ENT 2362:2000 PG 1 of 134 RANDALL A. COVINGTON UTAH COUNTY RECORDER 2000 Jan 10 3:02 pm FEE 0.00 BY SS RECORDED FOR TOWN OF CEDAR HILLS

DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is entered into as of this /s day of December, 1999 between Legacy Properties and Investments, L.C., a Utah limited liability company, by and through Reed Swenson and John Heiner, Members, (hereinafter the "Developer"), and the Town of Cedar Hills, a political subdivision of the State of Utah, by and through the Town Council, (the "Town").

RECITALS:

WHEREAS, Developer owns or has a contract to purchase real property located within the incorporated Town of Cedar Hills, Utah (the "Property") described in Exhibit "A" attached hereto, which is located within the Town's H-1 Hillside zone.

WHEREAS, Developer is desirous of subdividing and improving the Property for the construction of single family dwellings under the Town's zoning ordinance and has received conditioned preliminary approval for a development on the site to be called Canyon Heights at Cedar Hills ("Canyon Heights"), shown on Exhibit "B". A portion of the development shall be developed in a high-density housing style to be called "The Cottages at Canyon Heights."

WHEREAS, Due to the size and density of the development proposed by the Developer, the Town is desirous of insuring, through this agreement, that the health, safety, and general welfare of Town residents is protected through adequate transportation development, open space development, and utility line development.

WHEREAS, Acting pursuant to its authority under Utah Code Annotated, §10-9-101, et seq., and after all required public notice and hearings, the Town, in the exercise of its legislative discretion, has elected to process Canyon Heights in a manner resulting in the negotiation, consideration and approval of this Development Agreement and has concluded that the terms and conditions set forth herein serve a public purpose and promote the health, safety, prosperity, security, and general welfare of the inhabitants and taxpayers of the Town.

NOW, THEREFORE, in consideration of the premises above and the terms and conditions set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and the Developer hereby agree as follows:

TERMS AND CONDITIONS

1. Development of the Property.

1.1 Overall Density. The Town agrees that the Property shall be developed pursuant to the PRD portions of the H-1 zone, whereby density is set based upon a slope analysis. Developer has completed a slope analysis for the overall property (Exhibit "C") and has determined the overall density for the initial phase of the development to be 112 total units over approximately 82.3 acres, for a total density of 1.36 units/acre. The density shall include 82 lots

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in the standard single-family detached portion of the development to be called Canyon Heights at Cedar Hills, Plat A, and 30 units in The Cottages at Canyon Heights, Plat A (shown on Exhibit "D") (collectively referred to herein as "Phase One").

1.2 <u>Development of Density</u>. Both parties agree that no more than 60 units within the entire Property area shall be constructed prior to full construction of the Bridge across the Murdock Canal and the temporary connector road between Canyon Heights Drive and the cul-desac on 9220 North.

1.3 Layout & Design.

- 1.3.1 The Town and Developer acknowledge that the Preliminary Plan for the first three phases for the development of the Property (Exhibit "B") has been approved as a PRD by the Town Council in accordance with Town ordinances. The Town Council acknowledges that, by virtue of the granting of preliminary plan approval, the layout and design either conform to Town standards or have been granted a waiver of compliance thereto.
- 1.3.2 The Town acknowledges that the portion of the project submitted for final approval as Phase One constitutes a logical sub-phase of the total project area.
- 1.3.3 The Developer further agrees that all requests for final approval of the next two phases of the development of the Property shall be in substantial compliance with the approved preliminary plan for the first three phases, unless otherwise approved by the Town, except as follows:
- (a) A portion of the approved preliminary plan occupies territory not owned or controlled by the Developer (Ekins Parcel). In the event that arrangements for inclusion of the Ekins property as part of the project area are not completed, the Developer agrees to modify the preliminary plan to provide for the placement of the road within property located within the preliminary plan.

2. Park and Open Space.

- 2.1 Park Land Dedication. The Developer agrees to convey park land and open space to the Town in conformance with the attached "Open Space and Park Land Agreement" (Exhibit E").
- 2.2 Park Land Impact Fees. Other than any exceptions or credits granted in the attached "Open Space and Park Land Agreement," Developer agrees to pay all park land impact fees pursuant to Town ordinances in place at the time of payment.
- 2.3 Open Space. The Developer and Town agree that the open space provided for within Phase One, as provided in the "Open Space and Park Land Agreement," is adequate to meet Town ordinance requirements of a minimum of 30% open space within Phase One of the project area. Open Space requirements are satisfied pursuant to the "Open Space and Park Land Agreement."

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- 2.4 The Cottages at Canyon Heights Open Space. The Town and Developer agree that the major portion of open space for the entire project shall be provided as public open space outside the boundaries of The Cottages at Canyon Heights. Furthermore, Developer agrees to provide future private park and open space features within future phases of The Cottages at Canyon Heights in accordance with the preliminary plan approvals (shown on Exhibit "G").
- 2.5 <u>Landscaping at The Cottages at Canyon Heights</u>. Landscaping for The Cottages at Canyon Heights shall be bonded for and conform with the submitted and approved landscaping plan (Exhibit "H"). In any phase of The Cottages at Canyon Heights, once the landscaping for such phase has been completed in accordance with the approved landscaping plan, then the Town shall fully release the completion bond with respect to such landscaping. The Town will require no durability bond with respect to any completed landscaping within The Cottages at Canyon Heights.

3. Transportation.

3.1 Temporary Connector to 9220 North. Developer agrees to asphalt and grant (Exhibit "I") to the Town a 24' right-of-way for temporary access from Canyon Heights Drive to the cul-de-sac on 9220 North. Upon full completion of this temporary connector, and assuming the Murdock canal bridge is completed, Town agrees that Developer shall be able to exceed the 60 lot restriction in Section 1.2. Town further agrees to vacate the right-of-way to the appropriate lot owners upon full completion of Canyon Heights Drive connecting to Canyon Road on the north and south end of the Property.

3.2 Bridge Over Canal.

- 3.2.1 Bonding. Town and Developer agree that Town shall not require any bonding for the construction of the bridge over the Murdock Canal and that any bonds required for the construction of the bridge over the Murdock Canal shall be provided by Developer in accordance with the requirements of Utah Department of Transportation, the United States Bureau of Reclamation and the Provo River Water Users Association.
- 3.2.2 Approvals. Prior to construction of the Murdock canal bridge, Developer agrees to obtain approvals from all involved entities including, but not limited to the Utah Department of Transportation, The United States Bureau of Reclamation, and the Provo River Water Users Association.
- 3.3 <u>Traffic-safety</u>. In the interest or providing for traffic-safety within project streets, the Developer and Town agree to the following:
- 3.3.1 Collision barricades. The Town engineer shall determine if traffic safety barricades are appropriate between the southern-most portion of Canyon Heights Drive and the Murdock Canal. If the Town engineer deems traffic safety barricades are appropriate for that location, Developer agrees to construct the devices in a manner reasonably specified or approved by the Town Engineer.

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3.3.2 Traffic-calming. The Town engineer shall review safety concerns along roadways within Phase One, paying particular attention to potential speeding areas and potential pedestrian-automobile conflict areas. Following said review, the engineer shall reasonably determine if any traffic-calming devices are appropriate within Phase One, and if so, the type of traffic-calming devices and the desired location for any such traffic-calming devices. If the Town Engineer determines that the construction of traffic-calming devices within the Phase One is necessary, then Developer shall provide a bond for the required traffic-calming devices, provided that in no event shall Developer be required to construct more than three (3) traffic-calming devices within Phase One.

4. Utilities.

- 4.1 <u>Utility Extensions</u>. Developer agrees to attach to existing utilities including water, sewer, and pressurized irrigation, and to make provision for underground cable utility conduit and Town utility conduit pursuant to Town Engineer requirements—and Town specifications. All extensions are to conform with requirements of the Town Engineer.
- 4.2 <u>Upper Pressure Zone</u>. Notwithstanding any approvals for final platting of Phase One, Town and Developer agree that prior to any development within the Property that is located within the Town's upper pressure zone for the water system (Map shown on Exhibit "K"), Developer shall construct or cause to be constructed and attached to the Town's existing water system, those facilities necessary to provide storage capacity and water pressure to the upper elevations within the Property.
- 4.3 <u>Storm Drainage</u>. <u>Developer</u> agrees to retain all storm-drainage within the project area or specified and approved areas outside the project. Storm drain detention basins shall be constructed so as to be included within lot areas. The Developer agrees to grant storm drain easements for those detention areas within approved lots.

5. Impact Fees.

Developer agrees to pay for all Town-imposed impact fees as follows:

- Amendment to Sewer Reimbursement Agreement between the Town and Property Reserve, Inc. ("PRI") dated 16 March, 1998, the Town does hereby issue a "Connection Credit" to each of the 112 residential units within Phase One, and any sewer impact fee attributable to any of the lots or building sites within Phase One shall be deemed to have been paid in advance by PRI. At the request and agreement of Developer and PRI, Town hereby agrees to charge and collect from the lot owners within Phase One and reimburse to PRI the south aqueduct sewer impact fee which has been prepaid by PRI in the amount of \$586 per lot, less such collection charge as the Town and PRI agree upon. The Town shall collect the \$586 south aqueduct sewer impact fee at the time of the issuance of a building permit for each residential lot within Phase One.
- 5.2 Other sewer fees. Developer acknowledges that the above \$586 per connection fee applies only to the Town imposed impact fee and shall not be construed to include the impact

fee imposed by the Timpanogos Special Service District (TSSD) which is currently \$1000/equivalent residential unit, or Town connection or inspection fees which are assessed at the time of issuance of a building permit (currently \$35).

5.3 Water Impact Fee. Town and Developer agree to the following:

- 5.3.1 The Town and Developer mutually agree that all portions of Phase One are within the "Adjustment Area" as defined in that certain agreement between the Town and PRI entitled Disconnection and Development Agreement, dated 29 December, 1995. Accordingly, the culinary water impact fee in the amount of \$547 per lot will be assessed and collected by the Town at the time of the issuance of a building permit by the Town for each lot within Phase One, and \$448 of each such culinary water impact fee will be paid to PRI by the Town in accordance with that certain agreement between the Town and PRI entitled Water Tank Expansion Reimbursement Agreement, dated 18 July, 1996.
- 5.3.2 Developer acknowledges that the above provisions pertaining to the payment of the culinary water impact fee shall not be construed to include a waiver of the additional and separate water connection or inspection fees or any other fees and charges assessed by the Town at the time of issuance of a building permit.
- 5.4 <u>All others</u>. Developer agrees that the Town shall be entitled to collect all other impact fees as they currently exist or may be amended or added by Town ordinance.

