall be a lien on the interests of the purchaser at such sale or transfer which shall attach, be created and become effective and may be foreclosed in accordance with this Declaration and which shall secure all assessments becoming due after the date of any such sale or transfer. In the event that all or any portion of an assessment against any land is extinguished, the Trustees shall have the right by unanimous vote, but not the obligation, to proportionately reallocate all or any portion of that extinguished assessment among the other portions of the Zones. For the purpose of this Section, a sale or transfer of land in a Zone shall occur on the date of recordation of a deed or other instrument of title evidencing the conveyance of record title to the area in question. Notwithstanding the extinguishment of any assessment lien by a Senior Mortgage, that extinguishment shall not relieve the Party originally responsible for the delinquent assessment secured by that lien from the obligation to pay that delinquent assessment to the Master Association. The Master Association shall execute and deliver a separate subordination agreement (consistent with this Declaration) requested by any lender that holds a Senior Mortgage.

Section 5. Delivery of Statement. Upon written request, the Master Association shall, within 10 days of receipt of such request, provide an Owner with a copy of this Declaration and copies of the Bylaws and Articles, together with a true statement in writing as to the status of assessments against the land area owned by the requesting Owner. The Board may impose a reasonable fee for providing such documents and statement. Purchasers, successors, assigns and mortgagees of an Owner shall be entitled to rely upon such a statement issued by the Master Association.

VII.

DEFAULTS AND REMEDIES

Section 1. Default. An "Event of Default" shall occur under this Declaration if any Party fails to perform its obligations under this Declaration and/or any of the other Governing Documents where those obligations are due and the defaulting Party has not performed the delinquent obligations within 30 days following delivery to the delinquent Party of written notice of such delinquency (the "Notice of Default") unless a longer period is allowed under the Governing Document in question. Notwithstanding the foregoing, if the default cannot be reasonably cured within that 30-day period, a Party shall not be in default so long as that Party commences to cure the default within that 30-day period and diligently continues such cure in good faith until complete.

Section 2. Notice. An aggrieved or complaining Party shall be required to give a Notice of Default to the following: (a) the specific Party that is in default; (b) the Member for the Zone in which the default occurs; (c) any person or entity that prior to the giving of the Notice of Default has delivered to the Party giving such Notice a written request that a copy of a Notice of Default such as the one being given be furnished to the requesting person or entity; (d) the Owner(s) of record of any land on or with respect to which the default occurs; and (e) any person or entity that may be entitled to receive such Notice pursuant to the specific Governing Document under which the default in question has occurred. Except as expressly stated above, no other person or entity shall be entitled to receive any Notice of Default under this Declaration.

Section 3. Remedies. Upon the occurrence of an Event of Default, any non-defaulting Party shall have the right to exercise all rights and remedies available under this Declaration, the Governing Documents, at law and in equity, including injunctive relief and specific performance. Notwithstanding the foregoing, only the Master Association shall have the right to impose assessments and liens as remedies for Events of Default in accordance with the assessment and lien provisions in this Declaration. The Parties acknowledge that their obligations under this Declaration are unique and defaults may not be compensated by purely monetary damages. Those rights and remedies shall be cumulative. Under no circumstances, even an Event of Default, shall any Party have the right to terminate this Declaration except as otherwise provided in this Declaration.

Section 4. Right to Cure. Any person or entity shall be entitled to cure any default under this Declaration. If the Notice of Default is not delivered to any of the Parties required in the Notice provisions above, then before the aggrieved or complaining Party may exercise any rights or remedies against the Party that has not received notice, that non-receiving Party shall be allowed the same amount of time to cure the default in question as that non-receiving Party would have otherwise had if that Notice of Default had been timely delivered to the non-receiving Party. A cure effected by any person or entity shall be accepted by all the Parties as a cure for the default in question. The defaulting Party shall reimburse the curing person or entity for the reasonable and actual costs (including attorneys' fees) of curing a default within 15 days following delivery to the defaulting Party of a written notice of such costs along with reasonable support documentation.

Section 5. No Cross-Defaults Among Parties. If any Party shall create an Event of Default hereunder, only the defaulting Party and the land in the Zones owned by that defaulting Party shall be subject to remedies, and none of the other Parties and no other land in the Zones governed by this Declaration shall be deemed to be in default or be penalized in any manner.

Section 6. Limitation on Liability. Notwithstanding anything in this Declaration to the contrary, no owner, trustee, officer, employee or agent of any Member and/or of the Master Association shall have any personal, recourse, deficiency or other liability associated with this Declaration or any portion of the Project. Nothing in this provision shall limit the liability of (a) any person or entity for performance of the obligations that are specifically imposed on that person or entity by the Governing Documents; or (b) any person or entity that has undertaken such liability in writing, as by a written guaranty, indemnification or other promise of responsibility.

Section 7. Jurisdiction. In the event that litigation is instituted under this Declaration, the same may be brought and tried, and the Parties hereby consent to jurisdiction, in the judicial jurisdiction of the courts of Salt Lake and Davis County.

VIII.

DUTIES AND POWERS OF THE MASTER ASSOCIATION AND BOARD

Section 1. General Powers of the Master Association. All powers relating to the management, operation and maintenance of the Maintenance Area shall be vested in the Master Association. The Master Association may do any and all other acts and things that a nonprofit corporation is empowered to do, which may be necessary, convenient or desirable in the administration of its affairs for the specific and primary purposes of meeting its duties as set forth in this Declaration. The Master Association, through its Board, shall have the authority to delegate its powers to, and/or contract with, committees, officers, employees, contractors, consultants and/or agents of the Master Association.

Section 2. Association Rules. The Board shall also have the power to adopt, amend, and repeal such Association Rules as are reasonable. The Association Rules shall have the same force and effect as if they were set forth in and were part of this Declaration and shall be binding on the Parties and their successors-in-interest whether or not actually received thereby.

Section 3. Entry Onto Project. The Master Association and its representatives shall have the right to enter upon any area of the Project to the extent such entry is reasonably justified and necessary in connection with the performance by the Master Association of its duties and responsibilities under this Declaration. The Master Association shall indemnify the Parties for any liability or damage arising from such entry.

Section 4. No Design Guidelines. Neither the Master Association nor this Declaration shall establish, administer or enforce any design guidelines or any design review authority or procedures for any portion of the Project.

Section 5. Insurance. The Board shall obtain and continue in effect the types of insurance that it deems necessary for the Master Association.

Section 6. No Architectural Control. The Master Association shall have no architectural controls over any portions of the Project other than the Maintenance Area. All areas in the Project shall be owned, developed, maintained, operated and conveyed in accordance with applicable Governing Laws.

Section 7. Financial Statements. The Master Association shall prepare budgets and financial statements of a type and at times determined by the Board.

IX.

NOTICES

In each instance in which notice is to be given to a Party, the same shall be in writing and may be delivered personally or by United States mail, certified or registered, postage prepaid, return receipt requested, addressed to the Party at its most recent address known to, or reasonably ascertainable by, the Party giving the notice. Any notice so deposited in the mail within the State of Utah shall be deemed delivered 48 hours after such deposit. Any notice to be given to the Master Association may be delivered personally to any Trustee of the Board or sent by the United States mail, certified or registered, postage prepaid, return receipt requested. Any notice so deposited in the mail within the State of Utah shall be deemed delivered 48 hours after such deposit.

X.

