

**DECLARATION OF PROTECTIVE COVENANTS
FOR HIGHLAND HOLLOW**

This DECLARATION OF PROTECTIVE COVENANTS for Highland Hollow, (the "Declaration") is executed by Highland Creek Hollows, LLC, (the "Developer"), with reference to the following:

RECITALS

- A. Developer is the owner of certain real property located in Utah County, Utah described more particularly on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").
- B. Developer has subdivided the Property into a residential subdivision.
- C. The Property is an area of unique natural beauty, featuring distinctive terrain.
- D. Developer desires to provide a general plan for the development of all of the Property and for the establishment of covenants, conditions and restrictions to enhance and protect the value and attractiveness of this uniquely attractive residential property, all in accordance with the provisions of this Declaration.
- E. The development of the Property and the construction of the improvements thereon has been, or is to be, performed in accordance with the plans contained in the Record of Survey Map to be recorded concurrently herewith.
- F. Developer intends to sell to various purchasers the fee title to the individual Lots contained in the subdivision.
- G. The Developer desires, by filing this Declaration of Protective Covenants, to submit Highland Hollow and all improvements now or hereafter constructed thereon to the terms, covenants, conditions and restrictions set forth below, which shall constitute equitable servitudes and shall run with the land. It is hereby given notice that Highland Hollow will include Phase 1, Phase 2 and Phase 3 and will contain forty (44) building lots.

COVENANTS, CONDITIONS AND RESTRICTIONS

NOW, THEREFORE, for the reasons recited above, Developer hereby covenants, agrees and declares that all of the property and lots shown on the Subdivision plat(s) for Highland Hollow shall be subject to the following covenants, conditions and restrictions and shall be conveyed subject to the covenants, conditions and restrictions hereinafter set forth, which are hereby declared to be for the benefit of all the property described herein and the owners thereof, their successors and assigns. These covenants, conditions, and restrictions shall run with the said

property and shall be binding upon all parties having or acquiring any right, title or interest in the described property or any part thereof and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

Definitions. The following definitions shall apply to this Declaration:

1.1. "Builder" shall mean an Owner, developer or contractor who obtains a construction or occupancy permit for one or more Lots.

1.2. "Building" shall mean an edifice or structure designed to stand more or less permanently.

1.3. "Dwelling Unit" shall mean shall mean and refer to a separate physical part of a Lot intended for independent use. Mechanical equipment and appurtenances located within any one Dwelling Unit, or located without said Dwelling Unit but designated and designed to serve only that Dwelling Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors, furnaces, water heaters, apparatus, systems or equipment, fixtures and the like, shall be considered part of the Dwelling Unit. All pipes, wires, conduits, or other utility lines or installations constituting a part of the Dwelling Unit or serving only the Unit, and any structural members, parts, components or any other property of any kind, including fixtures or appliances within any Dwelling Unit, shall be deemed to be part of the Unit.

1.4. "Lot" or "Lots" shall mean the subdivided and recorded lot or lots within Property and where the context so requires any Building or Dwelling Unit constructed thereon.

1.5. "Lot Number" shall mean the number and/or letter used to identify a particular Lot or Lots.

1.6. "Owner" or "Owners" shall mean the record owner or owners, whether one or more persons or entities, of a fee simple title to any Lot, excluding those having such interest merely as security for the performance of an obligation.

1.7. "Project" shall mean the Highland Hollow Development.

1.8. "Property" shall mean all real property and real property interest comprising Highland Hollow, Phase "1", Phase "2" and Phase "3".

ARTICLE II
APPLICATION

2.1 Area of Application. This Declaration shall apply to all of the Property.

ARTICLE III
EXPANSION

3.1 Right to Expand Application. The Developer shall have the right to expand the application of this Declaration to other property by written amendment to this Declaration duly recorded, and without additional Owner approval required.

