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When Recorded Return To:
Causey Creek Development, LLC
Attn: Walter J. Plumb, IV
90 South 400 West, Suite 360
Salt Lake City, Utah 84101

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Declaration of Covenants, Conditions and Restrictions

of

Eaglepointe Planned Unit Development,

made by

Eaglepointe Development, L.C.

and

Causey Creek Development, LLC

May 15, 2007

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF EAGLEPOINTE PLANNED UNIT DEVELOPMENT**

¹⁵³ This DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made and entered into as of this day of May, 2007, by EAGLEPOINTE DEVELOPMENT, L.C., a Utah limited liability company ("Eaglepointe") and CAUSEY CREEK DEVELOPMENT, L.L.C., a Utah limited liability company ("Causey Creek") (Eaglepointe and Causey Creek are hereinafter referred to as "Declarant"). This Declaration establishes a planned unit development to be known as "Eaglepointe Planned Unit Development, in contemplation of the following facts and circumstances:

A. Eaglepointe Planned Unit Development, established by and subject to this Declaration, is situated in and upon the following described real property (the "Property") situated in North Salt Lake City, Davis County, State of Utah, and more particularly described as follows

Beginning on the South Corner of Lot 1218 of Eaglepointe Estates Subdivision Phase 12 which point is S0°02'21"E 1,497.06 ft. along the Quarter Section Line and East 141.41 ft. from the North Quarter Corner or Section 13, T 1N., R. 1W., S.L.B.& M. and running thence along the Boundary of said Phase 12 in the following three courses (i) N52°34'15"E 436.32 ft., (ii)Northeasterly 65.06 ft. along the arc of a 225.00 ft. radius curve to the left through a central angle of 16°34'02" (chord bears N72°08'27"E 64.83 ft.), (iii) S81°54'15"E 263.65 ft.; thence S0°30'51"W 220.81 ft., thence S72°27'33"E 109.49 ft., thence S53°28'59"E 348.18 ft.; thence S41°07'15"W 362.99 ft., thence S89°53'31"W 245.32 ft. along the Davis County Line, thence N64°45'42"W 262.62 ft.; thence N41°20'17"W 499.43 ft. to the point of beginning.
Containing 10 7832 acres.

B. Declarant is currently the owner in fee simple of the Property described in Recital A.

C. Declarant has undertaken to subdivide and develop the Property as a planned unit development to be used for residential purposes, subject to the covenants, conditions, restrictions, reservations, assessments, charges, and liens as stated herein.

Now therefore, the Declarant does hereby make and consent to the Declaration as follows

**ARTICLE I
Definitions**

Certain capitalized terms used in this Declaration shall have the meanings set forth in this Article I.

- 1.1 Architectural Control Committee shall have the meaning given to such term in Article VI.
- 1.2 Articles shall mean the Articles of Incorporation of the Association, as the same may be amended from time to time.
- 1.3 Assessments shall mean collectively Regular Assessments, Special Assessments or any other levy made by the Association pursuant to this Declaration, or, if the context requires, any or all of these, as applicable.
- 1.4 Association shall mean the Eaglepointe Planned Unit Development Homeowner's Association, a Utah non-profit corporation.
- 1.5 Association Expenses shall mean all Common Expenses.
- 1.6 Association Fund shall mean the primary operating fund of the Association and repository of all Assessments and any other funds owned by the Association.
- 1.7 Board of Trustees or Board shall mean the governing board of the Association, appointed or elected in accordance with this Declaration and the Articles and Bylaws.
- 1.8 Bylaws shall mean the Bylaws of the Association adopted by the Association.
- 1.9 Common Areas shall mean all portions of the Map which are shown to be Roads or streets. Common Areas may be subject to Easements as provided herein.
- 1.10 Common Expenses shall mean all costs and expenses which may be incurred by the Association in the management, control, maintenance and operation of the Common Areas and Common Improvements. The term Association Expenses shall be liberally construed to include all expenses of the Association and shall include utility charges billed to Common Areas; expenses of management; governmental taxes and special assessments; real property taxes charged or levied

against all Common Areas and/or Common Improvements; premiums for all insurance that the Association is required or permitted to obtain and maintain hereunder; repairs and maintenance of the Common Areas and Common Improvements, installation and maintenance of a security gate; expenses for maintenance of the Roads including snow removal; legal and accounting fees; any deficit remaining from a previous accounting period; creation of a reasonable contingency reserve or surplus and/or sinking fund, and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners or by reason of this Declaration.

1.11 Common Improvements shall mean all structures, gates, security systems, decorative planters, landscaping, light posts or lighting systems, sprinkler and irrigation systems, roads, and all other similar or dissimilar improvements which have been or will be constructed or installed for the use and enjoyment of all Owners notwithstanding that such improvements may be on, across, or under any individual Lot. The Association shall be the owner of all Common Improvements.

1.12 Declarant shall mean Eaglepointe Development, L C., a Utah limited liability company and Causey Creek Development, LLC, a Utah limited liability company.

1.13 Declaration shall mean this Declaration of Covenants, Conditions, and Restrictions of Eaglepointe Planned Unit Development, all exhibits attached hereto and incorporated by reference, and all amendments hereto or to any such exhibit

1.14 Lot shall mean a separately numbered and individually described plot of land as shown on the Map, and, where the context shall so require, shall include the Unit constructed upon such land

1.15 Manager shall mean the person, firm, or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and the Project.

1.16 Map shall collectively mean the final recorded plat pertaining Project recorded in the official records of the office of the County Recorder of Davis County, State of Utah (i) for Eaglepointe Planned Unit Development, on May ____, 2007 as Entry No. _____ in Book _____ at Page _____ (the "Map").

1.17 Member shall mean the same as Owner herein.

1.18 Membership shall mean the status of having or owning all of the rights, powers, and privileges of a Member.

1.19 Mortgage shall mean any mortgage, deed of trust, or other security instrument by which a Lot or any interest therein is encumbered.

1.20 Mortgagee shall mean (i) any person named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered or (ii) any successor to the interest of such person under such Mortgage.

1.21 Mortgagor shall mean any Owner whose Lot or interest therein is encumbered by a Mortgage

1.22 Owner shall mean any entity or individual, including Declarant, owning in fee simple any Lot as such ownership is shown upon the records of the County Recorder of Davis County, State of Utah. Owner shall not refer to (i) any Mortgagee (unless such Mortgagee has acquired title for other than security purposes), (ii) any person who uses or occupies a Unit but owns less than fee simple title to the Lot upon which such Unit is located during such use or occupancy, unless otherwise provided in this Declaration, or (iii) any person or entity which shall be purchasing a Lot under contract until such contract is fully performed and legal title to the Lot is conveyed of record.

1.23 Percentage Interest shall be determined for each Lot by dividing the number one (1) by the total number of Lots in the Project, which total is nine (9) Lots. Therefore, the Percentage Interest for each Lot is 11.1111%. The Percentage Interest shall not change unless and until the total number of Lots within the Project changes

1.24 Project shall mean the Property together with improvements thereon, including without limitation Common Areas, Common Improvements, Lots, and Units.

1.25 Property shall mean the real property described in Recital A.

1.26 Regular Assessment shall mean each Owner's share of the total annual Association Expenses.

1.27 Regulations shall mean such rules, ordinances, and regulations as the Association may make pursuant to this Declaration and the Articles and Bylaws, governing the use of the Lots, the Common Areas, the Project and all parts thereof, as such may from time to time be modified, amended and construed by the Association.

1.28 Roads shall mean those areas designated on the Map as roads, streets, or Fire Lanes within the Project, regardless of the names or designations given.

1.29 Special Assessments shall have the meaning given to it in Article IX.

1.30 Total Votes shall mean the total number of votes appertaining to all Lots in the Project which total is nine (9) votes.

1.31 Unit shall mean the single family dwelling located on a Lot, including (i) all driveways, drive approaches and other similar areas, if any, (ii) all balconies, breezeways, decks and porches, and (iii) all entry and other sidewalks located upon the Lot upon which the Unit has been constructed

1.32 Unit Exterior shall mean any physical characteristic, structure, fixture, improvement, part or aspect of a Unit situated or located on the exterior of such Unit or which can be seen under normal conditions, in day or night, from the boundaries of the Lot on which such Unit is located and which is part of the Unit or attached thereto, including without limitation the roof and any chimney; vents; pipes; exterior walls; doors (including garage doors); the interior of any garage which is consistently left open for any more than a temporary and brief period as determined by the Association; screens, windows, items placed in windows or transparent doors or other otherwise interior conditions which can be seen from outside the Unit; curtains or draperies, blinds; shutters; signs; satellite dishes; balconies, breezeways, decks and porches; all driveways, drive approaches and other similar areas, if any, all entry and other sidewalks; or items similar to any of these

1.33 Unit Interior shall mean any physical characteristics, structure, improvement, part, or aspect of a Unit which is not considered to be part of the Unit Exterior.