RIGHTS OF LENDERS

Notwithstanding any provisions to the contrary as may be provided elsewhere in this Declaration, lenders shall have the following rights:

Section 1. Notice to Institutional Holders of Default. Any Institutional Holder of any Mortgage on any portion of a Zone shall be entitled to receive from the Master Association, if such Holder has so requested in writing of the Master Association, a copy of any Notice of Default issued by the Master Association to the Owner of the land mortgaged in favor of such Institutional Holder.

Section 2. Assessments on Foreclosure. Any Institutional Holder of any Senior Mortgage who obtains title to a Zone or portion thereof pursuant to the remedies provided in the Mortgage, by means of a deed in lieu of foreclosure, or through foreclosure of the Senior Mortgage, shall not be liable for any claims for unpaid assessments or charges against such area which accrued prior to the

acquisition of title to such area by the Institutional Holder of the Senior Mortgage.

Section 3. Rights of Institutional Holders. All Institutional Holders of Mortgages on any portion of a Zone shall, upon written request to the Master Association, be entitled to:

A. Inspect the books and records of the Master Association during normal business hours;

B. Receive an annual financial statement of the Master Association within 90 days following the end of any fiscal year of the Master Association; provided however, that such statements shall be made available only if they have been prepared by the Master Association in the regular course of business; and

C. Receive written notice of all meetings of the Members of the Master Association and shall be entitled to designate a non-voting representative to attend all such meetings.

Section 4. Priority on Distribution of Proceeds. No Party shall have priority over any rights of Institutional Holders of Mortgages pursuant to their Mortgages in the case of a distribution to Parties of insurance proceeds or condemnation awards for losses to or a taking of all or any portion of the Project and/or improvements thereon.

Section 5. Mortgage Protection Clause. No breach of the covenants, conditions or restrictions herein contained shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Section 6. Conflicts. In the event of any conflicts between any of the provisions of this Article and any other provisions of this Declaration, the provisions of this Article shall control.

XI.

EASEMENTS AND PROPERTY RIGHTS

Section 1. Easement Over Common Area. Each Party shall have a right and easement of ingress and egress and of enjoyment in, to and over the Common Area.

Section 2. Waiver of Use. No Owner may be exempt from liability for assessments duly levied by the Master Association, or may release the portion of a Zone owned by that Owner from the liens and charges hereof, by waiver of the use and enjoyment and/or abandonment of any portion of the Project.

Section 3. Title to the Common Area. PBA hereby covenants for itself, its successors and assigns, that it will convey to the Master Association fee simple title to the Common Area, free and clear of any and all encumbrances and liens, subject to reservations, easements, covenants and conditions then of record, including those set forth in this Declaration. Said conveyance shall be made within 30 days following the recordation of this Declaration.

Section 4. Creation of Easements. Each of the easements provided for in this Declaration shall be deemed to be established upon the recordation of this Declaration, and shall thenceforth exist superior to all other encumbrances applied against or in favor of any portion of the Project which is the subject of this Declaration.

GENERAL PROVISIONS

Section 1. Indemnification. To the fullest extent allowed by the Governing Laws, the Master Association shall indemnify and hold harmless, and the Parties shall release, all Trustees and officers of the Master Association, the Board and their respective committees from any and all liabilities, claims and expenses (including attorneys' fees) associated with the performance of their duties on behalf of the Master Association, the Board or their respective committees to the extent that the actions or omissions of those individuals are in good faith and without intentional or criminal misconduct or fraud.

Section 2. No Discriminatory Restrictions. No Party shall execute or cause to be recorded any instrument or take or omit to take any action that imposes a restriction upon the use, sale, lease or occupancy of all or any portion of the Project on the basis of race, sex, sexual preference, marital status, national ancestry, color, religion or age.

Section 3. Severability. Should any of the covenants contained in this Declaration be void or be or become unenforceable in law or in equity, the remaining portions of this Declaration shall, nevertheless, be and remain in full force and effect.

Section 4. Term. Subject to the limitations set forth in this Section, this Declaration and the covenants herein contained shall be in effect in perpetuity. This Declaration may be terminated in the same manner as it may be amended, pursuant to the following Section.

Section 5. Amendments. Subject to the rights of lenders as set forth in the Article of this Declaration entitled "RIGHTS OF LENDERS," this Declaration may be amended after (a) the affirmative assent or vote of all of the Members; and (b) the amendment or modification has been executed by the President of the Master Association, who shall certify that the amendment or modification has been approved as hereinabove provided, and recorded in the Official Records of the County. No consent from any individual Owner separate from the consent of the Member for the Zone in which that Owner owns land shall be required to amend this Declaration. A copy of any amendment or modification adopted pursuant to this Section shall be distributed by first-class mail postage prepaid or personal delivery to all of the Parties. The undersigned Members hereby agree and acknowledge that this Declaration is hereby approved and adopted by the undersigned Members.

Section 6. Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of the Project and for the maintenance of the Maintenance Areas. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. No rule of strict interpretation shall be applied against any Party.

Section 7. Conflicts. In case of any conflict between this Declaration and the Articles or Bylaws, this Declaration shall control.

Section 8. Attorneys' Fees. In the event of any controversy or claim respecting this Declaration, the prevailing Party shall be entitled to be reimbursed by the non-prevailing Party for reasonable expenses (including attorneys' fees) and damages incurred by the prevailing Party.

Section 9. Performance. Each Party shall perform its respective obligations under this Declaration in a manner that will not unreasonably or materially delay, disrupt or inconvenience any other Party governed by this

Declaration, the development of any portion of the Project or the issuance of certificates of occupancy or other approvals associated therewith.

Section 10. No Third-Party Rights. The obligations set forth in this Declaration shall not create any rights in or obligations to any other persons or entities other than as expressly set forth herein. Notwithstanding the foregoing, the City shall have the right, but not the obligation, to enforce those covenants in this Declaration relating to maintenance of the Maintenance Area, without incurring any liability under this Declaration.

Section 11. Estoppel Certificates. Within 10 days following the Master Association's receipt from any other Party of a request for an estoppel certificate respecting the status of performance of the requesting Party under this Declaration, the Master Association shall deliver to the requesting Party a reasonable estoppel certificate respecting such matters. The estoppel certificate contemplated herein shall be addressed to any lenders, purchasers, government agencies or other individuals or entities designated by the requesting Party. The failure to deliver such estoppel certificate shall be presumed to mean that the Master Association is not aware of any defaults or delinquencies by the requesting Party under this Declaration and is estopped from asserting the same. Except as expressly stated herein, no other person or entity shall be entitled to require and/or obligated to give estoppel certificates under this Declaration. In particular, Members and Owners shall not be entitled to require and/or obligated to give estoppel certificates to each other under this Declaration.

Section 12. No Waiver. Any Party's failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce such provision. The provisions may be waived only in a writing by the Party intended to be benefitted by the provisions, and a waiver by a Party of a breach hereunder by another Party shall not be construed as a waiver of any succeeding breach of the same or other provisions.

Section 13. Time of Essence. Time is expressly made of the essence with respect to the performance of each and every obligation hereunder.

Section 14. Force Majeure. Any prevention, delay or stoppage of the performance of any obligation under this Declaration which is due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature; governmental restrictions, regulations or controls; judicial orders; enemy or hostile government actions; wars; civil commotions; fires or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by that Party for a period equal to the duration of that prevention, delay or stoppage.