ARTICLE IV
ARCHITECTURAL CONTROL COMMITTEE

4.1 Initial Committee. An Architectural Control Committee (hereinafter "Committee") is hereby created consisting of two (2) members. The undersigned may fill vacancies in the Committee and remove members thereof at its pleasure, provided however, that when ninety percent (90%) of the Lots in the Property have been sold (either deeded or sold under contract of sale) and upon designation of eighty-five (85%) by those who are Owners (either by contract of purchase or in fee) of Lots in said Property of some person or persons whom such owners desire to make a member or members of said Committee the Undersigned will appoint such person or persons to the Committee and if necessary, will remove from said Committee existing members in order to create vacancies for the new appointments, provided further, however, that one person designated by the Undersigned shall remain a member of said Committee if the undersigned so desires. After all members of the initial committee have resigned and after appointment of their successors, members of the Committee shall be elected to one year terms by a majority vote of the remaining Committee members. With the exception of the initial Committee members, any or all members of the Committee may be removed and replaced upon vote by a majority of the Owners. The initial Committee is composed of:

Stephen Larsen and Scott Larsen

4.2 Duties of the Committee. The functions of said Committee shall be in addition to the functions elsewhere in the Declaration set forth, to pass upon, approve or reject any plans or specifications for structures to be erected on Lots in the subdivision, so that all structures shall conform to the restrictions and general plans of the undersigned, and of the Committee, for the improvement and development of the entire subdivision. Nothing in this paragraph shall be construed as authorizing or empowering the Committee to change or waive any restrictions which are set forth in this Declaration except as herein specifically provided. The Committee may act by any two (2) of its members, and any authorization, approval or power made by the Committee must be in writing signed by at least two (2) members.

4.3 Enforcement. The Committee or any owner or the successor in interest of an owner shall have the right to enforce by proceedings at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any Amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations and the right to recover

damages for any such violation. Should any suit be instituted, the affected lot owner or owners agree that if the court finds in favor of the party bringing the action to enforce the covenants herein contained, that such lot owner or owners shall pay a reasonable attorney's fee as such fees may be fixed by the court.

4.4 Limitation of Liability. So long as the Committee members carry out their responsibilities hereunder in a reasonable manner, they shall incur no liability, costs or expenses arising out of the claims of any Owner(s).

4.4 Limitation of Membership. Membership in the Committee shall be limited to Owners only, as long as at least three Owners consent to serve. In the event the Owners cannot fill at least three seats on the Committee, any Owner may nominate a non-property owner in the Subdivision and such individual(s) may be voted upon by existing Committee members for membership on the Committee.

ARTICLE V

ARCHITECTURAL CONTROLS AND USE RESTRICTIONS

5.1 Construction Quality, Size and Cost. The Committee will base its approval of construction plans, specifications, landscaping plans, and other alterations on the acceptability and harmony of the external design of the proposed structures with respect to topography and grade, quality of materials, size, height, color, etc. All structures and Buildings constructed on the Property shall be of new materials, except pre-approved used brick, and shall be of good quality workmanship and materials. Only those exterior materials which will blend harmoniously with the natural environment, with special emphasis on earth-toned colors, shall be permitted. All exterior material shall consist of brick, rock (natural, artificial or cultured), stucco, or a combination approved in writing by the Architectural Control Committee. Aluminum soffit and fascia are acceptable. No aluminum exterior siding homes shall be permitted in the Project. All exterior materials and colors are to be specified on plans and submitted for approval by the Committee. No pre-manufactured homes shall be permitted. No flat roofs shall be permitted in the project. Pitched roofs shall be at least 10/12 pitch with the recommended pitch to be at least 11/12 but no greater than 12/12 without the prior written consent of the Committee. All stacks and chimneys from fireplaces in which combustible materials other than natural gas are burned shall be fitted with spark arresters. All Owners shall strictly comply with all state laws and city ordinances pertaining to fire hazard control.

5.1.1 Building Type and Size. No Building may be erected, altered or permitted to remain on any lot other than one (1) single family dwelling except as noted for "outbuildings". Every single family dwelling shall have a minimum area on the floor of 1,900 square feet for a single story (Rambler), and 1,600 square feet on the main floor and 650 square feet on the second story as minimum areas for a two story home.