1.34 Vehicle shall include without limitation any motor vehicle, car, auto, truck, pickup, van, recreational vehicle, boat, trailer, motorcycle, all terrain vehicle, tractor or the like

ARTICLE II Declaration

Declarant hereby declares that all of the Property shall be held, sold, conveyed, and occupied subject to the terms, conditions, covenants, restrictions, uses, limitations, obligations, and provisions of this Declaration, each and all of which are declared and agreed to be for the benefit of the Property and the development of the Property as a planned unit development. Each and all of the provisions of this Declaration shall be deemed to run with the land and shall bind and be a burden and a benefit to (i) the Declarant, including its successors and assigns, (ii) any person or entity acquiring any Lot or any Owner, and the heirs, personal representatives, successors, and assigns of any such person, entity or Owner, and (iii) the Association

ARTICLE III Property Rights

3.1 Title to and Use and Occupancy of Lots. Each Lot (i) shall be owned in fee simple by an Owner, (ii) shall be subject to this Declaration and any other encumbrances, easements restrictions to which the Lot may be subject; and (iii) may be held or owned by any person or entity, or in any combination thereof, in any manner which title to any other real property may be owned in the State of Utah, including without limitation, joint tenancy or tenancy in common. Subject to and as a result of the limitations contained in this Declaration and the Articles, Bylaws and Regulations, each Owner shall have (i) the exclusive right to use and enjoy said Owner's Unit, (ii) the non-exclusive right to use and enjoy the Common Areas, and (iii) membership in the Association, and all other rights and limitations appurtenant to Lots and given to Owners as set forth in this Declaration.

3.2 Legal Description of Lots Every agreement or contract for the sale, conveyance or transfer of a Lot and every other instrument affecting title to a Lot may describe a Lot by identifying the number of the Lot as shown on the Map. Unless expressly stated otherwise in the description, such description shall be construed to describe the Lot and the Unit, together with such Lot's appurtenant interest in the Association and the easements for the use of Common Areas and to incorporate all of the rights incident to ownership of a Lot as set forth in this Declaration and all limitations on such ownership

3.3 Unit Exterior. Subject to the provisions of Articles V and VI, each Owner shall have the exclusive right, at the sole cost and expense of such Owner, to construct or reconstruct, build, improve, paint, repaint, remodel, rebuild, or otherwise decorate or redecorate the Unit Exterior, provided that all such activities shall be conducted in strict compliance with the procedures outlined in this Declaration. Each Owner shall have a duty to keep the Unit Exterior in a clean and sanitary condition and in good repair. In the event that any such Unit Exterior shall develop an unsanitary or unclean condition or fall into a state of disrepair, and in the event that the Owner of such Unit shall fail to correct such condition within fifteen (15) days after written notice thereof from the Association, the Association shall have the right, without liability to the Owner for trespass or otherwise, to enter upon the Lot on which the Unit is located and correct, eliminate, or remove said unsanitary or unclean condition or state of disrepair, with such action being taken at the sole cost and expense of the Owner, which cost and expense shall be payable within thirty (30) days of the date of written notice thereof. Until repayment, such costs and expenses shall be both a lien against said Owner's Lot and the personal liability of the Owner as provided in this Declaration. The Association shall have the right to established and foreclose such lien and to collect such amounts in the manner provided for the collection of Assessments in this Declaration. In no event shall the Association have any duty or obligation, express or implied, to correct

or eliminate any such condition or state of disrepair and the Association shall not be responsible to any party for any injury or damage to any person or property caused by the condition of any Lot or Unit.

3.4 Title to Common Areas. Fee simple title to the Common Areas and Common Improvements, shall be held in the name of the Association. Such title shall be subject to this Declaration and easements, covenants, servitudes and rights-of-way of records and the easements granted in this Declaration.

3.5 Combination of Lots. With the prior written consent of the Association, two or more contiguous Lots having the same Owner may be utilized by such Owner as if one Lot. Except for such combination, the ownership and use of the combined Lots shall be consistent with the provisions of this Declaration, the Regulations and any conditions to such combined use imposed by the Association.

3.6 No Subdivision or Timesharing. No Owner shall cause a Lot to be divided or occupied in any manner which would provide that the exclusive use, occupancy or possession of the Lot circulates among more than one (1) Owner or occupant or in any other manner which would violate the applicable ordinances of the applicable government authority. Any arrangement, however denominated, which would provide for timesharing or any other method for the rotation or circulation of the right to occupy a Unit shall be strictly prohibited.

3.7 Inseparability. Title to no part of a Lot, including any Unit thereon or any part thereof, may be separated from any other part thereof, and each Lot with its appurtenant rights and easements shall always be conveyed, devised, encumbered and otherwise affected only as a complete Lot. Every lease, devise, encumbrance, conveyance or other disposition of a Lot, or any part thereof, shall be construed to be a lease, devise, encumbrance, conveyance or other disposition, as applicable, of the entire Lot, together with all appurtenant rights, burdens and limitations created by law or by this Declaration, including without limitation appurtenant membership in the Association and easements established by this Declaration. None of the interests in a Lot may be separated in any manner which would attempt to separate the benefits and burdens associated therewith.

3.8 Separate Mortgages by Owners. Each Owner shall have the right to separately encumber by Mortgage its Lot. Any Mortgage or other encumbrance of any Lot shall be subject and subordinate to all the provisions of this Declaration and, in the event of any foreclosure of any such Mortgage or any other event by which title to the Lot becomes vested in the Mortgagee, the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise.

3.9 Separate Taxation. All taxes relating to or assessed or charged against a Lot or any improvements located thereon shall be paid by the respective Owners of such Lot. Taxes relating to or assessed or charged against all Common Areas and Common Improvements shall be paid by the Association and shall be part of the Common Expenses.

ARTICLE IV Easements

4.1 Encroachments. If any part of the Common Improvements encroach or shall hereafter encroach upon any Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered encumbrances on the Lots. Encroachments referred to herein shall include without limitation encroachments caused by error in the original construction of Common Improvements, by error in the Map, by settling, rising, or shifting of the earth or by changes in position caused by repair or reconstruction of any Common Improvement, or any part thereof, in accordance with the provisions of this Declaration.

4.2 Common Area Easement. Every Owner shall have a non-exclusive right and easement of use and enjoyment in the Common Areas, subject to the following limitations:

(a) The right of the Association to adopt Regulations regulating the use of the Common Areas, including speed limits and parking restrictions.

(b) The right of the Association to grant easements for public utilities or other public purposes consistent with the intended use of the Common Areas; and

(c) The terms and conditions of this Declaration.

4.3 Road Utility Easement. There is hereby granted to utilities serving the Project and the Units, a blanket easement upon, across, over and under all of the Roads for the construction, operation and maintenance of conduits, cables, pipes, mains, ducts, wires and other necessary equipment on or under the Roads (provided that all such services shall be placed underground) reasonably necessary for delivery of utility services to the Project and the Units, including without limitation, water, sewer, storm drainage, telephone, natural gas, electricity, cable television and other electronic transmissions. Any user of this easement shall be responsible to repair or restore any portion of the Project, including Common Improvements, which shall

be disturbed or damaged in the exercise of the right herein granted. Any user of the easement granted herein shall fully compensate any of the Owners, the Association or Declarant for any damage (including without limitation damage or injury to person or property), claims, demands, costs (including attorneys' fees), judgments or any other event, arising from the presence or activities of such utility, its agents, employees, invitees, licensees, and members, in or on the Project or in any way connected or related to the activities or presence of such utility within or on the Project. Also in connection with this easement, each user of the easement agrees and covenants to defend, indemnify and hold harmless the Declarant, the Association and the Owners from and/or against any and all liability, loss or damage, including without limitation damage or injury to person or property, as a result of claims, demands, costs (including attorneys' fees), judgments or any other event, arising from the presence or activities of any user, its agents, employees, invitees and licensees.

4.4 Storm Drainage Easement There is hereby created a blanket easement upon, across, over and under all of the Lots for construction and maintenance of storm drain systems and erosion control devices. By virtue of this easement, it shall be expressly permissible for the Association to lay, construct, renew, operate and maintain conduits, pipes, mains, ducts, catch basins and other necessary facilities on the Project, provided that all such facilities shall, to the extent possible, be placed underground in the Common Area. The storm drainage system shall be maintained under the direction of the Association.

4.5 Questar Gas Line Easement. The Existing Questar Gas Line Easement as recorded in Book 331, Page 303, and in Book 127 Page 273, of the Official Records of the Davis County Recorder is perpetuated unchanged throughout the Property. The Questar Gas Line Easement runs through lots 1, 2, 3, 4, and 9 and crosses Plum Tree Court. Within the easement no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the easement or the pipelines contained therein. The easement area of each of the Lots and all improvements in it shall be maintained continuously by the Owner of the Lot.

4.6 Police, Fire and Ambulance Service. An easement is hereby granted to all police, fire protection, ambulance services and all similar persons to enter upon the Property in the reasonable performance of their duties.

ARTICLE V Restrictions

5.1 Use of Lots All Lots within the Subdivision shall be used only for the construction and occupancy of one single family dwelling, not to exceed two stories in height, together with a private attached garage for not less than two vehicles and for not more than four vehicles. Off-street parking must be provided for an equivalent number of vehicles to the number of vehicles garaged and parking aprons as approved or required by the Committee. Lots may also be used for the construction of typical residential amenities such as a family swimming pool, tennis court, etc. All Lots shall be used, improved and devoted exclusively for such single family residential use. No gainful occupation, profession, trade or other nonresidential use shall be conducted on any such property and no persons shall enter into any Lot for engaging in such uses or for the purpose of receiving products or services arising out of such usage without review and approval by the Committee and the appropriate officials of the City of North Salt Lake.

5.2 Architectural Control. No grading, excavation, building, fence, wall, residence or other structure, or alteration of any kind shall be commenced, erected, maintained, improved, altered, or made until the construction plans and specifications thereof showing the location of all improvements has been approved in writing by the Committee. The Committee, at its sole option, may also require the Owner to submit a topographical plan and/or a detailed landscaping plan for review and approval. All subsequent additions to or changes or alterations in any building, fence, wall or other structure, including exterior color scheme, and all changes in the grade of any Lot shall be subject to the prior written approval of the Committee. No changes or deviations in or from the plans and specifications once approved by the Committee shall be made without the prior written approval of the Committee. Subsequent to receiving approval of the Committee and prior to the commencement of construction, each Owner will be responsible for obtaining a building permit from the City of North Salt Lake.