Section 15. Cooperation. The Members and the Master Association shall cooperate together, take such additional actions, sign such additional documentation and provide such additional information as reasonably necessary to accomplish the objectives set forth herein.

Section 16. No Relationship. Nothing in this Declaration shall be construed to create any partnership, joint venture or fiduciary relationship among the Parties.

Section 17. Representations and Warranties. The Parties hereby individually represent and warrant to each other that the statements below are true and complete as to the representing Party as of the date that the representing Party became subject to this Declaration. Each Party understands that the other Parties are relying upon the truthfulness and completeness of the statements below in entering into this Declaration:

A. Organization. The Party is duly organized, validly existing and in good standing under the laws of the state of its organization, with full power and authority to carry out its business in all other states in which it may do business.

B. Authority. The Party has full authority to enter into and be subject to this Declaration and to perform all of its obligations hereunder. The individuals executing documents binding the Party do so with the full authority of the Party that those individuals represent.

C. Enforceability. This Declaration has been duly authorized and approved by the Party and constitutes the legal, valid and binding obligation of the Party enforceable in accordance with its terms.

D. Approvals. No registration with, or consent or approval of, or notice to, or other action by, any person or entity to this Declaration is required to make this Declaration enforceable against the Party.

E. No Default. The Party is not in default under any contract that would adversely impact the Party's ability to perform under this Declaration. The Party is not subject to any pending or threatened litigation, judgement, order or other proceeding which do at present or could in the future materially and adversely affect the ability of the Party to perform its obligations under this Declaration.

F. Capacity. The Party shall perform its obligations under this Declaration in a competent manner consistent with that customarily required of successful entities in comparable industries.

G. Documents. All of the statements, records, plans and other documents that the Party has submitted to the other Parties in connection with this Declaration are true, correct, complete and not misleading.

Section 18. Consents and Approvals. Except as expressly stated in this Declaration, the consent, approval, permit, license or other authorization of the Parties shall not be unreasonably withheld, conditioned or delayed. No consent, approval or authorization, or the absence thereof, by a Party shall make that Party liable in any manner for the matter subject to that consent, approval or authorization or the consequences thereof.

Section 19. Exhibits. All Exhibits attached hereto are hereby made a part hereof and incorporated herein.

Section 20. Recitals. The recitals are incorporated into this Declaration.

Section 21. Counterparts. This Declaration may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same document. This Declaration shall be effective and enforceable against the Parties even if the subordination provisions below are not signed by all the mortgagees and trustees contemplated herein.

Section 22. Priority and Subordination. This Declaration shall be recorded against the Project senior to all liens (other than liens of non-delinquent taxes and assessments) and/or trust deeds encumbering the Project. The Master Association and each Member shall promptly take all actions and pay all costs necessary to have any pre-existing liens (other than liens of non-delinquent taxes and assessments) and/or trust deeds on areas of the Project owned by the Master Developer and/or Member subordinated to this Declaration. All present and future lenders, lien holders and trust deed holders of any type holding liens or encumbrances on any portion of the Project hereby agree (a) that

such liens or encumbrances shall automatically be subordinate to this Declaration and all future amendments thereto, and (b) to execute and deliver within 10 days following delivery of a written request for the same, any additional documentation that may be reasonably required by the Master Association to confirm that subordination.

Section 23. Entire Agreement. This Declaration contains the entire agreement of the Parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Declaration as of the date first set forth above.

PROWS, BECKNELL & ALLES, L.L.C.,
a Utah Limited Liability Company

By: *Richard S. Prows*
Richard S. Prows, Manager

PBA ACKNOWLEDGEMENT

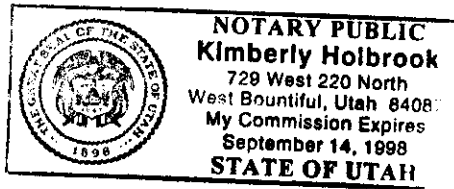
STATE OF UTAH)
)
COUNTY OF Davis) :ss.

On the 31st day of July, 1998, personally appeared before me Richard S. Prows, who being by me duly sworn, did say that he is the Manager of Prows, Becknell & Alles, L.L.C., a Utah limited liability company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

[Signature]
NOTARY PUBLIC

My Commission Expires:

Residing at:



SHEPARD'S CREEK HOMES, L.C. SIGNATURE AND ACKNOWLEDGMENT

SHEPARD'S CREEK HOMES, L.C.,
a Utah limited liability company

By: PCH Investments, L.C.,
a Utah limited liability company, Managing Member

By: PSC Development Company,
a Utah corporation, Manager

By: [Signature]
Peter S. Cooke, President

STATE OF UTAH)
)
COUNTY OF Salt Lake) :ss.

On the 31st day of July, 1998, personally appeared before me Peter S. Cooke, who being by me duly sworn, did say that he is the President of PSC Development Company, a Utah corporation, which is the Manager of PCH Investments, L.C., a Utah limited liability company, which is the Managing Member of Shepard's Creek Homes, L.C., a Utah limited liability company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

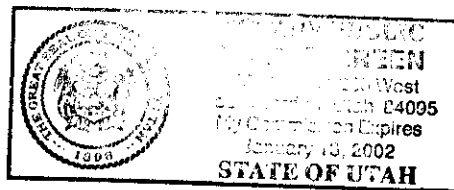
[Signature]
NOTARY PUBLIC

My Commission Expires:

January 13, 2002

Residing at: 9899 S. 3265 W.


So. Jordan, UT 84095



—RECORDER'S MEMO—
LEGIBILITY OF TYPING OR PRINTING
UNSATISFACTORY IN THE DOCUMENT
WHEN RECEIVED

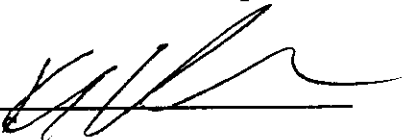
SHEPARD CREEK PROPERTIES, L.L.C. SIGNATURE AND ACKNOWLEDGEMENT

SHEPARD CREEK PROPERTIES, L.L.C.,
a Utah limited liability company

By: 
R. Kent Buie, Manager

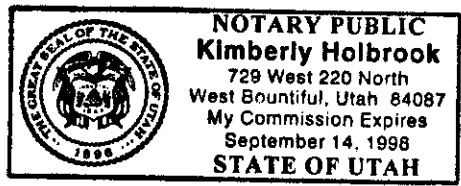
STATE OF UTAH)
COUNTY OF Davis) :ss.

On the 31st day of July, 1998, personally appeared before me R. Kent Buie, who being by me duly sworn, did say that he is the Manager of Shepard Creek Properties, L.L.C., a Utah limited liability company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.