6. Decorative Barrier in The Cottages.

Developer agrees to construct a decorative fence or barrier along the outside boundary of The Cottages portion of the Development. The fencing or wall material will be chosen by Developer and approved by the Town.

7. Conditions, Covenants, and Restrictions.

The attached CCR's for Canyon Heights at Cedar Hills (Exhibit "L") and the CCR's and Home Owners Association Documents for The Cottages at Canyon Heights (Exhibit "M") have been reviewed and approved by the Town and are hereby incorporated into this agreement and will be recorded concurrently with recording of the final plats for Canyon Heights at Cedar Hills and The Cottages at Canyon Heights.

8. Architectural Renderings of Homes.

Approval of the Town for The Cottages at Canyon Heights is based upon construction of homes in substantial conformance with attached architectural renderings. Developer agrees to build all homes in The Cottages at Canyon Heights in conformance with the following:

8.1 Developer has provided renderings for Town approval (attached herein as Exhibit "N"). Developer agrees to build all homes in conformance with the approved renderings and,

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furthermore, agrees that any alteration from the approved renderings shall be subject to the reasonable approval of the Town Council.

- 8.2 No more than 20% of the homes in The Cottages at Canyon Heights shall be constructed to the same exterior elevations, as determined by the renderings (attached hereto as Exhibit "N").
- 8.3 Due to the high level of fire hazard presented by the hillside, particularly the slope of the Property, the existing and future vegetation, the direction the slope faces, the number of fire days in the area, and the windy conditions that are prevalent in the area, Developer agrees that no homes which border along the eastern-most boundary of the Property shall be constructed with readily combustible exterior finishes including, but not limited to: wood shingles, wood soffits and facia or wood siding.

9. Successors and Assigns.

- 9.1 <u>Binding Effect</u>. This Agreement shall be binding on the successors and assigns of Developer in the ownership or development of any portion of the Project. Notwithstanding the foregoing, a purchaser of the Project or any portion thereof shall be responsible for performance of Developer's obligations hereunder as to the portion of the Project so transferred.
- 9.2 Transfer of Project. Developer shall be entitled to sell or transfer any portion of the Project subject to the terms of this Agreement upon written notice to the Town. In the event of a sale or transfer of the Project, or any portion thereof, the seller or transferor and the buyer or transferee shall be jointly and severally liable for the performance of each of the obligations contained in this Agreement unless prior to such transfer an agreement satisfactory to the Town is executed by the Town, the Developer, and transferee, which delineates and allocates each obligation between Developer and transferee and in which the transferee acknowledges the existence of this Agreement and agrees to be bound thereby. Any such agreement shall be signed by the buyer or transferee, notarized, and delivered to the town Clerk immediately following the transfer or sale. In such event, the buyer or transferee of the parcel so transferred shall be fully substituted as Developer under this Agreement and Developer shall be released from any further obligations under this Agreement as to the parcel so transferred.
- 9.3 <u>Sale of Platted Lots.</u> Notwithstanding Paragraph 9.2, Developer shall not be required to notify Town with regard to the sale or transfer to bonafide purchasers of lots (i) for which final plats have been approved and recorded in accordance with this Agreement and (ii) which are intended for single family residential use.

10. Default.

10.1 Events of Default. Upon the happening of one or more of the following events or conditions Developer shall be in default ("Default") under this Agreement:

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- (1) A warranty, representation or statement made or furnished by Developer under this Agreement, including any Exhibits attached hereto, is intentionally false or misleading in any material respect when it was made.
- (2) A determination by Town made upon the basis of substantial evidence following a periodic review under Paragraph 11.14 that Developer has not complied in good faith with one or more of the material terms or conditions of this Agreement.
- (3) Any other event, condition, act or omission which material interferes with the intent and objectives of this Agreement.

10.2 Procedure Upon Default.

- (1) Upon the occurrence of a Default, Town shall give Developer thirty (30) days written notice specifying the nature of the alleged default and, when appropriate, the manner in which said Default must be satisfactorily cured. After proper notice and expiration of said thirty (30) day cure period without cure, Town shall hold a public hearing which has been noticed by publication and for which notice has been expressly provided to Developer. Thereafter, Town may declare Developer to be in breach of this Agreement and may take the actions specified in Paragraph 10.3 herein. Failure or delay in giving notice of Default shall not constitute a waiver of any Default, nor shall it change the time of Default.
- (2) Town does not waive any claim of defect in the performance by Developer if on any periodic review Town does not propose to modify or terminate this Agreement.
- (3) If any Default or inability to cure a Default is caused by strikes, lockout, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other similar causes beyond the reasonable control of the party who has the obligation to perform, then the performance by such party shall be excused for the period during which any such event has prevented, delayed or stopped any required performance or effort to cure a Default.
- (4) An express repudiation, refusal or renunciation of this Agreement, if the same is in writing and signed by Developer, shall be sufficient to terminate this Agreement and a hearing on the matter shall not be required.
- 10.3 Breach of Agreement. Upon a Default as set forth in Paragraphs 10.1 and 10.2, Town may declare Developer to be in breach of this Agreement and Town may draw upon the Developer's bond placed with the Town to complete the improvements which Developer has not completed as required by this Agreement. Notwithstanding the rights guaranteed by this Paragraph 10.3, Town may pursue whatever additional remedies it may have at law or in equity. If Town brings legal action against Developer or the issuer of the bond, and if Town is successful in such litigation, Developer shall pay Town's costs and attorney's fees. The waiver of any one or more breaches of this Agreement shall not constitute a waiver of the remaining terms thereof.

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11. General Terms and Conditions

- 11.1 No Recording of Agreement. This Agreement shall not be recorded in the Office of the Recorder of Utah County, Utah.
- 11.2 <u>Construction of Agreement.</u> This Agreement shall be construed so as to effectuate its public purpose of ensuring that the required improvements and facilities are timely provided for the benefit of the ultimate purchasers of lots in the project and to protect health, safety, and welfare of the citizens of Town.
- 11.3 <u>Duration</u>. The terms of this Agreement shall commence on, and the effective date of the Agreement shall be, the effective date of the execution of this Agreement. The term of this Agreement shall extend until the obligations and requirements herein are completed in conformance with Town subdivision, construction, and bonding requirements.
- 11.4 <u>State and Federal Law.</u> The Parties agree, intend and understand that the obligations imposed by this Agreement are only such as are consistent with state and federal law. The parties further agree that if any provision of the Agreement becomes, in its performance, inconsistent with state or federal law or is declared invalid, this Agreement shall be deemed amended to the extent necessary to make it consistent with state or federal law, as the case may be, and the balance of the Agreement shall remain in full force and effect.
- Enforcement. The parties to this Agreement recognize that Town has the right to enforce its rules, policies, regulations, ordinances, and the terms of this Agreement by seeking an injunction to compel compliance. In the event that Developer violates the rules, policies, regulations or ordinances of the Town or violates the terms of this Agreement, Town may, without declaring a Default hereunder or electing to seek an injunction, and after fifteen (15) days written notice to correct the violation (or such longer period as may be established in the discretion of Town or a court of competent jurisdiction if Developer has used its reasonable best efforts to cure such violation within such fifteen (15) days and is continuing to use its reasonable best efforts to cure such violation), take such actions as shall be deemed appropriate under law until such conditions have been rectified by Developer. Town shall be free from any liability arising out of the lawful exercise of its rights under this paragraph.
- 11.6 No Waiver. Failure of a party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such party to exercise at some future time said right or any other right it may have hereunder. Unless this Agreement is amended by vote of the Town Council taken with the same formality as the vote approving this Agreement, no officer, official or agent of the Town has the power to amend, modify or alter this Agreement or waive any of its conditions as to bind Town by making any promise or representation not contained herein.
- 11.7 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement may not be modified or amended except in writing mutually agreed to and accepted by both parties to this Agreement.

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- Attorneys Fees. Should any party hereto employ an attorney for the purpose of enforcing this Agreement, or any judgment based on this Agreement, or in any legal proceedings whatsoever pertaining to this Agreement, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, including appeals or rehearings, and whether or not an action has actually commenced, the prevailing party shall be entitled to receive from the other party thereto reimbursement for all attorneys' fees and all costs and expenses reasonably incurred in connection therewith. Should any judgment or final order be issued in any proceeding, said reimbursement shall be specified therein.
- Notices. All notices hereunder shall be given in writing by certified mail, postage prepaid, at the following addresses:

To Town:

Mayor

With copies to: Stan R. Smith, Esq.

4393 W. Cedar Hills Drive

P.O. Box 727

Cedar Hills, UT 84062

American Fork, UT 84003

To Developer: Legacy Properties and Investments, L.C.

1402 West State Road Pleasant Grove, UT 84062

- 11.10 Applicable Law. This Agreement is entered into under and pursuant to, and is to be constructed and enforceable in accordance with, the laws of the State of Utah.
- 11.11 Execution of Agreement. This Agreement may be executed in multiple parts as originals or by facsimile copies of executed originals; provided, however, if executed and evidence of execution is made by facsimile copy, then an original shall be provided to the other party with seven (7) days of receipt of said facsimile copy.
- 11.12 Hold Harmless. Developer agrees to and shall hold Town, its officers, agents, employees, consultants, special counsel and representatives harmless from liability for damages, just compensation restitution, judicial or equitable relief arising from the direct or indirect operations of Developer or its contractors, subcontractors, agents, employees or other persons acting on its behalf which relate to the Project.
- Exceptions to Hold Harmless. The agreements of Developer in 11.12.1 Paragraph 11.12 shall not be applicable to (i) any claim arising by reason of the negligence or intentional actions of Town, or (ii) attorneys' fees under Paragraph 11.8 herein.
- Hold Harmless Procedures. Town shall given written notice of any 11.12.2 claim, demand, action or proceeding which is the subject of Developer's hold harmless agreement as soon as practicable but not later than thirty (30) days after the assertion or commencement of the claim, demand, action or proceeding. If any such notice is given, Developer shall be entitled to participate in the defense of such claim. Each party agrees to cooperate with the other in the defense of any claim and to minimize duplicate costs and expenses.