5.3 Design Review Deadlines Upon receipt by the Committee of a written request for approval provided for or required by this Agreement, the Committee shall, within thirty (30) days after receipt of such request for approval, either: (a) approve the plans and specifications as submitted; or (b) notify the party making such request of any objections thereto (such objections to be specifically stated) and such party may within fifteen (15) days thereafter resubmit its request for approval rectifying any such objections to the Committee. The Committee shall then have an additional fifteen (15) days after receipt of said revisions to approve or disapprove same. Failure to give any written notice of disapproval within the periods provided for above shall constitute approval thereof by the Committee.

5.4 Construction Quality, Size, and Height. 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.

5.4.1 Materials; Quality All structures constructed within the Subdivision shall be of new materials and shall be of good quality workmanship and materials. Eighty percent (80%) of all exterior construction shall be of new brick, stone, or stucco, except that used brick may be used with prior written approval of the Committee. Only those exterior materials

which will blend harmoniously with the natural environment, with special emphasis on earth toned colors, shall be permitted. Cementitious fiber board aka Hardy Plank will not qualify as masonry, stone or stucco. Log structures are prohibited. Each structure shall have a brick or stone wainscot with a minimum height of four feet (4') except for doorways, windows, pop-outs, or bay windows with no foundation support. All roof materials and colors must be approved by the Committee. The typical roof pitch shall be at least 5/12. **The Committee may grant a variance of the pitch only upon written request.** A minimum width of six (6) inches shall be required on the fascia. **The Committee may grant a variance on the width of the fascia only upon written request.** 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.

5.4.2 Minimum Size and Length of Dwelling. No dwelling shall be permitted on any Lot wherein the stacking is more than two and one-half (2 1/2) stories in height, and the ground floor area of the main structure, exclusive of garages and open porches, is less than the following area measurements:

(i) For a Single Story dwelling, 2,200 square feet, not including basement area;

(ii) For a Two Story dwelling, 1,400 square feet on the main floor with the aggregate footage of the upper two (2) floors (including the main floor level) of the structure totaling a minimum of 2,700 square feet;

(iii) For a Multi-Level dwelling, 2,700 total square feet, in the aggregate, for the upper main living levels (not including the basement areas) and the length of which is (parallel to the public road upon which the dwelling faces) no less than sixty (60) feet (including the garage). Notwithstanding the foregoing, any Multi-Level dwelling which has an aggregate area of at least 2,800 square feet (counting only the main living levels above the basement level), shall not be subject to the sixty (60) foot minimum length restriction.

5.5 Construction Time The Committee shall have final control for approval of all color and material plans. The construction time for the exterior portion of any structure, shall not exceed twelve (12) months from start to finish, including landscaping. "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 twelve (12) month period. Such debris and excavation dirt shall not be permitted on any of the streets or sidewalks.

5.6 Building Location All setbacks, side yards, and rear yards shall be in conformance with North Salt Lake City Ordinance in effect at the time of construction of any building on any Lot.

5.7 Landscaping. Trees, lawns, shrubs and other plantings provided by the Owner either before or after construction of a residence upon said Lot shall be properly nurtured and maintained or replaced at the Owner's expense upon request of the Committee. No fence, wall, or screen shall be erected without prior written approval of the Committee. No fence, wall, hedge or screen shall be erected that would obstruct sight lines or otherwise constitute a traffic hazard, particularly near driveways and street intersections. Only such natural foliage shall be removed from each Lot as is necessary for clearing the driveway, excavation for the foundation, and for lawns and patio areas. Topsoil is to be scraped and stockpiled before excavation for foundations or footings. The topsoil is to be replaced at the time of finish grading on each Lot. No planting or structures shall be placed or permitted which may damage or interfere with established slope ratios, 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 Subdivision and must be approved by the Committee. Each dwelling unit shall have installed surrounding it an outdoor sprinkler system for fire protection and irrigation.

5.7.1 Deadline for Completion of Landscaping. The front yard of each Lot (from the street to the front line of the residence on the Lot) shall be landscaped within one (1) year of the occupancy date of any structure built upon said Lot. The remainder of the Lot shall be landscaped within two (2) years of the occupancy date of any structure built upon said Lot.

5.7.2 Revegetation of Slopes. Where any slope on any Lot has a slope of 30% or greater the Owner thereof shall be required to immediately revegetate said slope and present a revegetation plan to the Committee for review and approval.

5.8 Temporary Occupancy and Temporary Buildings No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of 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.

5.9 Out Buildings. It is understood that out buildings such as swimming pool and tennis court dressing facilities may be constructed on any Lot as long as they are in conformity with the requirements of this Declaration and are approved by the Committee. All pools must be fenced in strict compliance with local ordinances.

5.10 Exterior Antennas, Lights and Power Lines. Exterior antennas are prohibited. Exposed metal flues, vents, ventilator or other metallic rooftop protrusions shall be coated or painted with a neutral color which will blend harmoniously with the surrounding landscaping and related improvements. T V dishes will be allowed provided they are placed or screened so they are not visible to neighboring properties and streets. The location of T.V. dishes must be approved by the Committee. Exterior lighting that is detached from a residence will not be allowed unless approved by the Committee. It is anticipated that variances for exterior lights, detached from a residence, that are positioned above a one-story level (i.e. tennis court lighting) will rarely be given. All power lines and similar type cables shall be buried underground.

5.11 Nuisances; 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 Lot or any portion thereof, or activity thereon, unsanitary, unsightly, offensive or detrimental to any other Lot in the vicinity thereof or to the occupants of such other Lot. No other nuisance shall be permitted to exist or operate upon any Lot so as to be offensive or detrimental to any other Lot in the vicinity thereof or to its occupants. Normal construction activities and 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 block, 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 also require screening of the storage areas.

5.12 Parking. The following apply to Vehicle parking within the Project.

5.12.1 Unlicensed or Inoperable Vehicles. No Vehicle which is inoperable or unlicensed shall be allowed within the Project, unless said Vehicle is stored inside an Owner's garage.

5.12.2 Parking on Roads. No Vehicle, inoperative or operative, shall be parked or placed within the Common Area, including Roads, except temporarily on a Road if the Vehicle belongs to a guest or invitee of an Owner, but not for more than any forty-eight hour period, and only for hours such as the Association may designate, which designated hours may be fewer than twenty-four in any single day.

5.12.3 Unit Driveways. In general, Vehicles may be parked temporarily in the driveway of a Unit, provided however, (i) only one Vehicle may be parked overnight in a driveway wide enough for only one auto, and no more than two Vehicles may be parked overnight in a driveway wide enough for two or more autos, and (ii) no Vehicle may be parked in a driveway for more than thirty (30) days within any sixty (60) day period and each driveway must be without any Vehicle on it overnight for at least twenty (20) days within any sixty (60) day period.

5.12.4 Recreational Vehicles. Notwithstanding any of the foregoing, recreational vehicles, boats, travel trailers and similar vehicles ("RVs") may not be parked within the Project, except within the garage of a Unit or temporarily in the driveway of a Unit, but not in any such driveway for more than forty-eight (48) hours within any one week period.

5.12.5 Access Restriction. No Vehicle belonging to an Owner or his guests, tenants, licensees or invitees shall be parked in such a manner as to impede or prevent ready access to any other Owner's Lot or Unit driveway.

5.12.6 Removal of Improper Vehicles. Any Vehicle which remains so placed as to be in violation of any of the foregoing for the time period provided above, or if no time period shall have been specifically provided, for over 24 hours (or in case of the Access Restriction for 4 hours), consecutively or cumulatively within any five day period, after personal notice of such violation given by the Association (i) to the owner of the Vehicle, or (ii) to the Owner in whose household or whose guest or invitee is the owner of the Vehicle, or (iii) if neither the Owner, his guest or his invitee is present at the Project or able to receive notice, then on the Vehicle in a conspicuous location; shall be subject to removal and storage by the Association, at the expense of the owner of the Vehicle, or, if owner of the Vehicle is not an Owner, then at the expense of the Owner in whose Unit the owner of the Vehicle is a guest, tenant, licensee, or invitee, which cost and expense shall be payable within a reasonable time and shall also be a lien against said Owner's Lot and the personal liability of the Owner.

5.12.7 Parking Regulations. All persons operating a Vehicle in the Project shall be subject to and obey posted parking regulations. The Association shall have the right to promulgate such Regulations consistent with this Declaration as may be necessary to provide for the safe use of Vehicles within the Project.

5.12.8 Repair Prohibited. No Owner, its guest or invitees, shall use any portion of the Project (except the interior of a garage for repairs to the Owner's personal Vehicle) for any mechanical work or maintenance upon any Vehicle, except emergency repairs necessary to make such Vehicle operable. Parking or Storage of Vehicles. No articles, material, equipment or vehicles of any nature shall be parked or stored on any street located within the Subdivision. Licensed, regularly used passenger vehicles (i.e. visitor vehicles) may be parked in the streets of the Subdivision for brief periods of time (i.e. less than twenty-four hours). Overnight parking of such vehicles should generally be restricted to the driveway of the dwelling being visited. No automobiles, trailers, boats, racks, snowmobiles, motor homes, recreational vehicles or any other type of vehicles shall be stored on driveways, unless behind the front line of the house. Such vehicles that are properly licensed and in running

condition may be stored on side Lots if properly screened from view. The acceptability of the screening structure must be approved by the Committee.