NOTARY PUBLIC

My Commission Expires:

Residing at:



SHEPARD CREEK BP, L.L.C. SIGNATURE AND ACKNOWLEDGEMENT

SHEPARD CREEK BP, L.L.C.,
a Utah limited liability company

By: BP Management, L.L.C.,
a Utah limited liability company, Manager

By: BP Properties, L.L.C.,
a Utah limited liability company, Manager

By: [Signature]
R. Kent Buie, Manager

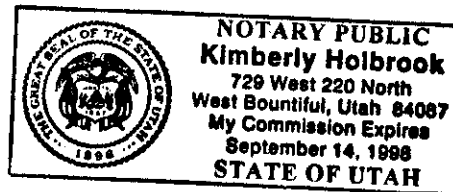
STATE OF UTAH)
) :ss.
COUNTY OF Davis)

On the 31st day of July, 1998, personally appeared before me R. Kent Buie, who being by me duly sworn, did say that he is the Manager of BP Properties, L.L.C., a Utah limited liability company, which is the Manager of BP Management, L.L.C., a Utah limited liability company, which is the Manager of Shepard Creek BP, L.L.C., a Utah limited liability company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

[Signature]
NOTARY PUBLIC

My Commission Expires:

Residing at:



MASTER ASSOCIATION SIGNATURE AND ACKNOWLEDGEMENT

FARMINGTON PRESERVE MASTER ASSOCIATION,
a Utah non-profit corporation

By: *Richard S. Prows*
Richard S. Prows, President

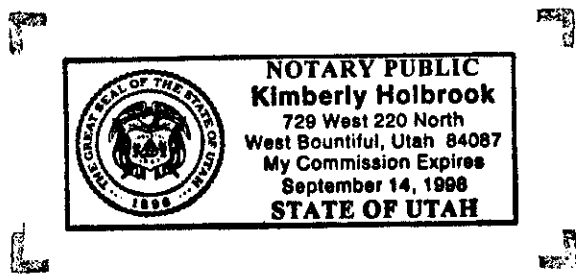
STATE OF UTAH)
COUNTY OF Davis) :ss.

On the 31st day of July, 1998, personally appeared before me Richard S. Prows, who being by me duly sworn, did say that he is the President of the Farmington Preserve Master Association, a Utah non-profit corporation, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

[Signature]
NOTARY PUBLIC

My Commission Expires:

Residing at:



CONSENT OF GUARANTORS

The undersigned have reviewed and approved the foregoing Declaration as of the Effective Date. The Guaranty dated as of February 24, 1997 by the undersigned shall cover and include (a) all of the "Obligations" covered by such Guaranty, as those Obligations are or may be amended or affected by the foregoing Declaration; and (b) the full performance of all of PBA's obligations under the foregoing Declaration.

Richard S. Prows
Richard S. Prows

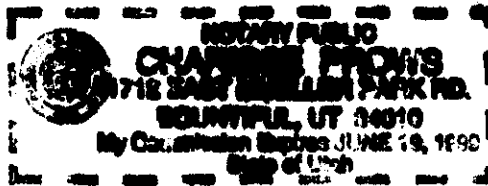
John T. Prows
John T. Prows

Richard S. and Geraldine T. Prows Family Trust

By: Richard S. Prows
Richard S. Prows, Trustee

By: Geraldine T. Prows
Geraldine T. Prows, Trustee

STATE OF UTAH)
COUNTY OF Davis) : SS.



On the 31 day of July, 1998, personally appeared before me Richard S. Prows, who being by me duly sworn, duly acknowledged to me that he has the authority and capacity to sign the within and foregoing instrument and that he executed the same on his own behalf.

Chausse Prows
NOTARY PUBLIC

My Commission Expires:

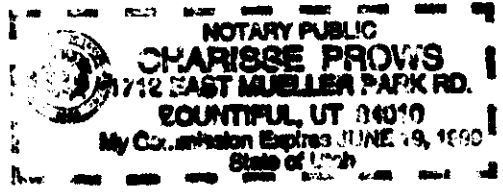
Residing at:

June 19, 1999

1712 E. Mueller Park Rd.
Bountiful, UT 84010

—RECORDER'S MEMO—
LEGIBILITY OF TYPING OR PRINTING
UNSATISFACTORY IN THE DOCUMENT
WHEN RECEIVED

STATE OF UTAH)
COUNTY OF Davis) :ss.



On the 31 day of July, 1998, personally appeared before me John Prows, who being by me duly sworn, duly acknowledged to me that he has the authority and capacity to sign the within and foregoing instrument and that he executed the same on his own behalf.

Charisse Prows
NOTARY PUBLIC

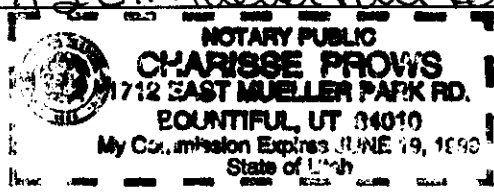
My Commission Expires:

Residing at:

June 19, 1999

1712 E. Mueller Park Rd. Bnt. A.

STATE OF UTAH)
COUNTY OF Davis) :ss.



On the 31 day of July, 1998, personally appeared before me Richard S. Prows and Geraldine T. Prows, who being by me duly sworn, did say that they are the trustees of the Richard S. and Geraldine T. Prows Family Trust, and that the within and foregoing instrument was duly signed on behalf of said entity and they duly acknowledged to me that said entity executed the same.

Charisse Prows
NOTARY PUBLIC

My Commission Expires:

Residing at:

June 19, 1999

1712 E. Mueller Park Rd. Bnt. A.

—RECORDER'S MEMO—
LEGIBILITY OF TYPING OR PRINTING
UNSATISFACTORY IN THE DOCUMENT
WHEN RECEIVED

LARSEN WHOLESALE ENTERPRISES. The undersigned hereby agree that this Declaration shall be senior in priority to that certain Trust Deed dated as of October 17, 1996, and recorded in the Official Records of Davis County on October 18, 1996, at Book 2055, Page 1063, and File No. 1281528, among PBA as trustor, Associated Title Company as trustee, and Dean Craig Larsen as beneficiary securing a loan in the amount of \$254,761.24, the beneficial interest under which said Trust Deed was assigned by said beneficiary to Larsen Wholesale Enterprises by that certain Assignment of Trust Deed dated as of November 20, 1996, and recorded in the Official Records of Davis County on November 25, 1996, at Book 2067, Page 1379, and File No. 1289242.

That Trust Deed shall be subordinate and subject to this Declaration notwithstanding the fact that such Trust Deed was recorded earlier in time than this Declaration. The beneficiary under such Trust Deed hereby requests that the trustee thereunder join in this subordination.

LARSEN WHOLESALE ENTERPRISES,
successor in interest to
Dean Craig Larsen

By: _____
Print Name: _____
Title: _____

STATE OF UTAH)
 : ss.
COUNTY OF _____)

On the _____ day of _____, 1998, personally appeared before me _____, who being by me duly sworn, did say that he is the _____ of Larsen Wholesale Enterprises successor-in-interest to Dean Craig Larsen, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

NOTARY PUBLIC

My Commission Expires: _____ Residing at: _____

ASSOCIATED TITLE COMPANY,
as Trustee under the above-referenced Trust Deed

By: Marilyn W. Carr
Print Name: MARILYN W. CARR
Title: Assistant Vice-President

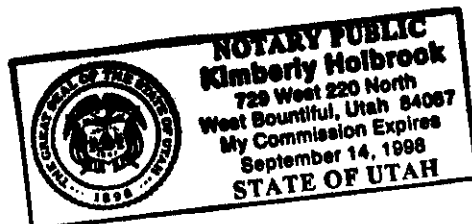
STATE OF UTAH)
COUNTY OF DAVIS) :ss.