- Developer arising out of this Agreement is one of independent contractor and not agency. This Agreement does not create any third party beneficiary rights. It is specifically understood by the parties that: (i) all rights of action and enforcement of the terms and conditions of this Agreement shall be reserved to Town and Developer; (ii) the Project is a private development; (iii) Town has no interest in or responsibilities for or duty to third parties concerning any improvements to the Property, unless Town accepts the improvements pursuant to the provisions of this Agreement or in connection with final subdivision plat approval; and (iv) Developer shall have the full power and exclusive control of the Property subject to the obligations of Developer set forth in this Agreement.
- 11.14 Annual Review. Town shall review progress pursuant to this Agreement at least once every twelve (12) months to determine if Developer has complied with the terms of this Agreement. If Town finds, on the basis of substantial evidence, that Developer has failed to comply with the terms hereof, Town may declare Developer to be in Default as provided in Article 10 herein. Town's failure to review at least annually Developer's compliance with the terms and conditions of this Agreement shall not constitute or be asserted by any party as a Default under this Agreement by Developer or Town.
- 11.15 Institution of Legal Action. In addition to any other rights or remedies, either party may institute legal action to cure, correct, or remedy any default or breach of this Agreement, to specifically enforce any covenants or agreements set forth in this Agreement or to enjoin any threatened or attempted violation of this Agreement; or to obtain any remedies consistent with the purpose of this Agreement. Legal actions shall be instituted in the Fourth District Court, State of Utah, or in the Federal District Court for the District of Utah.
- 11.16 <u>Title and Authority</u>. Developer expressly warrants and represents to Town that it is the record owner of, or has an agreement to purchase the Property constituting the Project, and further represents and warrants, together with the undersigned individual, that the undersigned individual has full power and authority to enter into this Agreement on behalf of the Developer. Developer and the undersigned individual understand that Town is relying on such representations and warranties in executing this Agreement.
- 11.17 <u>Headings for Convenience</u>. All headings and captions used herein are for convenience only and are of no meaning in the interpretation or effect of this Agreement.
- 11.18 Exhibits Incorporated. All exhibits to this Agreement are incorporated herein and made a part hereof as if fully set forth herein.

IN WITNESS WHEREOF, this Development Agreement has been executed by Town, acting by and through the Town Council, pursuant to Council authorization given on 1999, authorizing such execution, and by a duly authorized representative of Developer as of the above-stated date.

TOWN: TOWN OF CEDAR HILLS

Brad Sears, Mayor

Attest: Jun Tolendiale

Kim E. Hólindrake, Town Clerk

SEAL STOWN RECORDED

DEVELOPERS:

LEGACY PROPERTIES AND INVESTMENT, L.C., a Utah limited

liability company

By:

Reed Swenson, Member

By:

John Heiner, Member

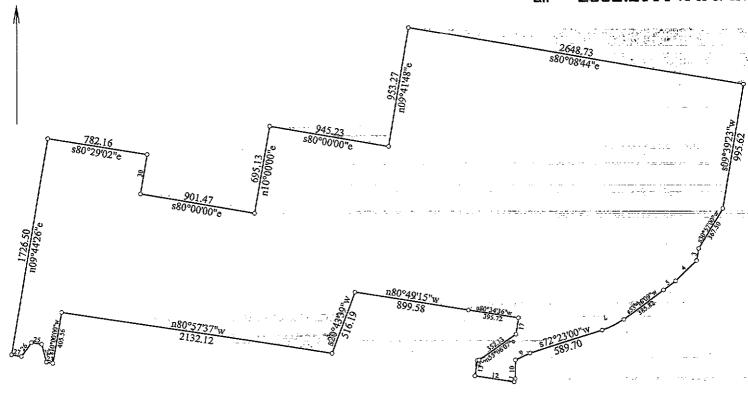
Exhibit A	Legal Description of Entire Property		
Exhibit B	Preliminary Plat for Canyon Heights		
Exhibit C	Slope Analysis		
Exhibit D	Final Plats for Canyon Heights at Cedar Hills, Plat A and The Cottages at Canyon Heights, Plat A		
Exhibit E	Open Space and Park Land Agreement		
Exhibit F	Open Space Areas		
Exhibit G	Preliminary Plan for future phases of The Cottages at Canyon Heights		
Exhibit H	Landscaping Plan		
Exhibit I	Deed of 24' Right of Way for Temporary Connection		
Exhibit J	Intentionally Deleted Topical Design for traffic -calming device		
Exhibit K	Upper Water Pressure Zone Area		
Exhibit L	CCR's for Canyon Heights at Cedar Hills		
Exhibit M	CCR's and Homeowners Association Documents for The Cottages at Canyon Heights		
Exhibit N	Approved Renderings for Homes Within The Cottages at Canyon Heights		

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SOUTH PROJECT LEGAL DESCRIPTION

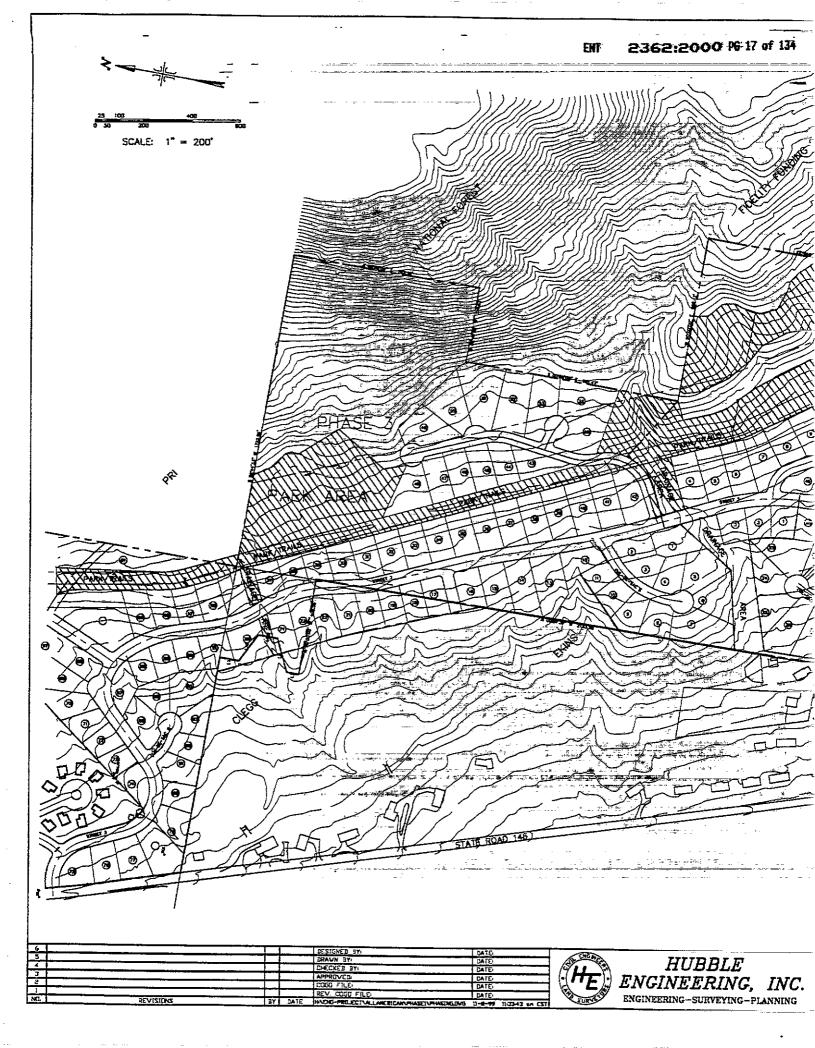
COMMENCING AT A BRASS CAP MONUMENT MARKING THE SOUTHEAST CORNER OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 2 EAST, S.L.B.&M., UTAH COUNTY, UTAH; THENCE S. 09°39'23" W. A DISTANCE OF 995.62 FEET; THENCE S. 30°57'00" W. A DISTANCE OF 367.50 FEET; THENCE S. 10°21'00" W. A DISTANCE OF 97.10 FEET; THENCE S. 45°37'00" W. A DISTANCE OF 229.70 FEET; THENCE S. 53°16'44" W. A DISTANCE OF 116.90 FEET; THENCE S. 53°16'09" W. A DISTANCE OF 385.82 FEET TO A POINT OF CURVATURE OF A 540,00-FOOT RADIUS CURVE TO THE RIGHT; THENCE SOUTHWESTERLY A DISTANCE OF 189.87 FEET ALONG THE ARC OF SAID CURVE, HAVING A CENTRAL ANGLE OF 20°08'45", SUBTENDED BY A CHORD THAT BEARS S. 62°37'54" W. A DISTANCE OF 188.89 FEET; THENCE S. 72°23'00" W. A. DISTANCE OF 589.70 FEET; THENCE S. 64°31'00" W. A DISTANCE OF 125.90 FEET; THENCE S. 01°20'00" W. A DISTANCE OF 145.10 FEET; THENCE S. 17°06'00" W. A DISTANCE OF 27.12 FEET; THENCE N. 80°57'37" W. A DISTANCE OF 309.70 FEET; THENCE N. 09°10'50" E. A DISTANCE OF 121.66 FEET; THENCE S. 80°49'10" E. A DISTANCE OF 14.28 FEET; THENCE N. 13°10'58" W. A DISTANCE OF 5.05 FEET; THENCE N. 55°06'07" E. A DISTANCE OF 352.13 FEET; THENCE N. 09°10'45" E. A DISTANCE OF 132.05 FEET; THENCE N. 80°34'36" W. A DISTANCE OF 395.72 FEET; THENCE N. 80°49'15" W. A DISTANCE OF 899.58 FEET; THENCE S. 20°43'39" W. A DISTANCE OF 516.19 FEET; THENCE N. 80°57'37" W. A DISTANCE OF 2132.12FEET; THENCE S. 10°00'00" W. A DISTANCE OF 405.56 FEET; THENCE N. 80°00'00" W. A DISTANCE OF 50.00 FEET; THENCE N. 15°24'36" W. A DISTANCE OF 143.90 FEET; THENCE N. 80°00'00" W. A DISTANCE OF 80.00 FEET; THENCE S. 36°33'55" W. A DISTANCE OF 134.16 FEET; THENCE N. 80°00'00" W. A DISTANCE OF 79.05 FEET; THENCE N. 09°44'26" E. A DISTANCE OF 1726.50FEET; THENCE S. 80°29'02" E. A DISTANCE OF 782.16 FEET; THENCE S. 09°40'29" W. A DISTANCE OF 314.63 FEET; THENCE S. 80°00'00" E. A DISTANCE OF 901.47 FEET; THENCE N. 10°00'00" E. A DISTANCE OF 695.13 FEET; THENCE S. 80°00'00" E. A DISTANCE OF 945.23 FEET; THENCE N. 09°41'48" E. A DISTANCE OF 953.27 FEET; THENCE S. 80°08'44" E. A DISTANCE OF 2648.73 FEET TO THE POINT OF BEGINNING, CONTAINING 208.17 ACRES, MORE OR LESS.