5.13 Garbage and Refuse Disposal. No Lot shall be used as or maintained as a dumping ground for rubbish, trash, garbage or other waste and such materials shall not be kept except in covered containers. All Trash containers shall be covered and kept screened from view from the street in suitable enclosed areas, except during collection. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition. The burning of rubbish, leaves or trash within the Subdivision is prohibited. Each Lot and its abutting street is to be kept free of trash, weeds, and other refuse by the Lot Owner. No unsightly material or objects are to be stored on any Lot in view of the general public.

5.14 Signs. No signs, posters, displays or other advertising devices of any character shall be erected or maintained on, or shown or displayed to the public view on any Lot without the express written consent of the Committee; provided however that the restrictions of this paragraph shall not apply to any sign or notice seven square feet or smaller in size which states that the premises are for rent or sale. During construction of the residence, builder or Owner of any lot may display a sign up to sixteen (16) square feet, provided that the design and construction of said sign complies with the sign design and construction criteria issued by the Design Committee. The Committee may cause all unauthorized signs to be removed. This section shall not apply to any signs used by Declarant or its agents in connection with the original construction and sale of the Lots.

5.15 Repair of Improvements. No improvements on any Lot shall be permitted to fall into disrepair and such improvements shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any building or structure is damaged or destroyed, then, subject to the approvals required by Section 5.2 above, such building or structure shall be immediately repaired or rebuilt or shall be demolished.

5.16 Restriction on Further Subdivision, Property Restrictions and Rezoning. No Lot shall be further subdivided or separated into smaller Lots by any Owner, and portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Committee, which approval must be evidenced on the plat or other instrument creating the subdivision, easement, or other interest. No further covenants, conditions, restrictions or easements shall be recorded by any Owner or other person against any Lot without the provisions thereof having been first approved in writing by the Committee and any covenants, conditions, restrictions or easements recorded without such approval being evidenced thereon shall be null and void. No application for rezoning of any Lot, and no applications for variances or use permits, shall be filed with any governmental authority unless the proposed use of the Lot has been approved by the Committee and the proposed use otherwise complies with this Declaration.

5.17 Leasing. Any lease or sublease of a Lot shall be in writing. No lease shall be used to contravene the provisions of Section 3.8. All tenants and subtenants of any Lot shall abide by and be subject to any and all of the provisions, covenants, restrictions, prohibitions and terms of this Declaration, the Articles, Bylaws and Regulations, including provisions relating to assessments and collections thereof, and any liens therefore, as if Owners hereunder and each lease or sublease of any Lot shall so provide. Each lease or sublease of any Lot shall provide that any failure to abide by the provisions, covenants, restrictions, prohibitions and terms of this Declaration, the Articles, Bylaws and Regulations, including provisions relating to assessments and collections thereof, and any liens therefore, shall be a breach and event of default under such lease or sublease. If an Owner or lessor of an Owner shall lease any Lot, the Owner or lessor of an Owner shall promptly notify the Association, in writing, of (i) the fact of the lease, (ii) the name of the tenant under such lease, (iii) the address of the Owner during the term of the lease, and (iv) the terms and conditions of such lease. As used in this section, the term "lease" shall include a lease, rental arrangement, license or any other arrangement for exclusive or partially exclusive use of a Lot by a person other than an Owner for a period of time longer than a few days. Any lease made for any Lot which is not in accordance with the provisions of this section shall not be void, but the Association shall have the right to a reformation of such Lease to conform it to the provisions of this section. The Association shall also have the right to reimbursement for damages from any Owner for all damages or injury (including a reasonable attorneys' fee) resulting to the Association from any failure of a lease to conform to this section. Any Owner who shall lease its Lot in accordance with the provisions of this Declaration shall remain personally liable in the manner set forth in this Declaration for any and all charges, costs and expenses properly charged against said Lot during the time of occupancy of any tenant or subtenant of said Owner.

5.18 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant, or its duly authorized agents, of temporary structures, trailers, improvements or signs necessary or convenient to the development, marketing or sale of property within the Subdivision.

ARTICLE VI Architectural Control Committee

6.1 Purpose. In order to create, maintain and improve the Project as a pleasant and desirable environment, to establish and preserve a harmonious design for the community, to establish procedures for the enforcement of the terms and conditions of this Declaration to protect and promote the value of the Subdivision, the exterior design of all improvements constructed within the Subdivision, landscaping and changes or alterations to existing use, landscaping and exterior design and development shall be subject to the prior review and approval of the Committee.

6.2 Creation of Design Review Committee. The Architectural Control Committee (the "Committee") shall consist of three (3) members. The initial Design Review Committee will consist of: Wilford W. Cannon, Jim Pack, and Walter J. Plumb, IV. A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor by majority vote.

6.3 Committee Duties. The Committee shall be responsible for the review and approval of all plans for the construction of any improvements upon any Lot, for the enforcement of the provisions of this Declaration, and for such other matters as shall be reasonably necessary to give effect to the purpose of this Declaration. In addition to the authority herein expressly given, the Committee shall have such rights, powers, and privileges as shall be reasonably necessary to give effect to this Declaration and the enforcement thereof.

6.4 Use of Consultants. The Committee is hereby authorized to retain the services of one or more consulting architects, landscape architects or urban designers, licensed to practice in the State of Utah, to advise and assist the Committee in performing, the design review functions prescribed in this Declaration and to carry out the provisions set forth herein.

6.5 Construction Cleaning and Design Review Deposit. Concurrent with submittal of the proposed home plans for each Lot, each Owner shall be required to pay a Construction Cleaning and Design Review Deposit (the "Deposit") in the amount of two hundred dollars (\$200.00) to the Committee before any home plans shall be reviewed or approved by the Committee. The Deposit will be held and used by the Committee as set forth in this Section. Upon completion of the construction of improvements upon the Owner's lot, the Owner shall be entitled to a refund of One Hundred Dollars (\$100.00), provided that the Lots and public improvements adjacent to the Owner's Lot are free of construction debris and damage resulting from construction on Owner's Lot. Said Owner shall be required to cause said adjacent Lots and public improvements to be free from construction debris and damage and no refund shall be made until the Owner has so complied. In the event such Owner shall not so comply, then the Committee shall be entitled to use said funds in payment of costs and expenses incurred to do so. In the event that the cost of removal of said construction debris and/or repair of damage is in excess of One Hundred Dollars (\$100.00) then any such amount in excess of One Hundred Dollars (\$100.00) shall constitute a Maintenance Charge that is subject to repayment pursuant to Section 3, by the Owner of the applicable Lot. The balance of the deposit shall be retained by the Committee to pay costs and expenses incurred in reviewing plans, including payment to consultants, architects, planners or members of the Committee.

ARTICLE VII The Association

7.1 The Association. The administration of this Project shall be through the Association. The Association shall operate in accordance with the laws of the State of Utah and with the Articles and Bylaws which have been adopted in accordance therewith and as such are consistent with this Declaration. A true copy of the duly adopted Bylaws of the Association shall be available to any Owner from the Association.

7.2 Membership. Each Owner shall be entitled and required to be a Member of the Association. Membership shall begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Lot is held by more than one person, the Membership appurtenant to that Lot shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Lot is held. An Owner shall be entitled to one Membership for each Lot owned by him. Each Membership shall be appurtenant to the Lot to which it relates and shall be transferred automatically by conveyance of that Lot. Ownership of a Lot within the Project cannot be separated from Membership in the Association appurtenant thereto, and any devise, conveyance, or other disposition of a Lot shall be construed to be a devise, conveyance, or other disposition, respectively, of the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a Lot.

7.3 Management. The affairs of the Association shall be managed by a Board of Trustees consisting of three (3) individual persons, or such other number as shall be set forth by amendment to the Articles and Bylaws. The Board of Trustees shall be elected and qualified by the Association in accordance with the provisions of the Bylaws. The Association shall act only through the Board of Trustees and officers duly elected thereby; and no Owner shall, in the capacity of an Owner and not as an officer of the Association, have the authority to bind the Association. The Board of Trustees shall initially consist of persons appointed by Declarant. At the time of the first annual meeting of the Members, the Members (including Declarant) shall elect, in accordance with the Bylaws, a Board of Trustees replacing the initial Board of Trustees as defined in the preceding sentence. The first meeting shall be held not later than one (1) year from the date of the issuance of the deed to the first Lot to an Owner other than Declarant. The terms of these first elected members of the Board shall be fixed so that (i) the term of one member shall be one (1) year, (ii) the term of one members shall be two (2) years, (iii) and the term of one member shall be three (3) years. Nominations for election to the Board shall designate the length of the term for which such person is being nominated. At the expiration of this first term of office, successors shall be elected to serve for a term of three (3) years.

7.4 Voting Rights Each Owner shall be entitled to vote on all matters brought before the Association for a vote thereon. The name of the Owner entitled to cast the votes appurtenant to a Lot shall be determined in accordance with procedures set forth in the Bylaws. No Owner shall be denied the exercise of its right to vote or participate at any meeting of the Owners solely upon the failure of said Owner to pay Assessments levied against such Owner. The Association has two classes of voting membership.

7.4.1 Class "A". "Class A Members" are all Members with the exception of Declarant. Each Lot shall be entitled to one (1) vote. The number of votes appurtenant to each Lot shall have a permanent character and shall not be altered without the unanimous written consent of all Owners expressed in an amendment to this Declaration duly recorded. The Members which constitute the Owners of a Lot shall collectively be entitled to cast the one (1) vote applicable to said Lot. Except as provided for the Class B Member, no Lot shall have more than one (1) vote.