On the 31st day of JULY, 1998, personally appeared before me Marilyn W. Carr, who being by me duly sworn, did say that he is the VP of Associated Title Company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

[Signature]
NOTARY PUBLIC

My Commission Expires:

Residing at:



FIRST SECURITY BANK. The undersigned hereby agree that this Declaration shall be senior in priority to the following:

(a) that certain Trust Deed dated as of September 26, 1996, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1484, and File No. 1306732, among PBA as trustor, Associated Title Company as trustee and the First Security Bank ("FSB") as beneficiary, securing a loan in the amount of \$1,250,000;

(b) that certain Trust Deed dated as of December 19, 1996, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2221, Page 291, and File No. 1370741, among PBA as trustor, Associated Title Company as trustee and FSB as beneficiary, securing a loan in the amount of \$1,550,000;


(c) that certain Assignment of Deed of Trust dated as of February 27, 1997, and recorded in the Official Records of Davis County on February 28, 1997, at Book 2100, Page 800, and File No. 1307097, between PBA as assignor and FSB as assignee pertaining to that certain All-Inclusive Trust Deed dated as of February 26, 1997, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1463, and File No. 1306730, among Shepard Creek Properties, L.L.C., as trustor, Associated Title Company as trustee and PBA as beneficiary, securing a loan in the amount of \$2,874,471;

(d) that certain Collateral Assignment dated as of March 12, 1997, and recorded in the Official Records of Davis County on March 25, 1997, at Book 2109, Page 668, and File No. 1312281, between PBA as assignor and FSB as assignee; and

(e) that certain Assignment of Deed of Trust Proceeds dated as of February 26, 1997, but not yet recorded, between PBA as assignor and FSB as assignee.

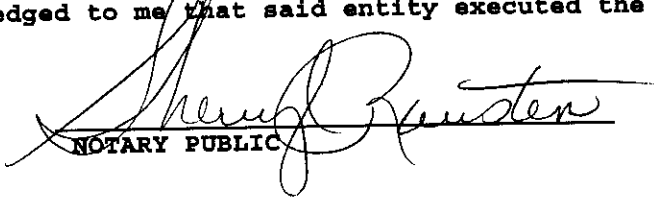
Those Trust Deeds, Assignments and Collateral Assignment shall be subordinate and subject to this Declaration notwithstanding the fact that such Trust Deeds, Assignments and Collateral Assignment were recorded or given earlier in time than this Declaration. The beneficiary under such Trust Deed hereby requests that the trustee thereunder join in this subordination.

FIRST SECURITY BANK OF UTAH, N.A.

By: 
Print Name: David T. Hufford
Title: Vice President.

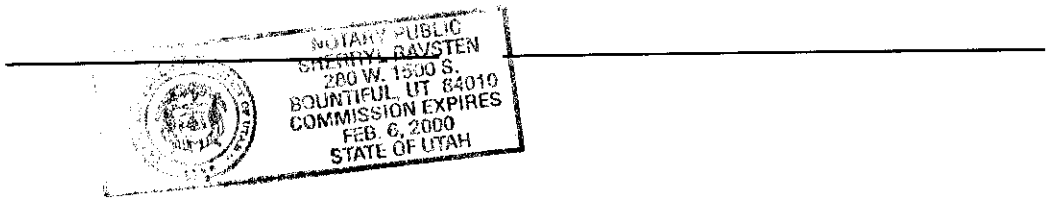
STATE OF UTAH)
)
:ss.
COUNTY OF Davis)

On the 31 day of July, 1998, personally appeared before me David Halper, who being by me duly sworn, did say that he is the David Halper of First Security Bank of Utah, N.A. and that the within and foregoing instrument was duly signed on behalf of said entity and he/she duly acknowledged to me that said entity executed the same.


NOTARY PUBLIC

My Commission Expires:

Residing at:



—RECORDER'S MEMO—
LEGIBILITY OF TYPING OR PRINTING
UNSATISFACTORY IN THE DOCUMENT
WHEN RECEIVED

SHEPARD'S CREEK HOMES, L.C. The undersigned hereby agrees that this Declaration shall be senior in priority to that certain Trust Deed dated as of January 30, 1996, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1490, and File No. 1306733, among PBA as trustor, Fidelity Title Insurance Company as trustee and the undersigned as beneficiary securing a loan in the amount of \$250,000. That Trust Deed shall be subordinate and subject to this Declaration notwithstanding the fact that such Trust Deed was recorded earlier in time than this Declaration. The beneficiary under such Trust Deed hereby requests that the trustee thereunder join in this subordination.

SHEPARD'S CREEK HOMES, L.C.,
a Utah limited liability company

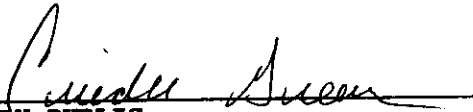
By: PCH Investments, L.C.,
a Utah limited liability company, Managing Member

By: PSC Development Company,
a Utah corporation, Manager

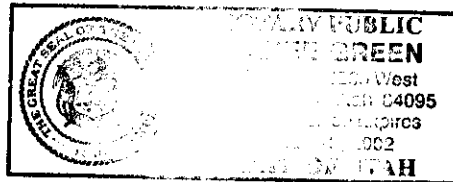
By: 
Peter S. Cooke, President

STATE OF UTAH)
COUNTY OF Salt Lake) :ss.

On the 31st day of July, 1998, personally appeared before me Peter S. Cooke, who being by me duly sworn, did say that he is the President of PSC Development Company, a Utah corporation, which is the Manager of PCH Investments, L.C., a Utah limited liability company, which is the Managing Member of Shepard's Creek Homes, L.C., a Utah limited liability company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.


NOTARY PUBLIC

My Commission Expires: January 13, 2002 Residing at: 9899 S. 3265 W.
So. Jordan, UT 84095



—RECORDER'S MEMO—
LEGIBILITY OF TYPING OR PRINTING
UNSATISFACTORY IN THE DOCUMENT
WHEN RECEIVED

FIDELITY TITLE INSURANCE COMPANY,
as Trustee under the above-referenced Trust Deed

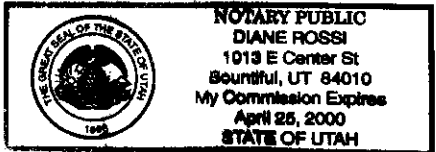
E 1428482 B 2336 P 479

By: [Signature]
Print Name: Ken Holbrook
Title: Agent

STATE OF UTAH)
COUNTY OF Davis) :ss.

On the 31st day of July, 1998, personally appeared before me Ken Holbrook, who being by me duly sworn, did say that he is the Agent of Fidelity Title Insurance Company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

[Signature: Diane Rossi]
NOTARY PUBLIC



My Commission Expires: _____ Residing at: _____

CB COMMERCIAL C/O ELDON HAACKE. The undersigned hereby agrees that this Declaration shall be senior in priority to that certain Trust Deed dated as of February 26, 1997, and recorded in the Official Records of Davis County on February 28, 1997, at Book 2100, Page 802, and File No. 1307098, among PBA as trustor, Associated Title Company as trustee and the undersigned as beneficiary securing a loan in the amount of \$210,468.27. That Trust Deed shall be subordinate and subject to this Declaration notwithstanding the fact that such Trust Deed was recorded earlier in time than this Declaration. The beneficiary under such Trust Deed hereby requests that the trustee thereunder join in this subordination.