5.2 Architectural Guidelines. The following architectural guidelines shall apply to all lots in the Highland Hollow Subdivision:

- 5.2.1 Exterior. The dwelling exterior shall be constructed of brick, natural stone, stucco or a combination thereof with at least 50% being brick or stone. Each wall shall contain some brick or stone. Cultured or artificial stone may be used only with Committee approval. Hardiplank or other similar material may be approved by the Committee, to be the other material besides brick or stone, which in all cases will be the minimum 50 % per dwelling exterior.
- 5.2.2 Color Harmony. The use of natural earth tones will be encouraged along with the use of native rock. It shall be the duty of the Architectural Committee to restrict colors and shading that does not blend into the natural landscaping. All exterior colors must be submitted and approved two weeks prior to being applied. The Committee must give its approval in writing. If approval is not obtained or granted and construction commences or continues, the Owner may be required to remove the exterior material.
- 5.2.3 Soffit and Facia. Soffit and facia materials may be aluminum material; however, wood is strongly encouraged. Any material and color must be approved by the Committee.
- 5.2.4 Roof materials. Roofing materials shall be tile or shake, however, a high grade of architectural type asphalt roofing (minimum 25 yr guarantee) may be permitted. Color must be approved by the Committee.
- 5.2.5 Garage. Every dwelling must have a minimum of a three (3) car garage. Garage doors shall face away from the street. Exceptions may be made for corner lots and lots that may be too narrow to allow 30' backing space. Doors facing the street must be "Carriage House" style wood doors. Any door facing the street must be of a wood style approved by the Architectural Committee.
- 5.2.6 Fencing. All fences must be submitted to the Architectural Control Committee for approval. Under no circumstances will solid wood or any chain link fencing of any type or brand or make be allowed to be constructed on any property within Highland Hollow, except that approved colored chain link fencing for the purposes of tennis courts may be permitted. Any fence that abuts public or private open space shall be of vinyl material of a style and color resembling natural wood, and shall be uniform for all Lots abutting such open space.
- 5.2.7 Driveways. All driveways on the Lots must contain Fifty percent (50%) of the driveway that is made of cobblestone or is colored, stamped or has other special treatment approved by the Committee.

5.2.8 Address. All homes must have address numbers that are well lit and can easily be seen from the street. Committee will determine standard style. To insure uniformity, address numbers shall be furnished by Association and installed by Lot owner or Builder.

5.2.9 Modification of Guidelines. Notwithstanding the foregoing, so long as Developer owns at least one Lot or any development land in the Project, Developer shall have the power and authority to make modifications to the foregoing in connection with the development and marketing of the Project.

5.3 Construction Time. The Committee shall have final control for approval of all color and material plans. There is no time limit for beginning construction; however, upon commencement, the construction time for the exterior portion of any structure shall not exceed eighteen (18) months from start to finish. "Start" shall be the instant any foliage is cut or removed in anticipation of the landscaping or construction to be built. All Building debris, excavation, dirt, etc. associated with the building process shall be removed within the eighteen (18) month period. Such debris and excavation dirt shall not be permitted on any of the streets or sidewalks within the Project, except for such temporary placement as may be necessary during delivery or loading of dirt, and as may be necessary to protect the sidewalk, curb and streets from damage.

5.4 Building Location. All Buildings in the Project shall be placed and used upon said lots in accordance with the provisions of the Highland City zoning ordinance.

5.5 Landscaping. The planting of trees that will have a high profile and obstruct the view from neighboring Lots is prohibited. Such trees may be pruned or removed at the discretion of the Board. No planting or structures shall be placed or permitted which may create erosion, or change the direction of drainage channels. All materials used to retain and contour the slope of any Lot or improvement must conform with the natural beauty and color of the Property and must be approved by the Committee. Each Dwelling Unit shall have installed surrounding it an outdoor sprinkler system for fire protection and irrigation. These landscape improvements must be installed within 12 months of home occupancy.