7.4.2 Class "B". The "Class B Member" is the Declarant with respect to all Lots owned by Declarant. The number of votes which the Class B Member shall be entitled to cast during a vote of the Owners shall be three (3) votes for each respective Lot owned by Declarant. The Class B membership will cease and be converted to Class A membership upon the first to occur of (i) the recording of conveyances to purchasers of seven (7) of the nine (9) Lots subject to this Declaration, (ii) the expiration of seven (7) years from the date of the recording of the first conveyance of a Lot to a purchaser, or (iii) when, in its sole discretion, the Declarant so determines and records a certificate declaring Declarant's Class B Membership to be terminated. At the time of such cessation of Declarant's Class B membership and conversion to Class-A membership, Declarant shall give written notice to the Board of Trustees.

7.5 Power of Attorney and Amendments Each Owner makes, constitutes and appoints the Association the true and lawful attorney in and of said Owner to act in said Owner's name, place and stead to make, execute, sign, acknowledge and file with respect to the Project such amendments to this Declaration and the Map as may be required by Law or which may be approved by vote taken pursuant to the provisions of this Declaration.

7.6 Rights and Duties The Association shall have general responsibility for (i) the exclusive management, control, maintenance and operation of the Common Areas and Common Improvements, (ii) the enforcement of this Declaration, the Bylaws and the Regulations, as may be reasonably necessary, and (iii) all other acts required of the Association under this Declaration, the Articles, Bylaws or Regulations, or by law, and to exercise such rights as the Association may have and as may be reasonably necessary in the performance of its responsibilities.

7.7 Source of Operating Funds The Association may obtain and pay for out of the Association Fund the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are employed directly by the Association or by any person or entity with whom or which it contracts. The Association may also obtain and pay for out of the Association Fund legal and accounting services necessary or desirable in connection with the operation of the foregoing. The Association may acquire and pay for out of the Association Fund insurance, water, sewer, garbage collection, electrical, gas, and other necessary or desirable goods, services, and utility services, insurance, bonds, and other goods and services necessary to or desired for its activities with respect to the Project.

7.8 Maintenance and Control of Common Areas. The Association, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management, control, operation and maintenance of the Common Areas and Common Improvements, and shall keep the same in a good, clean, attractive, safe, condition, order, and repair. Such maintenance shall specifically include, but not by way of limitation, responsibility for maintenance, repair and replacement of all Roads, including snow removal. All goods and services procured by the Association in performing its responsibilities under this section shall be paid for with funds from the Association Fund.

7.9 Agreements. The Association may, without the vote or consent of the Owners or of any other person, grant or create on such terms as it deems advisable, utility and similar easements and rights of way over, under, across and through the Common Areas and Roads and enter into such other agreements as it shall deem in the interest of the Owners for the operation of the Project as a first class planned unit development, provided that no such agreement shall be in derogation of any Owner's rights under this Declaration.

7.10 Adoption of Regulations. The Association may establish reasonable procedures, rules and regulations ("Regulations") governing the use of the Lots, Common Areas, Common Improvements and Roads provided, however, that such Regulations shall be consistent with the rights and obligations established by this Declaration and that copies of such Regulations are furnished to Owners when first promulgated or amended by the Association. Regulations shall be void and of no effect to the extent that such are inconsistent with the rights and obligations established by this Declaration.

7.11 Manager. The Association may by written contract delegate in whole or in part to a professional Manager such of the Association's duties, responsibilities, functions, and powers hereunder as are properly delegable. The services of any Manager retained by the Association shall be paid for with funds from the Association Fund. The written contract by which the Manager shall be engaged shall:

(a) Authorize and obligate the Manager to perform such of the duties and obligations of the Association specified in this Article as shall be delegated properly to the Manager hereunder.

(b) Provide for a term of not more than two (2) years, except that such agreement may provide that the term will be automatically renewed for successive annual terms unless notice of non-renewal is given by either party not then in default thereunder no later than ninety (90) days prior to the end of the term thereof. The agreement shall be subject to termination by the Association (i) at any time, for cause, upon the vote of a majority of members of the Board of Trustees, and (ii) at any time, with or without cause, if required to do so by the affirmative vote of more than fifty percent (50%) of the Total Votes of the Association.

(c) Provide that the Manager may resign only after giving the Association written notice of its intended resignation at least ninety (90) days prior to the effective date therefor.

(d) Provide for the compensation to be paid to the Manager.

(e) Contain such other matters as the Association and the Manager shall deem appropriate and desirable.

In the event that the Manager shall dispute a termination by the Association pursuant to subparagraph (b) of this subsection, the dispute shall be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association

7.12 Limitations on Associations's Powers and the Manager Notwithstanding the powers of the Association as set forth in this Article, neither the Association (nor the Manager when acting on behalf of the Association) shall enter into a contract with a third person or entity whereby such person or entity will furnish goods or services for the Project for a term longer than one (1) year unless authorized by at least fifty-one percent (51%) of the Owners, except for:

(a) The agreement authorized pursuant to Section 7 12.

(b) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Service Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(c) Prepaid casualty and/or liability insurance policies not to exceed three (3) years duration provided that the policy permits short-rate cancellation by the insured.

7.13 Financial Records and Disclosure. The Association shall cause financial statements for the Association to be regularly prepared and cause copies thereof to be available to all Owners.

ARTICLE IX Assessments

9 1 Obligation to Pay Assessments. The Declarant, for each Lot owned by it, and each Owner of any Lot by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association its proportionate share of any and all costs and expenses incurred in the ownership, operation and/or maintenance of any and all parts of the Project, including specifically but without limitation all Association Expenses, Common Expenses, and all other expenses, however denominated, incurred by the Association in the performance of the Association's duties, responsibilities, rights, powers and privileges. In the case of joint ownership, each Owner or joint owner shall be jointly and severally liable for all Assessments. All items of expense, whether Association Expense, Common Expense must be approved by a majority of the Board, but only to the extent reasonably necessary to insure that the Board shall be responsible for and control the use of monies collected pursuant to this Declaration. All Assessments shall be made by the Association for the purposes provided in this Declaration and shall be fixed, established and collected from time to time as provided in this Article. AN OWNER'S OBLIGATION TO PAY ASSESSMENTS LEVIED IN ACCORDANCE WITH THE PROVISIONS OF THIS DECLARATION SHALL COMMENCE IMMEDIATELY UPON THE RECORDING WITH THE DAVIS COUNTY RECORDER OF A DEED CONVEYING TITLE TO SAID OWNER. THE OBLIGATION COMMENCES AT SUCH TIME WHETHER OR NOT A RESIDENCE HAS BEEN OR IS THEN BEING CONSTRUCTED ON THE LOT AND WITHOUT REGARD TO WHEN OR IF SUCH OWNER SHALL TAKE ACTUAL OCCUPANCY OF THE LOT OR UNIT.

9.2 Regular Assessments The Association's recurring costs of the ownership, operation and/or maintenance of the Project shall be paid through an annual Assessment to all Owners, called a Regular Assessment. Regular Assessments shall be computed and assessed on an annual basis against all Lots as set forth in this section. Regular Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated Association Expenses. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective Percentage Interest.

9.3 Annual Budget. Regular Assessments shall be determined on the basis of a fiscal year beginning January 1 and ending December 31 next following. It is provided however that the first fiscal year shall begin January 1, 2007. On or before November 1, 2007 and on or before November 1st of each year thereafter, the Association shall prepare and furnish to each Owner or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Association Expenses for such fiscal year, anticipated receipts (if any) and any deficits or surpluses from the prior operating period. The budget shall serve as the supporting document for the Regular Assessment for the upcoming fiscal year and as a major guideline under which the Project shall be operated during such annual period.

9.4 Notice and Payment. Except with respect to the first fiscal year, the Association shall notify each Owner as to the amount of the annual Regular Assessment against its Lot on or before December 1 each year for the year beginning on January 1 next following. Each Regular Assessment shall be due and payable on or before the first day of each respective year. It is provided, however, that the annual Regular Assessment for the first fiscal year shall be based upon such portion of the first fiscal year as is practicable by reason of the construction of the Project and such portion of Association Expenses as are anticipated to be incurred in such year which shall then be apportioned to the respective Lots as provided in Section 9.2 and shall be payable in such installments and at such times as the Association may determine. Any Regular Assessments which shall not have been received by the Association on or before the fifth day of any month in which it is due shall be assessed a late charge in an amount not less than Five Dollars (\$5 00) for each such late payment. The amount of the late charge shall be subject to adjustment from time to time by the Association, provided that such amount shall not be in an amount in excess of the amount of the maximum then permitted under the Utah Uniform Consumer Credit Code. The amount of any assessment which is not paid when due shall bear interest at the rate of one and one-half percent (1.5%) per month from the date each such installment becomes due until same shall be paid. Late charges and interest on any unpaid Regular Assessment may be charged according to procedures established by the Association. Failure of the Association to give timely notice of any Regular Assessment as provided herein, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration or a release of any Owner from the obligation to pay such Regular Assessment. It is provided, however, that the date on which payment shall become due in such case shall be deferred to a date designated by the Association, which date shall be not less than fifteen (15) days after notice of such Regular Assessment shall have been given to the Owner in the manner provided in this Declaration.

9.5 Inadequate Funds. In the event that the Association Fund shall prove inadequate at any time for whatever reason, including nonpayment of any Owner's Regular Assessments, the Association may levy additional Assessments in accordance with the procedure set forth in Section 9.6 provided, however, that the vote therein specified shall be unnecessary.