CB COMMERCIAL

By: _____
Eldon Haacke, Agent

STATE OF UTAH)
 : ss.
COUNTY OF _____)

On the _____ day of _____, 1998, personally appeared before me _____, who being by me duly sworn, did say that he is the _____ of CB Commercial, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

NOTARY PUBLIC

My Commission Expires: _____ Residing at: _____

ASSOCIATED TITLE COMPANY,
as Trustee under the above-referenced Trust Deed

E 1428482 B 2336 P 481

By: Marilyn W. Carr
Print Name: MARILYN W. CARR
Title: Assistant Vice-President

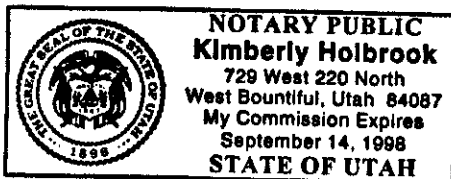
STATE OF UTAH)
) : ss.
COUNTY OF DAVIS)

On the 31st day of July, 1998, personally appeared before me
Marilyn W Carr, who being by me duly sworn, did say that he is the
VP of Associated Title Company, and that the within and
foregoing instrument was duly signed on behalf of said entity and he duly
acknowledged to me that said entity executed the same.

NOTARY PUBLIC

My Commission Expires:

Residing at:



ROBERT AND JOYCE STREBEL. The undersigned hereby agree that this Declaration shall be senior in priority to that certain Deed of Trust With Assignment of Rents dated as of January 29, 1997, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1405, and File No. 1306722, among PBA as trustor, Associated Title Company as trustee and the undersigned as beneficiary securing a loan in the amount of \$270,540. That Trust Deed shall be subordinate and subject to this Declaration notwithstanding the fact that such Trust Deed was recorded earlier in time than this Declaration. The beneficiary under such Trust Deed hereby requests that the trustee thereunder join in this subordination.

Robert Strebel
Robert Strebel

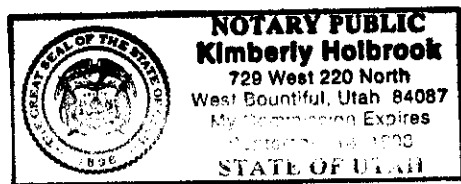
Joyce Strebel
Joyce Strebel

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

On the 30th day of July, 1998, personally appeared before me Robert Strebel and Joyce Strebel, who being by me duly sworn, duly acknowledged to me that they each have the authority and capacity to sign the within and foregoing instrument and that they each executed the same on their own behalf.

[Signature]
NOTARY PUBLIC

My Commission Expires: _____ Residing at: _____



—RECORDER'S MEMO—
LEGIBILITY OF TYPING OR PRINTING
UNSATISFACTORY IN THE DOCUMENT
WHEN RECEIVED

ASSOCIATED TITLE COMPANY,
as Trustee under the above-referenced Trust Deed

E 1428482 B 2336 P 483

By: Marilyn W. Carr
Print Name: MARILYN W. CARR
Title: Assistant Vice-President

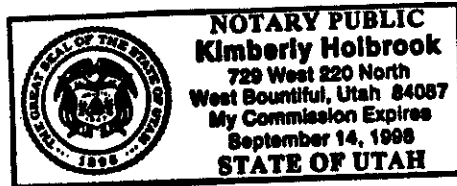
STATE OF UTAH)
) : ss.
COUNTY OF Davis)

On the 31st day of July, 1998, personally appeared before me Marilyn W. Carr, who being by me duly sworn, did say that he is the Assistant Vice-President of Associated Title Company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

NOTARY PUBLIC

My Commission Expires:

Residing at:



PROWS, BECKNELL & ALLES, L.L.C. The undersigned hereby agree that this Declaration shall be senior in priority to that certain All-Inclusive Trust Deed dated as of February 26, 1997, and recorded in the Official Records of Davis County on February 27, 1997, at Book 2099, Page 1463, and File No. 1306730, among Shepard Creek Properties, L.L.C., as trustor, Associated Title Company as trustee and PBA as beneficiary, securing a loan in the amount of \$2,874,471.10. That Trust Deed shall be subordinate and subject to this Declaration notwithstanding the fact that such Trust Deed was recorded earlier in time than this Declaration. The beneficiary under such Trust Deed hereby requests that the trustee thereunder join in this subordination.

PROWS, BECKNELL & ALLES, L.L.C.,
a Utah limited liability company

By: *Richard S. Prows*
Richard S. Prows, Manager

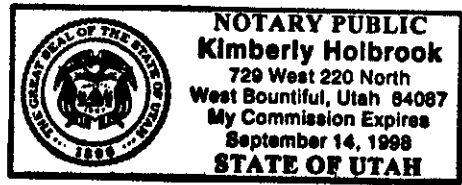
STATE OF UTAH)
COUNTY OF Davis) :ss.

On the 31st day of July, 1998, personally appeared before me Richard S. Prows, who being by me duly sworn, did say that he is the Manager of Prows, Becknell & Alles, L.L.C., a Utah limited liability company, and that the within and foregoing instrument was duly signed on behalf of said entity and he duly acknowledged to me that said entity executed the same.

[Signature]
NOTARY PUBLIC

My Commission Expires:

Residing at:



ASSOCIATED TITLE COMPANY,
as Trustee under the above-referenced Trust Deed

E 1428482 B 2336 P 485

By: Marilyn W. Carr
Print Name: MARILYN W. CARR
Title: Assistant Vice-President

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

On the 31st day of July, 1998, personally appeared before me
Marilyn W Carr, who being by me duly sworn, did say that he is the
VP of Associated Title Company, and that the within and
foregoing instrument was duly signed on behalf of said entity and he duly
acknowledged to me that said entity executed the same.

NOTARY PUBLIC

My Commission Expires:

Residing at:

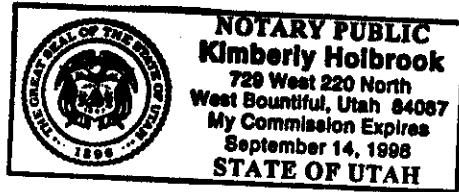


EXHIBIT "A"

E 1428482 B 2336 P 486

LEGAL DESCRIPTION OF PROJECT

DESCRIPTION OF TOTAL PROJECT UPLAND AREAS

All that certain real property situate, lying and being in Davis County, State of Utah, described as follows:

All that fractional portion of Section 13, Township 3 North, Range 1 West, Salt Lake Base and Meridian, more particularly described as follows:

Commencing at the Northwest corner of said Section 13; thence South 00°12'06" East, along the west line of said Section 13, a distance of 468.75 feet to a point on the south line of 66 foot wide Shepard Lane; thence, along the south line of said Shepard Lane, South 89°41'42" East 44.36 feet to the TRUE POINT OF BEGINNING of the Parcel herein described; thence continue along the south line of said Shepard Lane, South 89°41'42" East 528.01 feet; thence South 333.45 feet; thence South 89°43'17" East 395.96 feet; thence South 3°37'15" East 477.66 feet; thence South 48°37'29" East 261.11 feet; thence South 21°15'52" East 805.21 feet; thence South 14°34'30" West 221.74 feet; thence South 1°07'29" West 777.63 feet; thence North 89°32'45" West 35.30 feet; thence South 206.08 feet; thence North 89°34'29" West 587.70 feet; thence South 34°29'26" West 73.91 feet; thence North 55°30'34" West 280.00 feet; thence North 0°17'17" East 252.04 feet; thence North 89°42'43" West 260.00 feet; thence North 19°48'35" West 279.17 feet; thence South 86°37'26" West 34.04 feet; thence North 89°42'40" West 125.15 feet; thence North 0°08'11" East 0.60 feet; thence North 89°25'55" West 23.19 feet; thence North 19°47'19" West 319.58 feet to the beginning of a curve to the right, having a radius of 25.00 feet and a central angle of 110°54'49"; thence northeasterly, along the arc of said curve, 48.39 feet; thence South 88°52'30" East 102.71 feet; thence North 0°00'18" East 327.89 feet; thence North 0°15'42" West 332.80 feet; thence North 1°07'18" East 311.61 feet; thence South 88°52'42" East 343.94 feet; thence North 1°07'17" East 636.00 feet; thence North 89°47'42" West 343.98 feet; thence North 1°07'10" East 50.00 feet; thence North 1°05'46" East 233.72 feet; thence South 89°41'57" East 19.33 feet; thence North 0°00'11" East 100.00 feet to the POINT OF BEGINNING.