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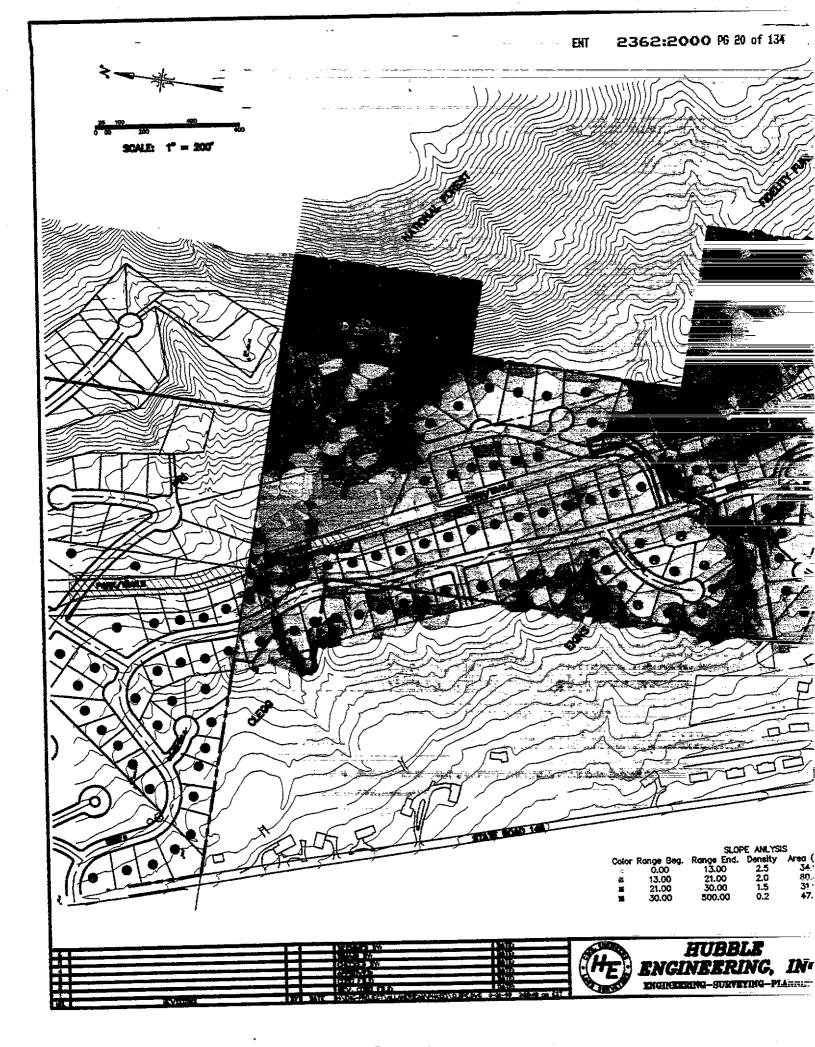
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010=s01.2000w 145.10	022=s10.0000w 405.56	034=n09.4148e 953.27
011=s17.0600w 27.12	023=n80.0000w 50.00	035=s80.0844e 2648.73
012=n80.5737w 309.70	. 024=n15.2436w 143.90	· · · · · · · · · · · · · · · · · · ·

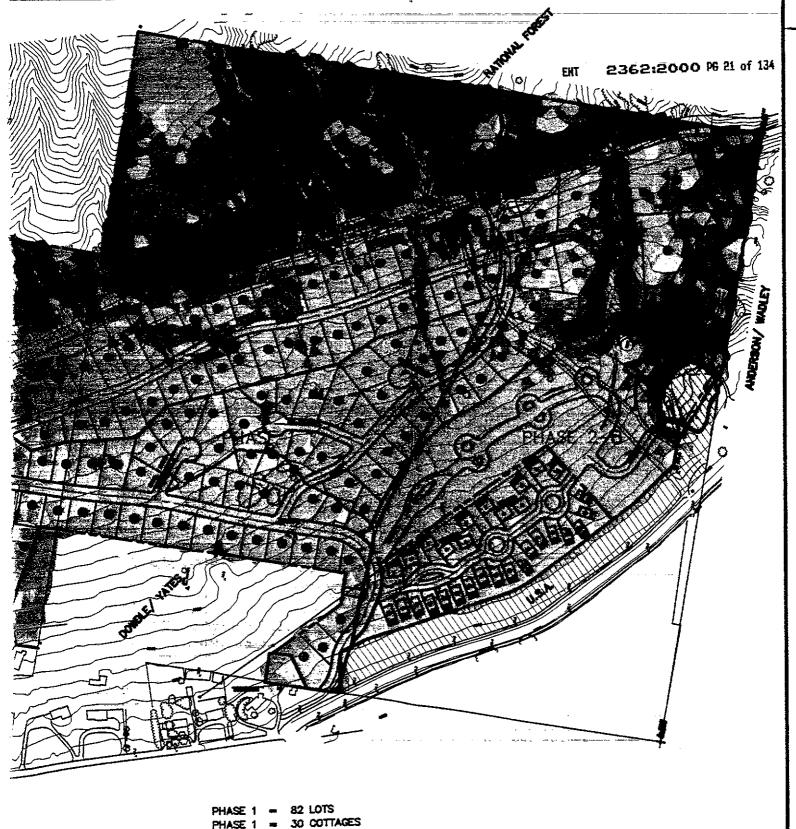
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Owellings units 87 161 48 9

PHASE 2 = 48 LOTS

PHASE 2 = 60 COTTAGES

PHASE 3 = 55 LOTS (SOUTH AREA ONLY)

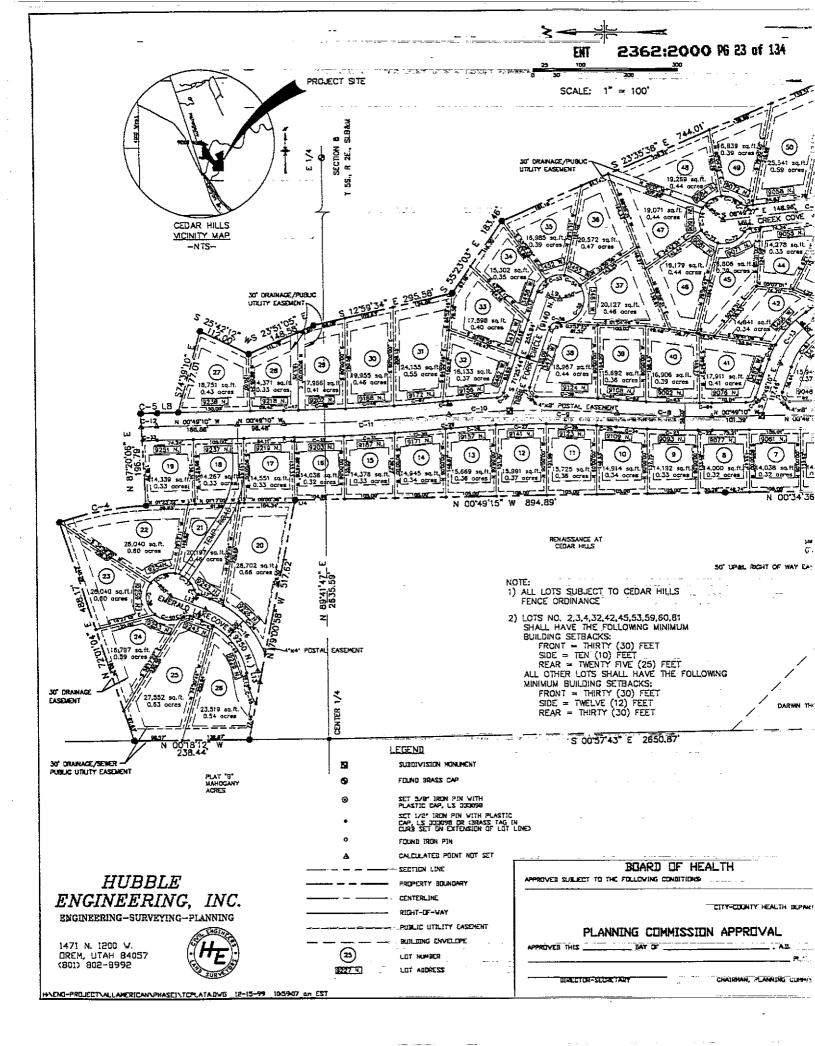
1 N. 1206 W. M, UTAH 84057 D 802-8992

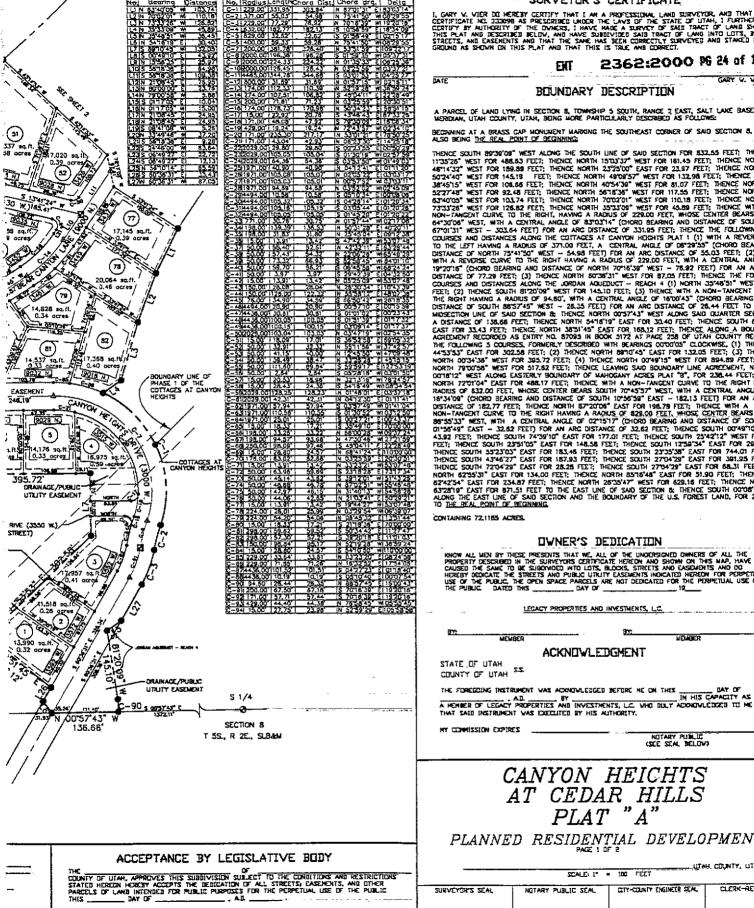
CANYON HEIGHTS AT CEDAR HILLS

ALL AMERICAN DEVELOPMENT

SLOPE ANALYSIS

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CLERK-RECORDER CSEE SEAL DELOW

BY THE

ENGINEER CSEE SEAL BELOVO

SURVEYOR'S CERTIFICATE

I, GARY M. MIER DI HEREBY CERTIFY THAT I AN A PROFESSIONAL LAND SURVEYOR, AND THAT I HOLD CERTIFICATE NO. 333098 AS PRESCRIBED UNDER THE LANS OF THE STATE OF UTAH, I FURTHER CERTIFY IN MITHORITY OF THE OWNERS, I HAVE MADE A SERVEY OF SAID TRACT CAMB SHOWN ON THIS PLAT AND DESCRIBED BELDM, AND HAVE SUBDIVIDED SAID TRACT OF LAND INTO LOTS, ROCKS. STREETS, AND EASENENTS AND THAT THE SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND AS SHOWN ON THIS PLAT AND THAT THIS IS TRUE AND CORRECT.