9.6 Special Assessments. In addition to the Regular Assessments authorized by this Article, the Association may levy Special Assessments at any time and from time to time, upon the affirmative vote of more than fifty percent (50%) of the Total Votes of the Association. Such Special Assessments shall be in such amounts and shall be payable over such periods as the Association may determine and which shall have been approved in such vote. Such Special Assessments shall be levied for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Areas or Common Improvements, or for any other expenses incurred or to be incurred as provided in this Declaration. This section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other sections or articles hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective Percentage Interest. Notice in writing of the amount of such Special Assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than thirty (30) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of one and one-half percent (1.5%) per month from the date such portions become due until paid. All funds received from Special Assessments under this section shall be used specifically for the purpose for which such Special Assessment shall be levied or returned to the Owners.

9.7 Collection of Assessments. In addition to any other right or remedy specifically set forth herein for the collection of unpaid Assessments, the Association shall have the right to establish procedures for the collection of Assessments, including charging of interest and late charges, and shall have any and all rights and remedies provided at law or equity for the collection of debts. Any or all such rights shall be exercised in such manner, on one or more occasions and in such order as the Association shall elect, without waiver of any other right, remedy or lien set forth in this Declaration. Any failure of the Association to exercise any such right on one or more occasions shall not constitute a waiver of the right to so exercise such right in the future. In the event that the Association shall file a lien, commence legal proceedings or refer the collection of any unpaid Assessment to an attorney for collection thereof, then interest shall be deemed to accrue on any unpaid portion of the Assessment from the first day of the fiscal year for which any Regular Assessment shall be due or from the due date established for any other Assessment levied in accordance with the provisions of this Declaration.

9.8 Lien for Assessment. All Assessments, together with interest thereon as provided herein, shall be secured by a lien on the applicable Lot in favor of the Association. To evidence a lien for sums assessed pursuant to this Declaration, the Association shall prepare a written notice of lien setting forth the amount of the Assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot and a legal description of the Lot. Such notice shall be signed by a duly authorized officer of the Association, acknowledged and shall be recorded in the office of the County Recorder of Davis County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of an Assessment. Such lien may be enforced by sale of the Lot encumbered by the lien at a foreclosure sale conducted by the Association and conducted generally in accordance with the provisions of Utah law applicable to the exercise of powers of sale for foreclosure under a deed of trust or in

any other manner permitted by Utah law. In any such sale by foreclosure, the Owner shall be required to pay the Association's costs and expenses of such proceeding (including reasonable attorneys' fees) and such costs and expenses shall be secured by the lien herein provided whether or not same shall be specifically set forth therein. The Owner shall also be required to pay to the Association any Assessments against the Lot which shall become due during the period of foreclosure or sale, and all such Assessments shall be secured by the lien herein provided. The Association shall have the right and power to bid in any foreclosure or other sale, and to hold, lease, mortgage or convey the subject Lot. In the event that the Association becomes the Owner of such Lot as a result of such foreclosure and the Owner fails to immediately vacate such Lot, the Owner shall be required to pay a reasonable rental for the Lot and the Association shall be entitled to the appointment of a receiver to collect the rental without regard to the value of security. Upon any foreclosure sale, the Owner or any person in occupancy of the Lot or any portion thereof, shall immediately become a tenant at will of the purchaser at such sale.

9.9 Personal Liability of Owner. The amount of any Regular or Special Assessment against any Lot, together with accrued interest and late charges, against any Lot shall be the personal obligation of the Owner of such Lot to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use or enjoyment of any of the Common Areas or by abandonment of said Owner's Lot or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment for unpaid Assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

9.10 Statement of Account. Upon payment of a reasonable fee not to exceed \$15.00 and upon written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth (i) the amount of the unpaid Assessments, if any, with respect to such Lot, (ii) the amount of the current Regular Assessment and the date or dates upon which installments thereof become due, (iii) the amount of any current Special Assessment and the date or dates upon which the same or portions thereof become due, (iv) any credit for advanced payments or prepaid items, including without limitation the Owner's share of prepaid insurance premiums, and (v) any other charges, costs or expenses, fines, or other amounts then required of, charged to, or levied upon such Owner or such Owner's Lot consistent with the provisions of this Declaration. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.

9.11 Personal Liability of Purchaser. Subject to the provisions of Section 9.10, a purchaser of a Lot shall be jointly and severally liable with the seller thereof for all unpaid Assessments against such Lot up to the time of the grant or conveyance, provided, however, that this section shall not prejudice the purchaser's right to recover from the seller the amount of any such Assessments actually paid by the purchaser.

9.12 Amendment of this Article. This Article IX shall not be amended unless the Owners holding at least eighty percent (80%) of the Total Votes of the Association shall consent and agree to such amendment upon a vote of the Owners held for such purpose. Such vote shall be duly certified by the Board in the written amendment hereto, and said amendment shall be effective upon the recordation thereof in the official records of Davis County, State of Utah.

ARTICLE X Insurance

10.1 Insurance. The Association shall obtain and keep in full force and effect at all times at least the types of insurance coverage set forth in this Article to be provided by companies licensed to do business in the State of Utah.

10.2 Fire and Casualty. The Association shall obtain a policy or policies of insurance on the Project in such amounts as shall provide for replacement of any Common Improvements, or other property owned by the Association in the event of damage or destruction from the casualty against which such insurance is obtained. Such insurance shall be in accordance with coverage customarily maintained by other planned unit developments similar in location, construction, design, and use, and shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

10.3 Public Liability and Property Damage. The Association shall obtain a broad form of comprehensive liability insurance coverage, in such amounts (but in no event less than \$1,000,000.00 per occurrence) and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death, and property damage. Coverage shall include without limitation liability for operation of automobiles on behalf of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project by the Association.

10.4 Workers' Compensation. If the Association hires employees, the Association shall obtain and maintain worker's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by applicable law.

10.5 Fidelity or Bond. The Association shall purchase, in such amounts and in such forms as it deems appropriate, fidelity insurance or bonds to cover against dishonesty of the Manager, Trustees, officers, or employees of the Association, destruction or disappearance of money or securities and forgery.

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

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

10.8 Owner Insurance. The Association shall not maintain insurance for any Lot, Unit, or, the personal property of any Owner or any contents of any Unit, or for any Vehicles upon the Project which are not owned, maintained, operated, or used by the Association. Said insurance coverage shall be the sole and absolute responsibility of each respective Owner. Therefore, in addition to all other insurance required to be maintained by the Association, each Owner shall obtain, at such Owner's own expense, insurance coverage for the applicable Lot, Unit, the personal property, the personal liability of such Owner and covering such other risks as such Owner may deem appropriate; provided, however, that each such policy shall provide that it does not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance of the Owner's Lot and risks associated therewith shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other Owners and their respective servants, agents, invitees, and guests.

ARTICLE XI Damage or Destruction

In the event any part of the Common Areas or Common Improvements are damaged or destroyed, the Association shall proceed as required by the provisions of this Article. Each Owner shall be responsible to replace and/or reconstruct any damage to any part of the Common Areas or Common Improvements caused by such Owner or its guests, tenants, licensees or invitees.

11.1 Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Common Areas, Common Improvements, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed.

11.2 Insurance Proceeds. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, then such repair and reconstruction shall be carried by the Association out in a manner consistent with this Declaration. The Association shall have a duty to cause to be repaired any damage which shall occur to those portions of Common Improvements which are essential for the operation of the Project as a planned unit development such as the Roads, storm drainage systems, sidewalks and other such Common Improvements required for the reasonable use and enjoyment of the Units by the Owners thereof or by applicable law or regulation ("Required Improvements") The Board of Trustees shall have the right, in the exercise of its reasonable discretion, to determine what Common Improvements shall be deemed to be Required Improvements. In the event the proceeds of such insurance and any reserved portion of the Association Fund subsequently prove to be insufficient to pay the actual costs of such repair and reconstruction of any Required Improvements, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 9.6, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected or previously reserved (together with the proceeds of insurance) subsequently prove to be insufficient to pay all actual costs of such repair and reconstruction of any Required Improvements. However, if the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project which are not Required Improvements, the damage or destruction shall be repaired and reconstructed as provided in this section if, but only if, within one hundred (100) days following the damage or destruction, the Owners shall elect by a vote of more than fifty percent (50%) Total Votes to carry out such repair and reconstruction. If, however, the Owners vote to not repair or reconstruct the Common Improvements which are not Required Improvements, then the Common Area upon which such Common Improvements were located will be landscaped or otherwise repaired only in such manner as shall reasonably be required to remove visual evidence of damage and to remove any unsafe conditions.

11.3 Repair and Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project which is damaged or destroyed. The terms repair and reconstruction shall mean in this Article that the parts damaged or destroyed shall be restored or repaired to substantially the same condition in which they existed prior to the damage or destruction.

11.4 Use of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from Assessments made pursuant to this Article shall constitute a fund for the

payment of costs of repair and reconstruction after casualty. The first money disbursed in payment for cost of repair and reconstruction shall be deemed made from insurance proceeds; and if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Association Fund for the payment of Association Expenses.

11.5 Amendment of this Article This Article shall not be amended unless all of the Owners unanimously consent and agree to such amendment as shall be certified and evidenced in a duly recorded instrument.