5.6 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage, or barn, and no temporary buildings or structures or any kind, shall be used at any time for a residence, either temporary or permanent. Temporary buildings or structures used during the construction of a dwelling on any property shall be removed immediately after the completion of construction.

5.7 Accessory Structures. Patio structures, trellises, sunshades, gazebos, awnings, window treatments, blinds, flags, and any other appurtenant buildings shall be located on the rear of the Lot, shall be constructed of materials consistent with the colors, textures, and materials approved for the dwelling, and shall be integral to the architecture of the house and subject to the prior written approval of the Committee in its discretion.

5.8 Exterior Antennas, Lights, and Power Lines. Exterior television antennas are prohibited. Exposed metal flues, vents, ventilators, or other metallic rooftop protrusions shall be coated or painted with a neutral color which will blend harmoniously with the surrounding Property. Satellite TV dishes, internet dishes and antenna, and other comparable items in common usage and acceptance now or in the future, will all be allowed, provided they are placed or screened so they are not readily visible to neighboring Lots and streets. The location of Satellite TV dishes and other comparable items must be approved by the Committee. Exterior lighting that is detached from the dwelling will not be allowed unless approved by the Committee. All power lines and similar type cables shall be buried underground. No short-wave radio antennas may be constructed on any Lot or attached to any structure thereon without the prior written approval of the Committee.

5.9 Nuisances; Construction Activities. Prior to commencing construction on a Lot and Owner shall post with the Association a one thousand dollar (\$1,000.00) cash construction bond to cover any damage done by Owner or their contractors, subcontractors or materialmen to streets, sidewalks, curbs and utilities lines and pipes, or any clean-up expense caused by such construction activities. If no damage is done, and no repairs or clean up are required from such Owner's construction activities, the bond, or the remaining portion thereof shall be refunded to Owner within sixty days of completion of construction activities. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot, and no odors or loud noises shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any parking in connection with the building of improvements on a Lot shall not be considered a nuisance or otherwise prohibited by this Declaration, but Lots shall be kept in a neat and tidy condition during construction periods, trash and debris shall not be permitted to accumulate, and supplies of brick blocks, lumber, and other building materials will be piled only in such areas as may be approved by the Committee. In addition, any construction equipment and building materials stored or kept on any Lot during construction of improvements may be kept only in areas approved by the Committee, which may require screening of the storage areas. Developer is exempt from the foregoing requirements during the period that Developer is the Lot Owner. The Committee, in its sole discretion, shall have the right to determine the existence of any nuisance.

5.10 Vehicle Parking and Storage on Streets. No articles, material, equipment, or vehicles of any nature shall be parked or stored on any street location within the Property. Licensed, regularly used passenger vehicles (i.e., visitor vehicles) may be parked on streets within the Property for brief periods of time (i.e., less than twenty-four (24) hours). Overnight parking of such vehicles should generally be restricted to the driveway of the dwelling being visited. Developer is exempt from the foregoing requirements during the period of time that Developer is the Lot Owner.

5.11 Limitation of Use of Snowmobiles and Motorcycles and other Motorized Vehicles. The use or operation of snowmobiles on Project streets is not permitted. The use of

motorcycles and other motorized vehicles which may produce audible annoyance to the Owners shall be limited to ingress and egress of the Property.

5.12 Drilling. No oil, gas or water drilling, development, operations, refining, storage, quarrying, or mining operations of any kind shall be permitted upon any Lot.

5.13 Handling Trash. The burning of rubbish, leaves, or trash on the Property is prohibited. Trash containers shall be covered and kept screened from view from the street in suitable enclosed areas, except during collection.

5.14 Noxious Insects. No owner shall permit anything or condition to exist upon any Lot which shall induce, breed, or harbor infectious diseases or noxious insects.