2362:2000 PG 24 of 134

GARY V. VIER, LS.

BOUNDARY DESCRIPTION

A PARCEL OF LAND LYING IN SECTION 8, TOWNSHIP 5 SQUTH, RANGE 2 EAST, SALT LAKE BASE AND MERDIAN, UTAN COUNTY, UTAN, BONG MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BECOMMING AT A BRASS CAP MONUMENT MARKING THE SOUTHEAST CORNER OF SAID SECTION 8, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING

BECONNING AT A BRASS CAP MONUMENT MARKING THE SOUTH-AST CORNER OF SAID SECTION 8, SAID POINT ALSO BEING THE REAL POINT OF DEGINNING

THENCE SOUTH 80/36/09* WEST ALONG THE SOUTH-LINE OF SAID SECTION FOR 832.65 FEET, THENCE NORTH 1/3/32/ WEST FOR 184.98 FEET; THENCE NORTH 1/3/3/3/ WEST FOR 184.98 FEET; THENCE NORTH 1/3/3/3/3/ WEST FOR 184.98 FEET; THENCE WISH NORTH 1/3/3/3/3/ WEST FOR 184.91 FEET; THENCE THE FOLLOWING 3 COURSES AND DISTANCES ALONG THE COLTAGES AL CANTON HIGHES PLAT 1 (1) WITH A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 2/3/10/00 FEET, WITH A CENTRAL ANGLE OF 19/2/16/ (CHORD BEARING AND DISTANCE OF NORTH 7/3/4/5/0 WEST FOR 3/4/5/0 WE

KNOW ALL MEN BY THESE PRESENTS THAT WE, ALL OF THE UNDORSIGNED OWNERS OF ALL THE PROPERTY DESCRIBED IN THE SURRYYORS CERTIFICATE HEREON AND SHOWN ON THIS MAP, HAVE CAUSED THE SAME TO BE SUBDONNED ON TO LOTS. BLOCKS, STREETS AND EXSENDENTS AND DO HEREBY OPDICATE THE STREETS AND PUBLIC UTILITY EASEMENTS INDICATED HEREON FOR PERPETUAL USE OF THE PUBLIC. THE OPEN SPACE PARCELS ARE NOT DEDICATED FOR THE PERPETUAL USE OF THE PUBLIC. DATED THIS DAY OF

THE FOREGOING INSTRUMENT WAS ACCOMPUTEDGED BEFORE HE ON THIS HAT OF IN HIS CAPACITY AS

NUTARY PUBLIC CVOLDE JACK SELOV

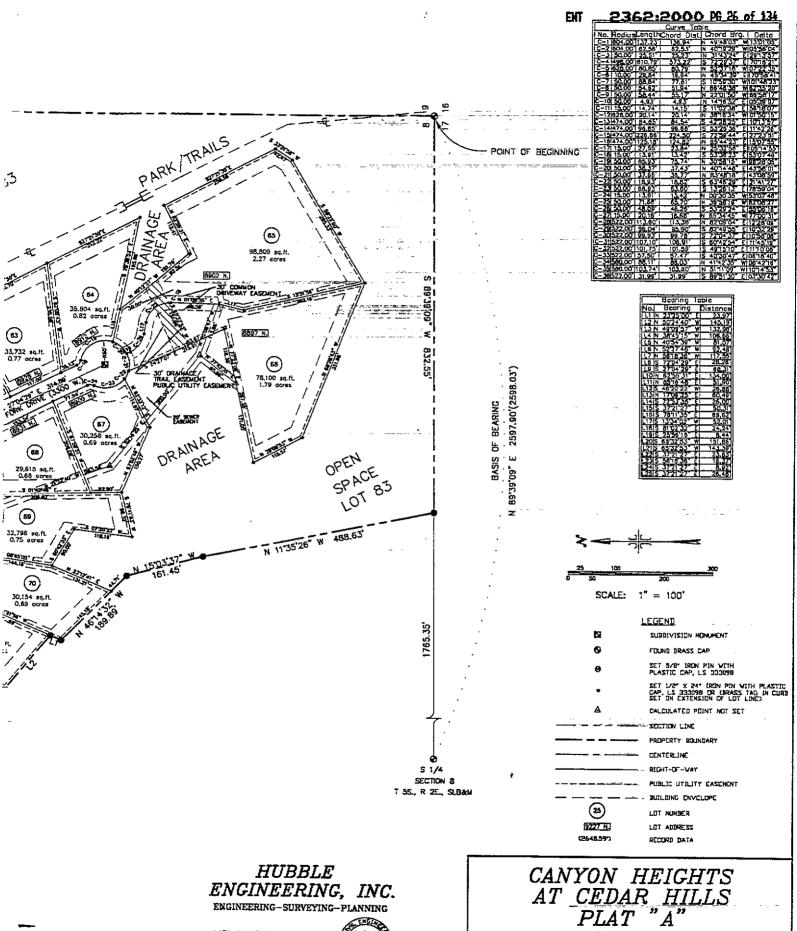
MEMBER

CANYON HEICHTS AT CEDAR HILLS PLAT "A"

PLANNED RESIDENTIAL DEVELOPMENT

UTAH COUNTY, UTAH				
	SCALE: I"	= 100 FEET		
SURVEYOR'S SEAL	NOTARY PUBLIC SEAL	CITY-COLNEY ENGINEER SEAL	CLERK-RECORDER SEAL	
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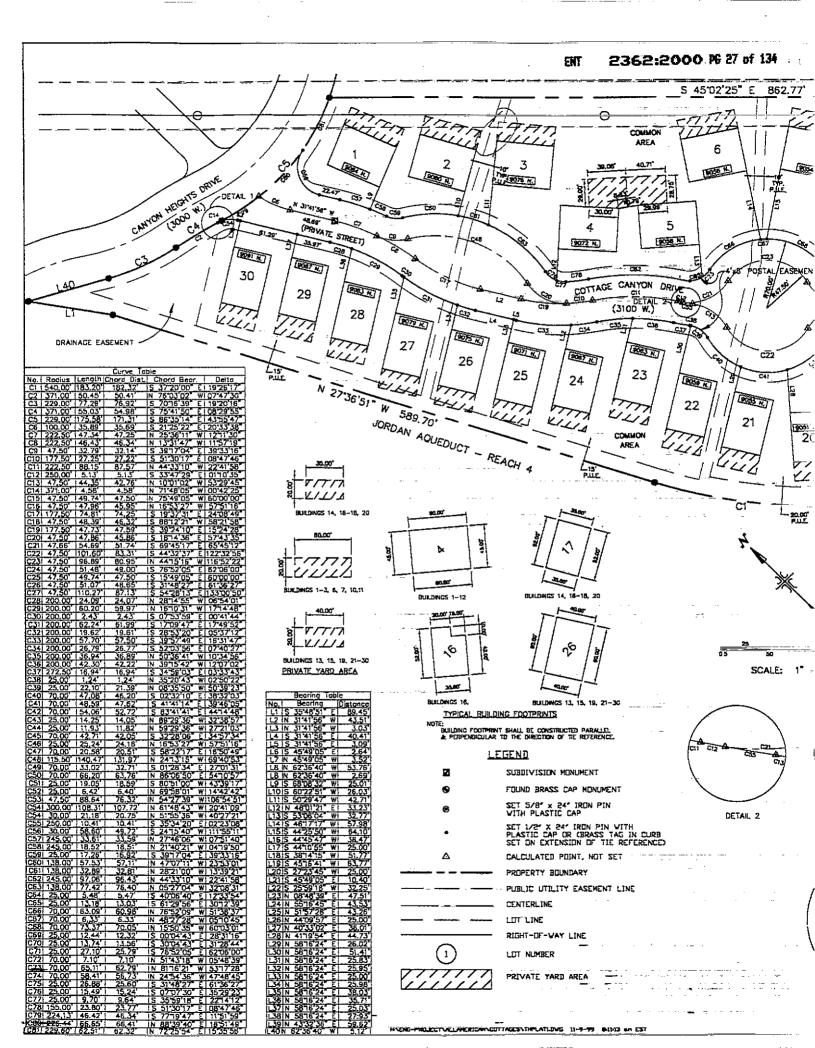
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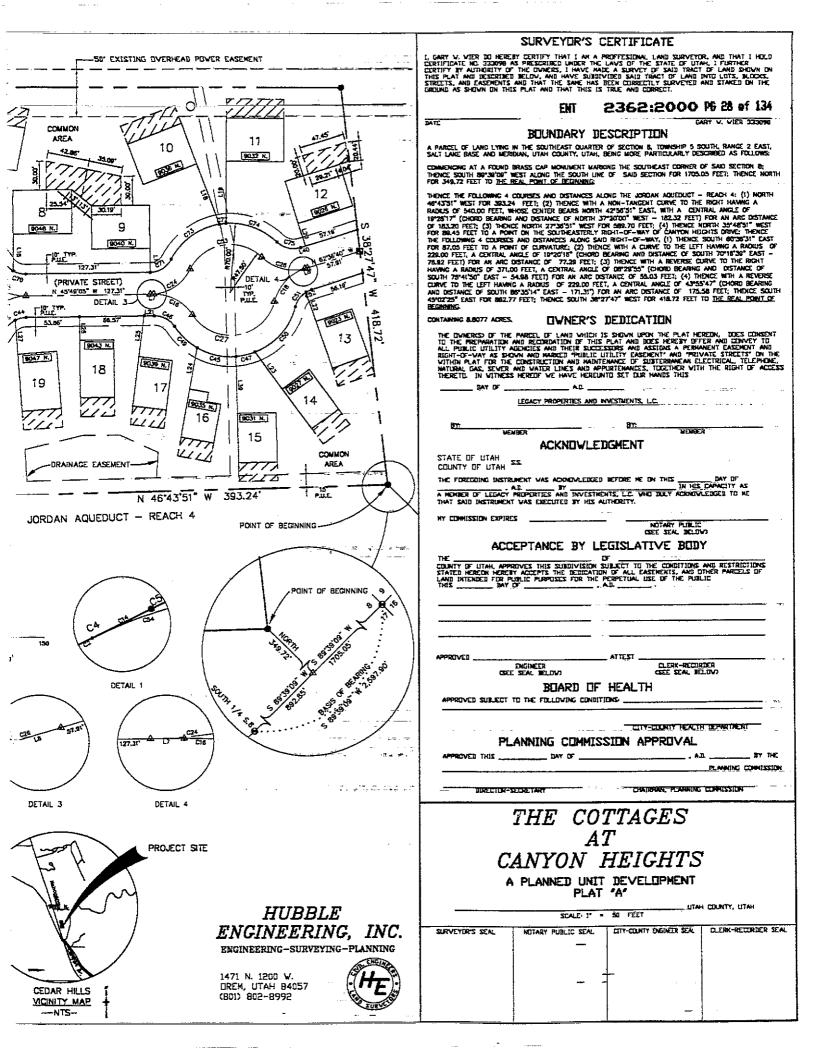