Containing 71.16 Acres, more or less.

W¹/₂-13 } 3N-1W
 E¹/₂-14 }
 The Homes at Shepard Creek Ph 1 Units 1 to 4 + common area
 08-222-0001 to 0041
 08-053-0050
 08-051-0022, 0023, 0114, 0118, 0124 to 0127, 0130 to 0134
 08-051-0120, 0121

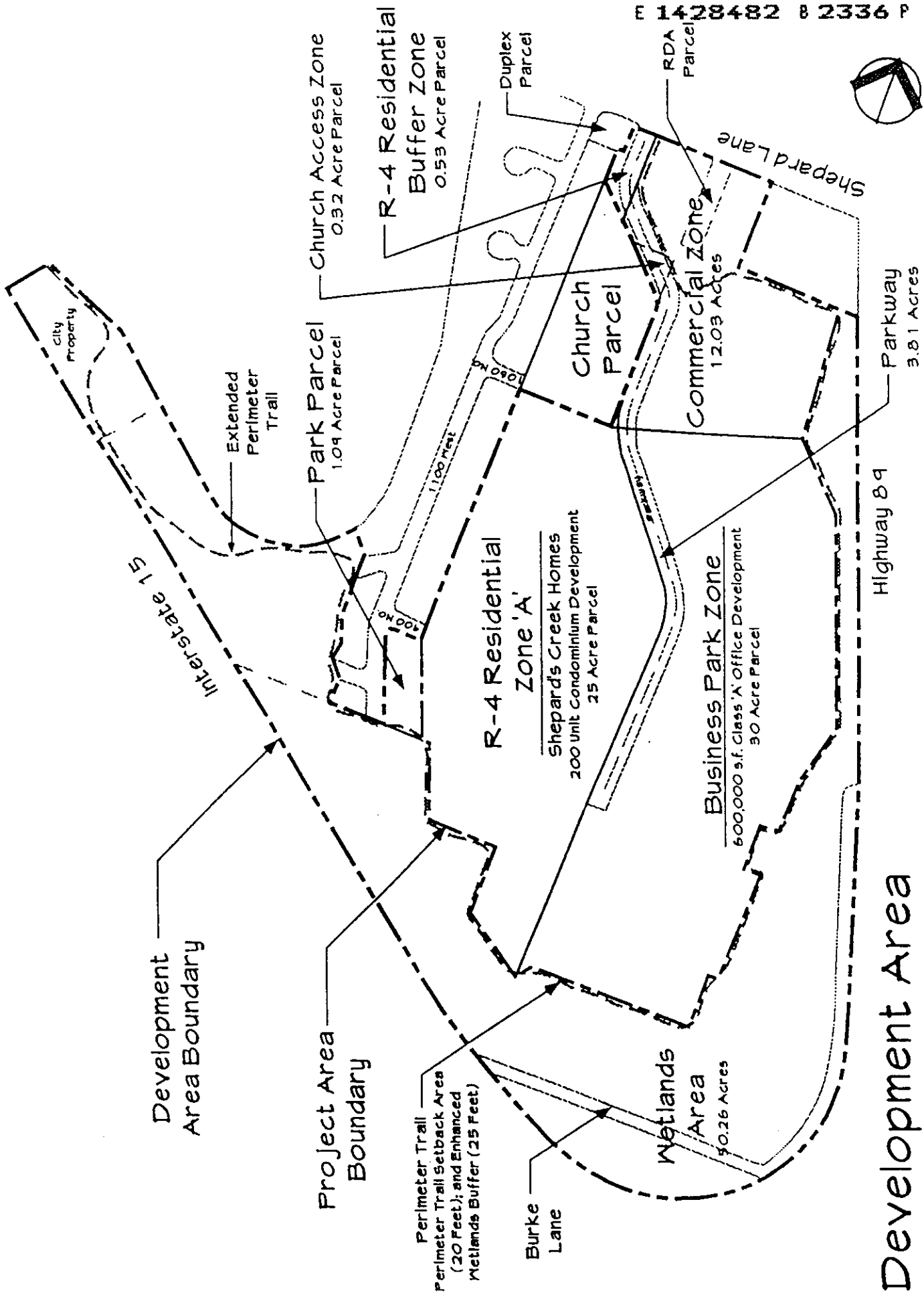
EXHIBIT "B"

E 1428482 B 2336 P 488

MASTER CONCEPT DEVELOPMENT PLAN



North
September 21, 1996 ©



Development Area Farmington Preserve

EXHIBIT "C"

E 1428482 B 2336 P 490

LEGAL DESCRIPTIONS OF ZONES

E 1428482 B 2336 P 491

**LEGAL DESCRIPTION
CONDOMINIUMS ZONE "R-4"**

All that certain real property situate, lying and being in Davis County, State of Utah, described as follows:

All that fractional portion of Sections 13 and 14, Township 3 North, Range 1 West, Salt Lake Base and Meridian, more particularly described as follows:

Commencing at the Northwest corner of said Section 13; thence South 00°12'06" East, along the west line of said Section 13, a distance of 1482.87 feet to a point on the south line of 60-Foot wide 1060 North Street; thence, along the south line of said 1060 North Street, South 88°52'42" East 3.67 feet to the easterly boundary of Oakridge Country Club Estates Plat III, and the POINT OF BEGINNING of the Parcel herein described; thence South 88°52'42" East 343.94 feet; thence North 72°22'00" East 21.21 feet to a point on a non-tangent curve to the left, having a radius of 330.50 feet, a central angle of 19°55'16", and from which the radius point bears North 71°02'45" East; thence southeasterly, along the arc of said curve, 114.91 feet; thence South 38°52'31" East 463.63 feet to the beginning of a curve to the right, having a radius of 267.50 feet and a central angle of 39°59'36", thence southeasterly, along the arc of said curve, 186.72 feet; thence South 01°07'05" West 568.99 feet; thence, with a curve to the right having a radius of 50.00 feet, a central angle of 50°36'31" (a chord bearing and distance of South 26°25'21" West - 42.743 feet); thence southwesterly along the arc of said curve for 44.16 feet; thence with a curve to the left having a radius of 80.00 feet, a central angle of 116°38'21" (a chord bearing and distance of South 06°35'34" East - 136.16 feet); thence southeasterly along the arc of said curve for 162.86 feet; thence South 01°07'05" West for 601.65 feet; thence North 55°30'34" West 280.00 feet; thence North 00°17'17" East 252.04 feet; thence North 89°42'43" West 260.00 feet; thence North 19°47'39" West 276.83 feet; thence North 89°42'40" West 34.84 feet; thence North 21°15'51" West 357.98 feet to a point of intersection of the south line of 60-foot wide 900 North Street at the easterly boundary of Oakridge Country Club Estates Plat III; thence along the easterly boundary of said Oakridge Country Club Estates Plat III the following three (3) courses:

- 1) North 00°00'18" East 327.89 feet;
- 2) North 00°15'42" West 332.80 feet;
- 3) North 01°07'18" East 311.60 feet to the pont of beginning.