ARTICLE XII Condemnation

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

12.1 Proceeds. All compensation, damages, and other proceeds from any such taking by power of eminent domain ("Proceeds") given for any Common Areas or Common Improvements, which shall constitute compensation for the taking of such portion of the Project, shall be made payable to the Association and shall become part of the Association Fund. Any Proceeds given for any Lot, or the Unit or Landscape Improvements located upon such Lot, shall be made payable and distributed directly to the Owner of the applicable Lot. No Proceeds shall be disbursed to either the Association or the Owner until such Proceeds have been allocated as set forth herein, either by judicial decree or by written agreement of the Owner and the Association

12.2 Complete Taking In the event that the entire Project is taken by power of eminent domain, this Declaration shall terminate as if the Declaration had terminated pursuant to Section 17.7, except that the Proceeds that would otherwise go to the Association shall be allocated among and distributed to the Owners in proportion to their respective Percentage Interest. Such distribution shall be made by checks payable jointly to the respective Owners and their respective Mortgagees, as appropriate

12.3 Partial Taking. In the event that less than the entire Project is taken by power of eminent domain, the following shall occur:

12.3.1 Allocation of Proceeds The Proceeds of such partial taking shall be allocated among the respective parties consistent with the provisions of this Article

12.3.2 Reorganization. The Association shall not terminate, but the Association and its Members shall continue to function as follows: (a) if any partial taking of the Project results in the taking of an entire Lot, then the Owner of such Lot shall cease to be a Member of the Association and all voting rights and the Percentage Interest for each remaining Lot shall be recalculated based upon the Project, (b) if any partial taking results in the taking of a portion of a Lot and if there is not a determination that such taking makes it impractical to use the remaining portion of such Lot for any lawful purpose permitted by this Declaration, then the Vote appurtenant to such Lot shall not be adjusted; and (c) if any partial taking results in the taking of a portion of a Lot and if there is a determination that such taking makes it impractical to use the remaining portion of such Lot for any lawful purpose permitted by this Declaration, then the Lot shall no longer be included in the Total Votes of the Association and the Owner of such Lot shall cease to be a Member. The remaining portion of such Lot shall thereafter be part of the Common Area, the Association having the duty and authority to make all determinations and to take all actions necessary or appropriate to effectuate reorganization under the provisions of this section; provided, however, that if any such determination shall have been made or such action taken by judicial decree, the Association shall defer thereto and proceed in accordance therewith. The Association shall have the duty to pay the Owner of such Lot which has become part of the Common Area, an amount equal to the fair market value of such partial Lot as such value shall be determined after the taking such value shall be determined either by agreement with the Owner, or by arbitration.

12.4 Repair and Reconstruction Any repair or reconstruction necessitated by condemnation shall be governed by the provisions specified in Article XII; provided, however, that the provisions of such Article dealing with the sufficiency or insufficiency of insurance proceeds shall not be applicable.

ARTICLE XIII Compliance

13.1 Compliance Each Owner shall comply strictly with the provisions of this Declaration, the Articles, Bylaws and Regulations, and the decisions and resolutions of the Association adopted pursuant thereto, as any of the same may lawfully be modified and amended from time to time. Failure to comply with any of the same shall be grounds for enforcement as provided in this Article. The enumeration of remedies in this Article shall neither waive nor limit for any person or entity mentioned herein the remedies available to such person or entity. The rights and remedies set forth in this Article are cumulative and are in addition to and not in lieu of any other right or remedy which any person or entity may have under any other instrument or agreement or at law or in equity.

13.2 Association Enforcement. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any supplemental or amended Declaration, or in the Bylaws or Regulations, with respect to any Owner or Lot, and all matters within such Owner's control, shall be enforceable by the Association by sanctions, which sanctions may include reasonable monetary fines, and suspension of the right to use the Common Improvements for a period not longer than thirty (30) days for each violation or breach. No fine may be levied against the Owner for any matter within such Owner's control except after written notice of the violation shall have been given or for any amount which shall be more than one percent of such Lot's Regular Assessment for any one violation. After notice of a violation of this Declaration, the Bylaws or Regulations, no fine may be levied or charged except such violation continues for forty-eight (48) out of the seventy-two (72) hours following the giving of the notice of violation, after which a fine may be imposed by notice of a fine, but each day a violation continues after notice of a violation is given to the Owner is a new and separate violation but no additional notice of such violation need be given. If an Owner requests in writing a hearing following a notice that a fine has been imposed, the imposition of the fine shall be suspended until after the hearing. Fines shall be payable within twenty (20) days after notice is given of imposition of a fine and shall also be a lien against said Owner's Lot and the personal liability of the Owner as provided in Article IX.

13.3 Judicial Enforcement. The obligations, provisions, covenants, restrictions and conditions contained in this Declaration, or in any supplemental or amended Declaration, or in the Bylaws or Regulations, with respect to the Association, Owner or Lot, shall be enforceable by the Declarant, the Association, or any Owner, subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction. The obligations, provisions, covenants, restrictions and conditions contained in this Declaration, or in any supplemental or amended Declaration, with respect to a person or entity or property of a person or entity other than the Association or the Declarant shall be enforceable by the Declarant or by the Association or, in a proper case, by an aggrieved Owner by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due and unpaid. In the event any action, with or without suit, is undertaken by the Association to enforce any provision hereof or any rule of the Association, the party against whom enforcement is sought shall pay to the Association or enforcing Owner a reasonable attorney's fee.

13.4 Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue as long as such Owner remains an Owner as "Owner" is defined herein, notwithstanding that said Owner may be leasing, renting, or selling under contract said Owner's Lot. The Owner of a Lot shall have no obligation for expenses or other obligations accruing after said Owner conveys such Lot of record, provided, however, that such Owner shall remain liable for expenses incurred in enforcing or collecting obligations accruing prior to such conveyance.

ARTICLE XIV Mortgagee Protection

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

14.2 Notice of Noncompliance. From and after the time a Mortgagee makes written request to the Association therefore, the Association shall notify such Mortgagee in writing in the event that the Owner of the Lot encumbered by the Mortgage held by such Mortgagee neglects, for a period of thirty (30) days or more, to cure any failure on the part of such Owner to perform any of his obligations under this Declaration.

14.3 Priority of Assessment Lien. The lien or claim against a Lot for unpaid Assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to a Mortgage affecting such Lot which has been recorded prior to the date such Assessment became due. A Mortgagee who comes into possession of the Lot pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall take the same free of such lien or claim for unpaid Assessments or charges, but only to the extent of Assessments or charges which accrue prior to foreclosure of the Mortgage, exercise of a power of sale available thereunder or delivery of a deed or assignment in lieu of foreclosure, except for claims for a pro rata share of such prior Assessments or charges resulting from a pro rata reallocation thereof to all Lots including the Lot in which the Mortgagee is interested. No Assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a Mortgage or as not being a burden to a Mortgagee coming into possession pursuant to his Mortgage or a deed or assignment in lieu of foreclosure shall be collected or enforced against a Mortgagee, a successor in title to a Mortgagee, or the Lot affected or previously affected by the Mortgage concerned (to the extent any such collection or enforcement would prejudice the interests of the Mortgagee or successor in title to the Mortgagee interested in such Lot). Nothing contained herein shall preclude the Association from pursuing collection of an unpaid Assessment from the Owner responsible for the payment of the Assessment levied against the Lot which has been foreclosed or otherwise taken over by a Mortgagee or a purchaser at a foreclosure sale; provided that such collection from said Owner shall not seek to impair title to the Lot.

14.4 Required Approval of Mortgagees. Unless all of the first Mortgagees of the individual Lots have given their prior written approval, the Association shall not be entitled, by act, omission or otherwise to.

- (a) abandon or terminate the Project or to abandon or terminate the arrangement which is established by this Declaration and the Map, except for abandonment ordered by a court or provided by statute;
- (b) abandon, partition, subdivide, encumber, alter the boundaries of, sell, diminish or transfer all or any part of the Common Areas (except for the granting of easements for utilities and similar purposes consistent with the intended use of the Common Areas);
- (c) use hazard insurance proceeds to which it is entitled resulting from damage to any part of the Project (including the Common Areas and Common Improvements) for purposes other than repair, replacement, or reconstruction of such parts; or, in case of a balance after payment of all costs of such repair, replacement, or reconstruction, to use such balance for purposes other than as consistent with those purposes for which the Association Fund may be used;
- (d) change the vote applicable to each respective Lot or obligations of any Unit which apply for purposes of levying Regular or Special Assessments or charges
- (e) subject any Lot to any unreasonable restraints on alienation not specifically provided for in this Declaration, which would adversely affect title or marketability of a Lot, or the ability of the Mortgagee to foreclose its Mortgage lien and thereafter to sell or lease the mortgaged Lot, or
- (f) allow any person handling funds of the Association, including without limitation employees of any professional Manager, to do so without first obtaining therefore appropriate fidelity bond coverage.

14.5 Financial Information. Any Mortgagee shall have the right, at its request and expense and upon reasonable notice, to examine the books and records of the Association during reasonable business hours. From and after the time a Mortgagee makes written request to the Association therefore and at the expense of such Mortgagee, the Association shall furnish to such Mortgagee copies of such annual operating reports and other reports or writings summarizing or reflecting the financial position or history of the Association as may be prepared for distribution to or use by the Owners generally

14.6 Notification of Loss or Damage From and after the time a Mortgagee makes written request to the Association therefor, the Association shall notify such Mortgagee in writing in the event that there occurs any damage or loss to, or taking or anticipated condemnation of the Common Areas or Common Improvements involving an amount in excess of, or reasonably estimated to be in excess of Ten Thousand Dollars (\$10,000 00) Said notice shall be given within ten (10) days after the Association learns of such damage, loss taking or anticipated condemnation.

14.7 Article Supersedes All Others. In the event another provision or clause of this Declaration deals with the same subject matter as is dealt with in any provision or clause of this Article, the provision or clause which results in the greatest protection and security for a Mortgagee shall control the rights, obligations, or limits of authority, as the case may be, applicable to the Association with respect to the subject concerned

14.8 Amendment of this Article No amendment to this Article which has the effect of diminishing the rights, protection, or security afforded to Mortgagees shall be accomplished or effective unless all of the first Mortgagees of the individual Lots have given their prior written approval to such amendments Any amendment to this Article shall be accomplished by an instrument executed by the Association and filed for record in the office of the County Recorder of Davis County, State of Utah. In any such instrument, an officer of the Association shall certify under penalties of perjury that any prior written approval of first Mortgagees required by this Article as a condition to amendment has been obtained.