PLANNED RESIDENTIAL DEVELOPMENT

1471 N. 1200 W. OREM, UTAH 84057 (801) 802-8992







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OPEN SPACE AND PARK LAND AGREEMENT

This Open Space and Park Land Agreement (this "Agreement"), made and entered into this 15 day of December, 1999, by and between The Town of Cedar Hills, Utah, a Utah Municipal Corporation (hereafter referred to as "Town") and Legacy Properties and Investments, L.C., a Utah Limited Liability Company (hereafter referred to as Applicant"), is based on the following:

RECITALS

- 1. On May 18, 1999, the Town Council acted to approve the preliminary development plan for the first three phases of the Canyon Heights at Cedar Hills PRD Project (hereafter referred to as the "Project") consisting of approximately 232 acres and containing: (1) a single family lot component (187 lots), (2) a footprint lot component (94 cottages), (3) certain common open space areas appurtenant to the Project, and (4) certain space intended to be conveyed to the Town for public park purposes.
- 2. The Applicant has proposed the conveyance of ownership of a portion of the Project's common open space to the Town as the preferred method of open space preservation. Further, Applicant desires and is voluntarily requesting that the Town accept certain restrictive covenants as an encumbrance upon such open space.
- 3. The Applicant has now submitted a request for final approval of the initial phase of the Project (hereafter referred to as the "Phase One"). Phase One constitutes an approximately 82.3 acre portion of the Project and consists of 82 single-family lots and 30 footprint lots, together with certain appurtenant common open space area.
- 4. The Applicant and Town now desire to conclude and memorialize the more specific terms, conditions, responsibilities and understandings relating to: (1) the conveyance and use of the portion of common open space area to be conveyed to the Town for the purpose of preservation as open space, and (2) the terms, conditions and understandings relating to the purchase of certain parcels by the Town in subsequent phases of the Project.

TERMS AND CONDITIONS

NOW THEREFORE, Applicant and Town covenant and agree as follows:

PART I. PRESERVATION OF COMMON OPEN SPACE AREA

Section 1. The real property to which the terms of this Part I apply shall be Phase One of the Project, which consists of the final approved subdivision plat for Canyon Heights at Cedar Hills, Plat A and also the final plat for The Cottages at Canyon Heights, Plat A. A copy of the approved preliminary plan for the Project is attached hereto as "Attachment 1," and a copy of the two (2) final plats comprising Phase One is attached hereto as "Attachment 2," all of which are by this reference made part of this Agreement.

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- Section 2. The Town and Applicant acknowledge that the Project and the Phase One Area have been approved as a Planned Residential Development (PRD) consisting exclusively of one-family dwellings situated on individual parcels, together with appurtenant streets and open space area. It is further acknowledged, that the approved design provides for the designation of one (1) separate remainder parcel, identified on Attachment 2 as Open Space Lot 83 which, because of severe limitations for housing development (steep slope, floodways, drainage channels, etc.) or other limitations, is to be retained as open space area and conveyed to the Town as a means of insuring its status as open space areas in perpetuity (hereafter referred to as "Open Space Lot 83"), pursuant to the terms of the Declaration of Restrictive Covenants in the form attached hereto as Attachment 3 and the Special Warranty Deed in the form attached hereto as Attachment 4.
- Section 3. The Applicant acknowledges that all rights of development appurtenant to Open Space Lot 83 have been conveyed by Applicant to the Town, subject to the Declaration of Restrictive Covenants.
- Section 4. Pursuant to Section 4-6A-4, Section H, of the Zoning Ordinance of Cedar Hills, Utah, the Applicant hereby requests that the Town accept title to Open Space Lot 83 as the preferred method of preservation, subject to the Declaration of Restrictive Covenants. A copy of the Declaration of Restrictive Covenants is attached hereto as Attachment 3, and a copy of the Special Warranty Deed proposed to be used to convey title is attached hereto as Attachment 4.
- Section 5. The Town hereby agrees to accept title to Open Space Lot 83 and to maintain Open Space Lot 83 in accordance with the restrictions set forth in the Declaration of Restrictive Covenants attached hereto as Attachment 3. The Applicant agrees that upon the conveyance of Open Space Lot 83 to the Town, Open Space Lot 83 shall thereafter be construed as part of the Town's public park system and shall be available for use by the public, subject to such rules and regulations as may be established by the Town relating thereto and subject to the restrictions set forth in the Declaration of Restrictive Covenants attached hereto as Attachment 3. Upon conveyance by Applicant of title to Open Space Lot 83, the Town agrees to assume all costs for any improvements, and all costs for maintenance and operation thereof.
- Section 6. The Town hereby acknowledges and agrees that the Declaration of Restrictive Covenants attached hereto as Attachment 3 provides that Open Space Lot 83 may be used for the construction thereon of underground water storage tanks in the locations identified on Exhibit "B" attached to the Declaration of Restrictive Covenants. The Town accepts the Applicant's request that the Declaration of Restrictive Covenants attached hereto as Attachment 3 restricts the Town's development of Open Space Lot 83. As part of the consideration for the Town's acceptance of the Applicant's Declaration of Restrictive Covenants, the Applicant acknowledges that the Town has no financial or monetary obligation to pay Applicant for the construction of underground water storage tanks on Open Space Lot 83. However, the Town hereby covenants and agrees with Applicant that, in the event the Town authorizes a third party or other entity to construct underground water storage tanks on Open Space Lot 83 (as permitted by the Declaration of Restrictive Covenants), then the third party or other entity shall pay to Applicant, at the time the Town authorizes the construction of each such water storage tank

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thereon, an amount of money equal to the then fair market value of each such water storage tank site to be located on Open Space Lot 83.

PART II. ACQUISITION AND DEVELOPMENT OF PUBLIC PARK PARCEL

Section 1. The Town and Applicant further acknowledge that the Project Plan includes and designates a certain other separate parcel, containing approximately five acres and designated on the Attachment 1 as "Future Park", which is intended to be purchased by the Town for a price of \$150,000 and developed by the Town as a public park area (hereafter referred to as the "Park Parcel"). A copy of the description of the Park Parcel is attached (Attachment 5 and by this reference made a part of this Agreement. The Park Parcel is included as part of the proposed Phase Three of the Project.

Section 2. The Town and Applicant mutually agree that, for purposes of the purchase, the purchase price of the Park Parcel is hereby established at \$150,000. The Town hereby agrees to purchase and the Applicant hereby agrees to sell the Park Parcel for the above amount, subject to the following:

- A. The Applicant will convey title to the Park Parcel to the Town by special warranty deed.
- B. The Town agrees that, upon conveyance to the Town of title to the Park Parcel, Applicant shall be deemed to have made to the Town an in-kind payment of \$80,042 of the park land impact fee which is the total amount of the park land impact fee payable by Applicant for all final plats within the Phase Three Area of the Project (Assuming 62 lots).
- C. In addition, the Town agrees to pay to the Applicant at the time the Park Parcel is conveyed to the Town \$69,958 of the purchase price for the Park Parcel using proceeds from the park land impact fee collected by the Town from Applicant with respect to the Phase Two area of the Project, and any subsequent final plats within the Project Area, in accordance with the following:
 - 1. At the time of the recordation of the first subdivision plat for any portion of Phase Three and the simultaneous conveyance to the Town of the Park Parcel, the park land impact fee which would normally be collected by the Town for the entire Phase Three shall be waived and treated as a credit toward the purchase price for the Park Parcel. Based upon 62 units in the Phase Three Area, the credit received due to the receipt of the Park Parcel in-lieu of fees shall account for \$80,042 of the entire \$150,000.
 - 2. Pursuant to the Town impact fee ordinances, the Town shall collect a park land impact fee for the Phase Two area upon recordation of

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the final plat(s) in Phase Two. The Town agrees to reimburse the Applicant for the remainder of the \$150,000 purchase price for the Park Parcel which is not eligible for credit from the Phase Three area, or \$69,958 (\$150,000 less \$80,042), upon receipt of the Phase Three Park Parcel.

3. At such time as the amount paid to the Applicant from the combination of credited park land impact fees and reimbursement payments shall equal \$150,000, the obligation of the Town to pay the purchase price for the Park Parcel shall be deemed to be satisfied, and no further payment shall be required.

PART III. GENERAL PROVISIONS

- Section 1. Should either party default in the performance of any of the terms of this Agreement, the parties shall first seek mediation to resolve any default in performance. The defaulting party shall pay all costs and expenses, including mediation fees and/or reasonable attorney's fee, which may arise from enforcing this Agreement, whether such remedy is pursued by mediation and/or filing suit or otherwise.
- Section 2. Any notice to be given hereunder shall be given by certified mail, return receipt requested, addressed as follows:
 - A. If to Town, to the Town of Cedar Hills, Utah, 4393 West Cedar Hills Drive, Cedar Hills, Utah 84062.
 - B. If to Applicants, to Legacy Properties and Investments, L.C., 1402 West State Street, Pleasant Grove, Utah 84062.
- Section 3. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and may be changed only in writing signed by all parties, and this Agreement shall bind the assigns and successors in interest of the respective parties. Failure of the Applicant to conform to the terms of the approved plans or to secure amendments thereto shall constitute a violation of the Town's Development Code and may be enforced in accordance wit the provisions thereof.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first mentioned above.