5.15 Laws. Nothing shall be done or kept in, on or about any Lot or Dwelling Unit, or any part thereof, which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

ARTICLE VI

GENERAL PROVISIONS

6.1 Developer's Sales Program. Anything to the contrary notwithstanding, for so long as Developer continues to own a Lot in the Subdivision the following provisions shall be deemed to be in full force and effect. No Owner or occupant shall interfere or attempt to interfere with the completion of improvements, promotion and/or sale of Lots owned by Developer or Dwelling Units constructed thereon. Developer shall have the right to maintain one (1) or more sales offices and one (1) or more model Dwelling Units at any one time. Such office and/or models may be one or more of the Dwelling Units owned by the Developer, one or more separate structures or facilities placed on the Property for the purpose of aiding Developer's sales effort, or any combination of the foregoing. Developer shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Property. Developer shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices. Developer shall have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility which was placed on the Property for the purpose of aiding Developer's sales effort. All of the rights of Developer under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Lots or Buildings in the Project title to which is vested in Developer shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Developer (in its capacity as Developer) herein.

6.2 Interpretation. To the extent Utah law is consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which

precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The term *shall* is mandatory and the term *may* is permissive. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

6.3 Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Developer, all other signatories hereto, all parties who hereafter acquire any interest in a Lot, the Subdivision or the Property, and their respective grantees, transferees, heirs, devisees, personal representative, successors, and assigns. Each Owner or occupant of a Lot shall comply with, and all interests in all Lots shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Lot in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

6.4 Enforcement and Right to Recover Attorney's Fees. Should the Developer or an aggrieved Owner be required to take action to enforce or construe the Declaration or to pursue any remedy provided hereunder or by applicable law, including a claim for injunctive relief or damages, whether such remedy is pursued by filing suit or otherwise, the prevailing party shall be entitled to recover his reasonable attorney's fees, costs and expenses which may arise or accrue, regardless of whether a lawsuit is filed.

6.5 Limitation of Liability. This Declaration of covenants, conditions and restrictions is established for the benefit of the Property and the Owners. Any damage, loss, claim or liability which might arise due to any decision, act, or failure to act of Developer or its agents, representatives and employees shall be exempt from any civil claim or action, including an action for negligence, brought by any person owning or having an interest in any Lot.

6.6 Amendments. This Declaration may be amended upon the affirmative written approval of at least a majority of the Owners and shall be valid immediately upon recording of the document amending the Declaration in the office of the County Recorder of Utah County, Utah; provided, however, so long as the Developer shall own at least one (1) Lot in the Subdivision, no amendment shall be valid or enforceable without Developer's prior written consent.

6.7 Duration. The covenants and restrictions of this Declaration shall endure for a term of twenty (20) years from the date this Declaration is recorded, after which time said

covenants shall be automatically extended for successive periods of ten (10) years.

Dated the 23rd day of ~~December~~, 200~~8~~⁷

DEVELOPER:
Highland Creek Hollows, LLC

By: [Signature]
Name: Stephen Larsen
Title: Managing Member

ACKNOWLEDGEMENT

STATE OF UTAH)
 :SS.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me the 23rd day of ~~November~~^{January} 200~~8~~⁷ by Stephen Larsen who is the manager of Highland Creek Hollows, LLC a Utah limited liability company and said Stephen Larsen duly acknowledged to me that Highland Creek Hollows, LLC, executed the same pursuant to a resolution of its manager.

[Signature]
Notary Public
Residing at:
My Commission Expires:



Exhibit "A"

Lots 101, 102, 103, 104, 105, 106, 107, 108, 109 and 110, Phase 1, Highland Hollow Subdivision, Highland, Utah according to the official plat thereof on file in the office of the Utah County Recorder.

Lots 201, 202, 203, 204, 205, 206, 207, 208, 209, 210 and 211, Phase 2, Highland Hollow Subdivision, Highland, Utah, according to the official plat thereof on file in the office of the Utah County Recorder.

Lots 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322 and 323, Phase 3, Highland Hollow Subdivision, Highland, Utah, according to the official plat thereof on file in the office of the Utah County Recorder.