14.9 Notices to Mortgagee. Any notice to a Mortgagee under this Article shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class mail, postage prepaid, and addressed to the Mortgagee at the address for notices from time to time specified by the Mortgagee in writing to the Association Any such notice shall be deemed to have been given and received and shall be effective when personally delivered or when deposited in the U.S. mail in the form herein specified, whichever first occurs.

ARTICLE XV General Provisions

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

15.2 Rules of Construction. This Declaration shall be governed by and construed in accordance with the laws of the State of Utah. The provisions hereof shall be in addition and supplemental all other provisions of applicable law Except for judicial construction, the Board of Trustees shall have the exclusive right to construe and interpret the provisions of this Declaration, the Articles, Bylaws and Regulations. In the absence of any adjudication to the contrary by a court of competent

jurisdiction, the Board's construction or interpretation of the provisions hereof, or of the Articles, Bylaws or Regulations, shall be final, conclusive and binding as to all persons and property benefitted or bound by this Declaration and provisions hereof. No term within this Declaration is defined with reference to the Utah Condominium Ownership Act (terms herein are not intended to be defined by such Act), and any usage of terms in this Declaration which is similar to the usage of terms present in the Condominium Ownership Act is purely coincidental. Whenever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, any gender shall include both other genders, and the term "person" shall include any individual, partnership, limited liability company, corporation, trust, or other association or entity or combination thereof. Any use of the term guests, tenants, licensees or invitees shall be deemed to include persons related or unrelated to an Owner who reside in the Unit or who are present on the Project and the guests, tenants, licensees and invitees of such persons. The article and section headings set forth herein are for convenience and reference only and are not intended to expand, limit or otherwise affect the meaning or interpretation of this Declaration or any provision hereof. The provisions hereof shall be deemed to be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof. All exhibits attached hereto are by this reference incorporated herein and made a part hereof.

15.3 Notices Each Owner shall register from time to time with the Association its current mailing address. Unless otherwise provided in this Declaration and then only to the extent so provided, all notices, demands and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to the Owner or at its registered mailing address or, if no address has been registered for an Owner, to the Unit on the Lot owned by such Owner. All notices, demands and other communications to the Association or Board as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to the Association at its offices or to such other address as the Association may hereafter designate by notice to the Owners as herein provided. All notices, demands and other communications to the Declarant as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally delivered or if sent by first class U.S. mail, postage prepaid, addressed to Causey Creek Development, LLC, 90 South 400 West, Suite 360, Salt Lake City, Utah 84101, or to such other address as the Declarant may hereafter designate by notice to the Owners as herein provided. Any notice, demand or communication referred to in this Declaration shall be deemed to have been given and received when personally delivered or when deposited in the U.S. mail, postage prepaid, and in the form provided for in this section, whichever first occurs.

15.4 Assignment of Declarant's Rights. Any and all rights and powers of Declarant herein may be delegated, transferred or assigned.

15.5 Audit The Association, at the expense of the Association Fund, shall obtain an audit, by certified public accountants, of all books and records pertaining to the Association at no greater than annual intervals, and copies thereof shall be furnished to the Owners. Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association.

15.6 Amendment. Except as otherwise provided herein, this Declaration may be amended if Owners holding at least sixty-seven percent (67%) of the Total Votes of the Association consent and agree to such amendment by a vote of the Members duly called for such purpose, and evidenced and certified by instruments which are duly recorded in the office of the County Recorder of Davis County, State of Utah. Such Amendment shall be signed by the Association and the certification contained in such Amendment that the Amendment has been approved in accordance with the procedures contained herein shall be sufficient to permit reliance by any party upon the terms and conditions of such Amendment and no further inquiry as to the validity of such Amendment shall be required of any party.

15.7 Term; Termination. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect for a term of thirty (30) years from the date of recordation. From and after said date thirty (30) years from the date of recordation, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by the then Owners casting sixty-seven percent (67%) of the Total Votes cast at an election held for such purpose within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension. The Declaration may be terminated at any time if at least ninety percent (90%) of the votes cast by all Owners shall be cast in favor of termination at an election held for such purpose. No vote to terminate this Declaration shall be effective unless and until written consents to such termination have been obtained, within a period from six (6) months prior to such vote to six (6) months after such vote, from the holders of recorded first mortgages or deeds of trust on seventy-five percent (75%) of the Lots upon which there are such recorded first mortgages and deeds of trust.

15.7.1 Conditions Precedent to Termination Notwithstanding that the affirmative vote of Owners shall have been obtained in accordance with the provisions of Section 18.7, no termination of the Declaration shall occur unless and until such time as (i) the Roads and any and all storm drainage systems and other similar systems located within the Project shall have been dedicated to and accepted by the City of North Salt Lake or its successor and responsibility for the maintenance of same shall have been assumed by said city, (ii) any and all utility services provided to the Lots shall be owned and maintained by a party other than the Association, (iii) each and every Lot shall be able to independently maintain irrigation, sprinkler and other

systems necessary for the maintenance of the Landscape Improvements applicable to such Lot, and (iv) each Lot shall have direct access for ingress and egress to a dedicated public street.

15.7.2 Notice of Termination. If the necessary votes and consents are obtained, the Board of Trustees shall cause to be recorded in the Davis County records a "Certificate of Termination," duly signed by a member of the Board and acknowledged before a Notary Public. Thereupon the covenants herein contained shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles.

15.7.3 Ownership Upon Termination. Upon dissolution of the Association and unless some other method of ownership is provided for the Common Areas, Common Improvements, and Landscape Improvements; the Common Areas and Common Improvements, and any other property, lien interests, or claims previously held by the Association, except the Landscape Improvements, shall be owned by all of Owners in common, in interests equal to their respective Percentage Interest, and be subject to an action in partition by any Owner, and (ii) Landscape Improvements on each Lot shall be deemed owned by the Owner of the respective Lot on which such Landscape Improvements are located.

15.8 Rule Against Perpetuities. Each provision contained in this Declaration which is subject to the laws or rules sometimes referred to as the rule against perpetuities or the rule prohibiting unreasonable restraints of alienation shall continue and remain in full force and effect for the period of 21 years following the death of the last survivor of the issue of Elizabeth II, Queen of England, and the now living children of said issue, or until this Declaration is terminated as herein provided, whichever first occurs. All other provisions contained in this Declaration shall continue and remain in full force and effect.

15.9 Effective Date. This Declaration shall take effect upon recording in the Office of the County Recorder of Davis County, State of Utah.

15.10 Agent for Service. The name and address of the person to receive service of process shall be the registered agent and address of the Association as shown on the official corporate records maintained in the office of the Department of Commerce, Corporations Division, State of Utah. On the date of this Declaration, the registered agent of the Association is Walter J. Plumb IV, and the registered address is 90 South 400 West, Suite 360, Salt Lake City, Utah 84101.

15.11 Limitation on Association's Liability. The Association shall not be liable for injury or damage to any person or property caused by the elements or by another Owner or person in or upon the Project, or resulting from the failure of any of the Common Areas or Common Improvements. No diminution or abatement of any Assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements to or maintaining such part of the Project or any part thereof, or from any action taken to comply with the provisions of this Declaration or with the laws, ordinances, regulations, rules or orders of any governmental authority.

SIGNATURES ON NEXT PAGE

Causey:
CAUSEY CREEK DEVELOPMENT L.L.C.,
a Utah limited liability company

By: Walter J. Plumb, IV
Walter J. Plumb, IV, Its Manager.

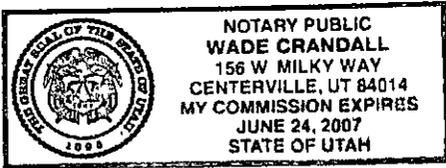
Eaglepointe:
EAGLEPOINTE DEVELOPMENT, L.C.,
a Utah limited liability company

By: Its Manager
Excel Investment Corporation,
a Utah corporation

By: W. Scott Kjar
W. Scott Kjar, Its Vice President

STATE OF UTAH)
 : ss.
COUNTY OF DAVIS)

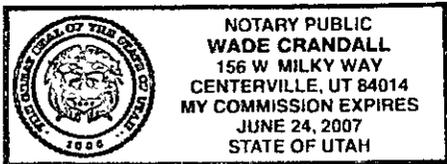
On this 15th day of May, 2007, personally appeared before me **WALTER J. PLUMB, IV**, who is the manager of **CAUSEY CREEK DEVELOPMENT L.L.C.**, a Utah limited liability company and he acknowledged to me that the foregoing instrument was signed in behalf of said limited liability company, and said **WALTER J. PLUMB, IV** acknowledged to me that said limited liability company executed the same.



Wade Crandall
Notary Public

STATE OF UTAH)
 : ss.
COUNTY OF DAVIS)

On this 15th day of May, 2007, personally appeared before me **W. SCOTT KJAR**, and who, being by me duly sworn, says that he/she is the Vice President of **EXCEL INVESTMENT CORPORATION**, which corporation is the manager of **EAGLEPOINTE DEVELOPMENT, L.C.**, the limited liability company that executed the above and foregoing instrument and that said instrument was signed by him/her by authority of its by-laws, (or by authority of a resolution of its board of directors, as the case may be) in behalf of said corporation in its capacity of manager of said limited liability company



Wade Crandall
Notary Public