TOWN OF CEDAR HILLS, UTAH				
Зу:				
Mayor				
Attest:				
Town Clerk				
Approved as to form and content:				
Town Attorney				
LEGACY PROPERTIES AND NVESTMENTS, L.C., a Utah limited iability company				
v: Member				

2362:2000 P6 35 of 134

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As of the date of this Agreement, Property Reserve, Inc. ("PRI") is the owner of the properties included in the Phase Two and Phase Three Areas of the Project. While Legacy Properties and Investments, L.C. ("Applicant") is intended to be the successor in interest to all rights, duties, and obligations of PRI as it relates to the property, PRI as the current property owner is aware of this Agreement and is prepared to assume the obligations of Applicant under Parts II and III in the event that Applicant does not become PRI's successor in interest. Furthermore, PRI agrees that, because of the nature of the development approvals which it has agreed to and shall inherit which are in part based upon this Agreement, it is a beneficiary under this Agreement and that Part II and Part III of this Agreement will be binding upon PRI should Applicant for any reason not be able to comply with the terms of this Agreement.

Dated thisday of I	December, 1999.	
PROPERTY RESER	VE, INC.	· · · · · · · · · · · · · · · · · · ·
Ву:		
Title:		

290187.4

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Description of Open Space Parcel

The open space parcel being herein described as:

That certain real property located in Utah County, State of Utah, more particularly described as follows:

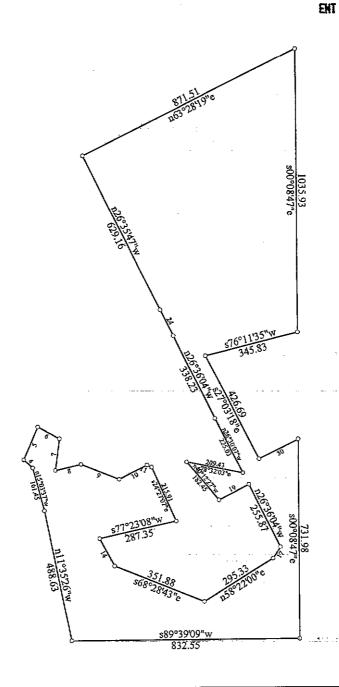
All of Open Space Lot 83 of Canyon Heights at Cedar Hills Subdivision, Plat A, according to the official plat thereof on file and of record in the Office of the Recorder of Utah County, Utah.

Note: the following Open Space Parcel "A" and "B" descriptions are incorporated into the Open Space Lot 83 described above.

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OPEN SPACE 'A"

COMMENCING AT A BRASS CAP MONUMENT MARKING THE SOUTHEAST CORNER. OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 2 EAST, S.L.B.&M., UTAH COUNTY, UTAH; THENCE S. 89°39'09" W. ALONG THE SOUTH LINE OF SAID SECTION, A DISTANCE OF 832.55 FEET; THENCE N. 11°35'26" W. A DISTANCE OF 488.63 FEET; THENCE N. 15°03'37" W. A DISTANCE OF 161.45 FEET; THENCE N. 46°14'32" W. A DISTANCE OF 44.71 FEET; THENCE N. 23°12'41" E. A DISTANCE OF 131.21 FEET; THENCE S. 60°42'33" E. A DISTANCE OF 90.00 FEET; THENCE S. 07°20'22" W. A DISTANCE OF 118.16 FEET; THENCE N. 76°41'53" E. A DISTANCE OF 96.32 FEET; THENCE S. 67°52'49" E. A DISTANCE OF 150.27 FEET; THENCE N. 62°33'12" E. A DISTANCE OF 114.97 FEET; THENCE SOUTHEASTERLY A DISTANCE OF 18.93 FEET ALONG THE ARC OF A 50.00-FOOT RADIUS CURVE TO THE LEFT, SAID CURVE HAVING A CENTRAL ANGLE OF 21°41'27", SUBTENDED BY A CHORD THAT BEARS S. 63°46'29" E. A DISTANCE OF 18.82 FEET; THENCE S. 24°27'07" E. A DISTANCE OF 215.91 FEET: THENCE S. 77°23'08" W. A DISTANCE OF 287.35 FEET: THENCE S. 28°08'53" E. A DISTANCE OF 115.57 FEET; THENCE S. 68°28'43" E. A DISTANCE OF 351.88 FEET; THENCE N. 58°22'00" E. A DISTANCE OF 295.33 FEET; THENCE N. 33°21'58" E. A DISTANCE OF 50.00 FEET; THENCE N. 26°36'04" W. A DISTANCE OF 255.87 FEET: THENCE S. 62°55'31" W. A DISTANCE OF 122.36 FEET; THENCE N. 40°12'27" W. A DISTANCE OF 182.45 FEET; THENCE S. 78°32'03" E. A DISTANCE OF 209.43 FEET: THENCE N. 26°30'07" W. A DISTANCE OF 225.03 FEET; THENCE N. 26°36'04" W. A DISTANCE OF 338.23 FEET; THENCE N. 26°37'47" W. A DISTANCE OF 105.87 FEET; THENCE N. 26°35'47" W. A DISTANCE OF 629.16 FEET; THENCE N. 63°28'19" E. A DISTANCE OF 871.51 FEET TO THE EAST LINE OF SAID SECTION: THENCE S. 00°08'47" E. ALONG THE EAST LINE OF SAID SECTION AND THE BOUNDARY FOR THE U.S. FOREST LAND, FOR A DISTANCE OF 1035.93 FEET; THENCE S. 76°11'35" W. A DISTANCE OF 345.83 FEET; THENCE S. 27°03'18" E. A. DISTANCE OF 426.69 FEET; THENCE N. 62°56'42" E. A DISTANCE OF 160.30 FEET; THENCE S. 00°08'47" E. ALONG THE EAST LINE OF SAID SECTION AND THE BOUNDARY FOR THE U.S. FOREST LAND, FOR A DISTANCE OF 731.98 FEET TO THE POINT OF BEGINNING, CONTAINING 23.39 ACRES, MORE OR LESS.

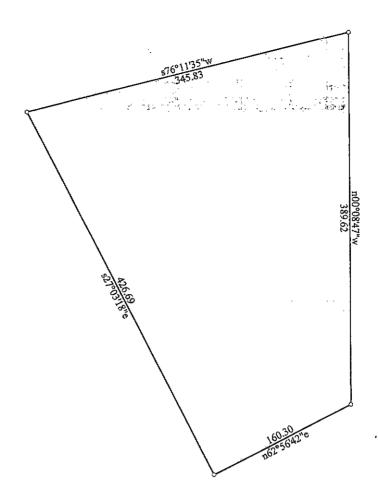


Title: OPEN SPACE		Date: 08-30-1999
Scale: 1 inch = 350 feet	File:	
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002=n11.3526w 488.63	013=s77.2308w 287.35	_024=n26.3747 <u>w</u> 105.87
003=n15.0337w 161.45	014=s28.0853e 115.57	025=n26.3547w 629.16
004=n46.1432w 44.71	015=s68.2843e 351.88	026=n63.2819e 871.51
005=n23.1241e 131.21	016=n58.2200e 295.33	027=s00.0847e 1035.93
006=s60.4233e 90.00	017=n33.2158e 50.00	028=s76.1135w 345.83
007=s07.2022w 118.16	018=n26.3604w 255.87	029=s27.0318e 426.69
008=n76.4153e 96.32	019=s62.5531w 122.36	030=n62.5642e 160.30
009=s67.5249e 150.27	020=n40.1227w 182.45	031=s00.0847e 731.98
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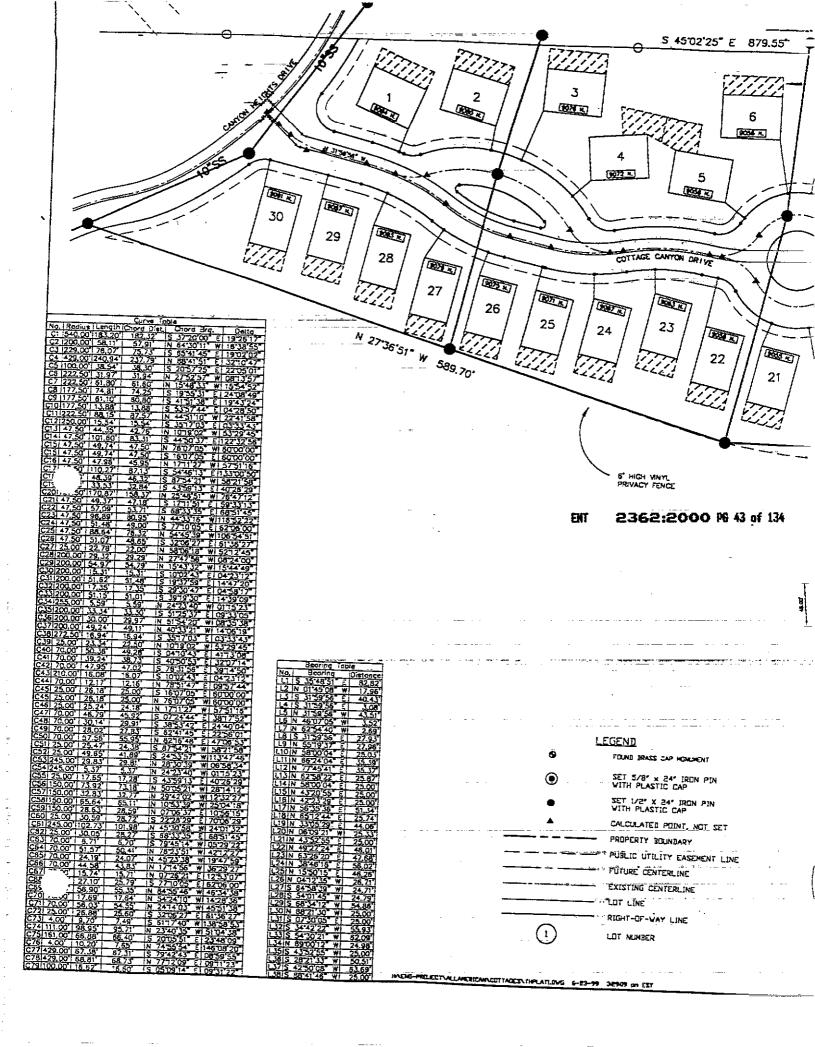
OPEN SPACE "B"

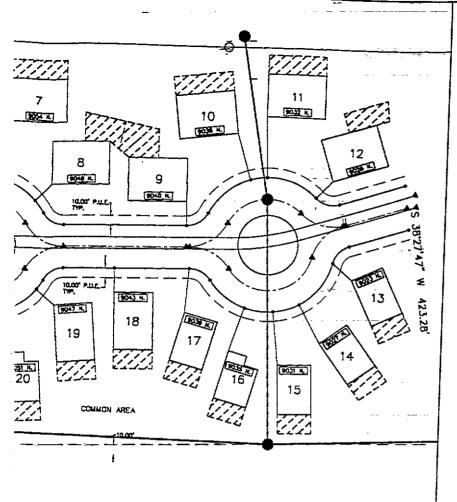
COMMENCING AT A BRASS CAP MONUMENT MARKING THE SOUTHEAST CORNER OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 2 EAST, S.L.B.&M., UTAH COUNTY, UTAH; THENCE N. 00°08'47" W. ALONG THE EAST LINE OF SAID SECTION AND THE BOUNDARY FOR THE U.S. FOREST LAND, FOR A DISTANCE OF 1121.59 FEET TO THE REAL POINT OF BEGINNING; THENCE S. 76°11'35" W. A DISTANCE OF 345.83 FEET; THENCE S. 27°03'18" E. A DISTANCE OF 426.69 FEET; THENCE N. 62°56'42" E. A DISTANCE OF 160.30 FEET; THENCE N. 00°08'47" W. ALONG THE EAST LINE OF SAID SECTION AND THE BOUNDARY FOR THE U.S. FOREST LAND, FOR A DISTANCE OF 389.62 FEET TO THE POINT OF BEGINNING, CONTAINING 2.29 ACRES, MORE OR LESS.