Containing 24.8836 acres.

7-24-98

E 1428482 B 2336 P 492

**LEGAL DESCRIPTION
REVISED OVERALL CATHOLIC CHURCH PROPERTY**

All that certain real property situate, lying and being in Davis County, State of Utah, described as follows:

All that fractional portion of Section 13, Township 3 North, Range 1 West, Salt Lake Base and Meridian, being more particularly described as follows:

BEGINNING at the Northwest corner of that certain real property conveyed to the Roman Catholic Bishop of Salt Lake, by Warranty Deed, recorded as Entry No. 1099237, Book 1727, at Page 1237, Davis County Records, said point being 852.55 feet South and 21.24 feet East of the Northwest corner of said Section 13; thence North 01°07'18" East for 50.00 feet; thence North 01°05'46" East for 89.51 feet; thence South 89°43'17" East for 61.27 feet to the west right-of-way line of Shepard Creek Parkway, thence along said west line the following (5) five calls:

1) thence with a curve to the left having a radius of 182.50 feet, a central angle of 18°08'25" (chord bearing and distance of South 35°47'36" East - 57.54 feet) and for an arc distance of 57.78 feet;

2) thence South 44°51'48" East for 295.20 feet;

3) thence with a curve to the right having a radius of 117.50 feet, a central angle of 45°59'06" (chord bearing and distance of South 21°52'16" East - 91.79 feet) and for an arc distance of 94.30 feet;

4) thence South 01°07'17" West for 315.01 feet;

5) thence with a curve to the left having a radius of 330.50 feet, a central angle of 20°04'32" (chord bearing and distance of South 08°54'59" East - 115.21 feet) and for an arc distance of 115.80 feet; thence South 72°22'00" West for 21.21 feet; thence North 88°52'42" West for 343.94 feet to a point on the easterly boundary of Oakridge Country Club Estates "Plat III"; thence North 01°07'18" East along said easterly boundary for 630.50 feet to the **POINT OF BEGINNING**.

Containing 5.1325 Acres

E 1428482 B 2336 P 493

**LEGAL DESCRIPTION
COMMERCIAL TRACT**

All that certain real property situate, lying and being in Davis County, State of Utah, described as follows:

All that fractional portion of Section 13, Township 3 North, Range 1 West, Salt Lake Base and Meridian, more particularly described as follows:

Commencing at the Northwest corner of said Section 13; thence South $00^{\circ}12'06''$ East, along the west line of said Section 13, a distance of 468.75 feet to a point on the south line of 66 foot wide Shepard Lane; thence, along the south line of said Shepard Lane, South $89^{\circ}41'42''$ East 572.38 feet to the POINT OF BEGINNING; thence South for 333.45 feet; thence South $89^{\circ}43'17''$ East for 395.96 feet; thence South $03^{\circ}37'15''$ East for 477.66 feet; thence South $72^{\circ}22'00''$ West for 593.07 feet to the beginning of a nontangent curve, having a radius of 265.50 feet, whose center bears North $70^{\circ}43'21''$ East, with a central angle of $20^{\circ}23'56''$ (chord bearing and distance of North $09^{\circ}04'41''$ West 94.03 feet) and for an arc distance of 94.53 feet; thence North $1^{\circ}07'17''$ East for 315.01 feet; thence Northwesterly along a curve to the left having a radius of 182.50 feet, a central angle of $45^{\circ}59'06''$ (chord bearing and distance of North $21^{\circ}52'16''$ West 142.57 feet) and for an arc distance of 146.47 feet; thence North $44^{\circ}51'48''$ West for 295.20 feet; thence Northwesterly along a curve to the right having a radius of 117.50 feet, a central angle of $45^{\circ}00'00''$ (chord bearing and distance of North $22^{\circ}21'48''$ West 89.93 feet) and for an arc distance of 92.28 feet; thence North $00^{\circ}08'12''$ East for 129.41 feet; thence Northeasterly along a curve to the right having a radius of 35.00 feet, a central angle of $66^{\circ}33'35''$ (chord bearing and distance of North $33^{\circ}24'59''$ East 38.41) and for an arc distance of 40.66 feet; thence South $89^{\circ}41'42''$ East for 421.86 feet to the POINT OF BEGINNING.

Containing 10.9240 acres.

7/28/98

E 1428482 B 2336 P 494

**LEGAL DESCRIPTION
BUSINESS PARK**

All that certain real property situate, lying and being in Davis County, State of Utah, being a fractional portion of Section 13, Township 3 North, Range 1 West, Salt Lake Base and Meridian, more particularly described as follows:

Commencing at the Northwest corner of said Section 13; thence South 00° 12' 06" East, along the west line of said Section 13, a distance of 1482.87 feet; thence South 88° 52' 42" East 347.61 feet; thence, North 72° 22' 00" East 86.23 feet to the TRUE POINT OF BEGINNING of the Parcel herein described; thence North 72° 22' 00" East 593.07 feet; thence South 48° 37' 29" East 261.11 feet; thence South 21° 15' 52" East 805.21 feet; thence South 14° 34' 30" West 221.74 feet; thence South 01° 07' 29" West 208.86 feet; thence North 89° 27' 31" West 68.42 feet; thence South 00° 36' 19" West 13.87 feet; thence North 89° 58' 33" West 82.94 feet; thence South 00° 39' 18" West 151.40 feet; thence South 89° 41' 44" East 81.63 feet; thence South 89° 58' 33" East 68.37 feet; thence South 01° 07' 29" West 403.70 feet; thence North 89° 32' 45" West 35.30 feet; thence South 206.08 feet; thence North 89° 34' 29" West 587.70 feet; thence South 34° 29' 26" West 73.91 feet; thence North 01° 07' 05" East 601.65 feet to the beginning of a curve to the left, having a radius of 80.00 feet, a central angle of 164° 34' 41" (chord bearing and distance of North 32° 47' 55" East - 158.55 feet); thence northeasterly along the arc of said curve for 229.79 feet; thence with a curve to the right having a radius of 50.00 feet, a central angle of 50° 36' 31" (chord bearing and distance of North 24° 11' 10" West - 42.74 feet); thence northwesterly along the arc of said curve for 44.16 feet; thence North 01° 07' 05" East for 568.99 feet; thence with a curve to the left having radius of 332.50 feet, a central angle of 39° 59' 36" (chord bearing and distance of North 18° 52' 43" West - 227.41 feet); thence northwesterly along the arc of said curve for 232.09 feet; thence North 38° 52' 31" West for 463.63 feet; thence with a curve to the right having a radius of 265.50 feet, a central angle of 19° 35' 52" (chord bearing and distance of North 29° 04' 35" West - 90.37 feet) thence northwesterly along the arc of said curve for 90.81 feet to the POINT OF BEGINNING.

Containing 29.2162 Acres.