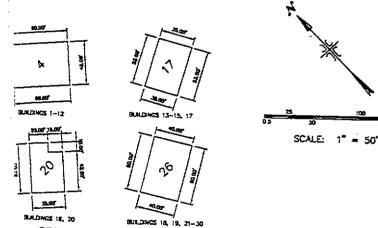


Title: OPEN SPACE "B"		Date: 08-30-1999
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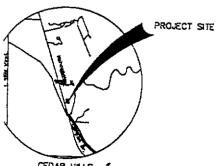






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CEDAR HILLS YICHITY WAP -NTS-

HUBBLE ENGINEERING, INC.

ENGINEERING-SURVEYING-PLANNING

1471 N. 1200 V. DREM, UTAH 84057 (801) 802-8992



SURVEYOR'S CERTIFICATE

L SAYMONS E. ADSOLUTE DO HONESY CORTIFY THAT I AM A MONISTERED LAND SURVEYOR, AND THAT I MOUS CRETOTICATE NO. 365947 AS PRESCRIBED LAND THE LAVE OF THE STATE OF LITHE, I FIRTHER CORTIFY BY AUTHORITY OF THE GIVERS, I MAY MAD A SURVEY OF SAID THACT OF LAND DOTO CORTIFY SHE AND RESERVED SAID STACE OF LAND DITTO LOTS, ROSSER, FREETS, AND PAREDON SHE SHALL OF LAND DOTO LOTS, ROSSER, STREETS, AND PAREDON SHALL THE SAME MAS RESPONDED TO SURVEYED AND STREETS AND THAT AND THAT THE SAME MAS RESPONDED TO SURVEYED AND STREETS AND THAT AND THAT THE SAME MAS CONNECT.

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BOUNDARY DESCRIPTION

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CONTAINING BLINES ACRES,

FOR AN ARC DISTANCE OF 240.84 FEET;

OWNER'S DEDICATION

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ACCEPTANCE BY LEGISLATIVE BUDY

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BOARD OF HEALTH POVER SUBLECT TO THE FOLLOWING CONDITIONS

CITY-COUNTY HEALTH DEPARTMENT PLANNING COMMISSION APPROVAL ZIHT ESVORTA BY THE HOIZZINGCO DADANAS

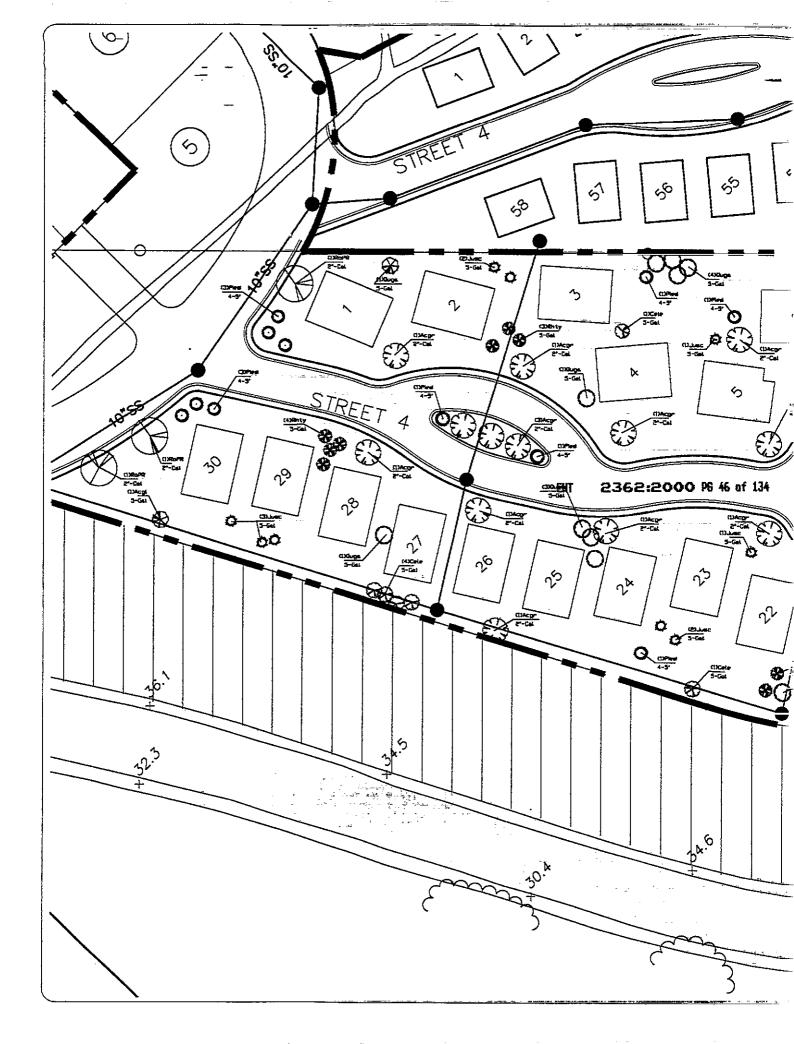
CHAIRMA, PENNING COMISSION

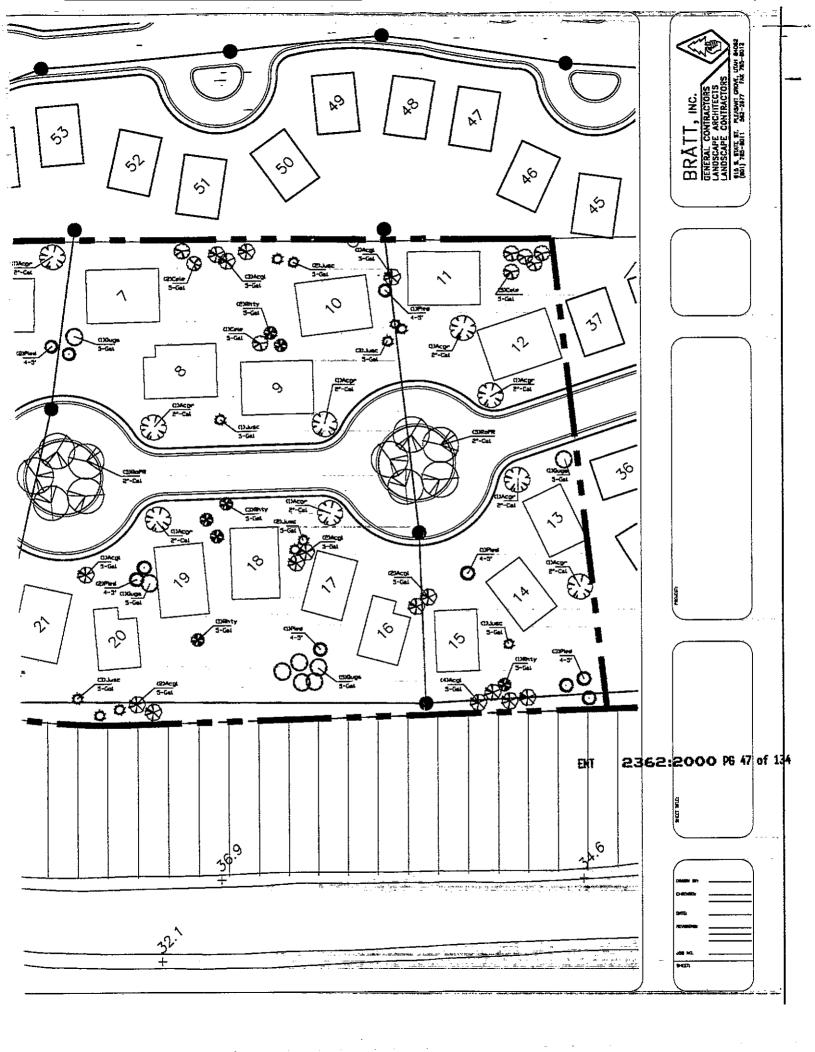
THE COTTAGES AT CANYON HEIGHTS

A PLANNED UNIT DEVELOPMENT PLAT "A"

SCALE IT = 100 FEET						
SURVEYOR'S SEAL	MAZZ DIJEUR YRATDM	CLITY-COLDETY ENGINEER SEAL	CLERX-RECORDER SEAL			
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EXHIBIT

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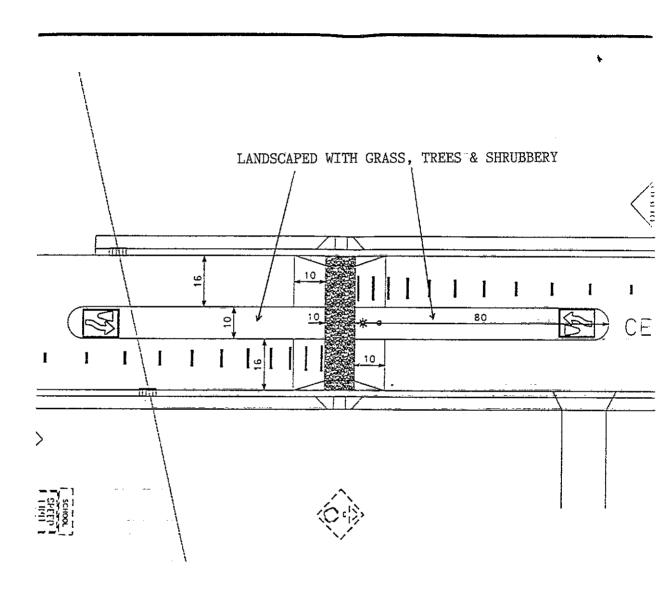
TEMP ROAD

A PARCEL OF LAND IN THE SW 1/4 OF THE NE 1/4 OF SECTION 8, TOWNSHIP 5 SOUTH, RANGE 2 EAST, S.L.B.&M., UTAH COUNTY, UTAH; MORE PARTICULARLY DESCRIBED AS FOLLOWS:

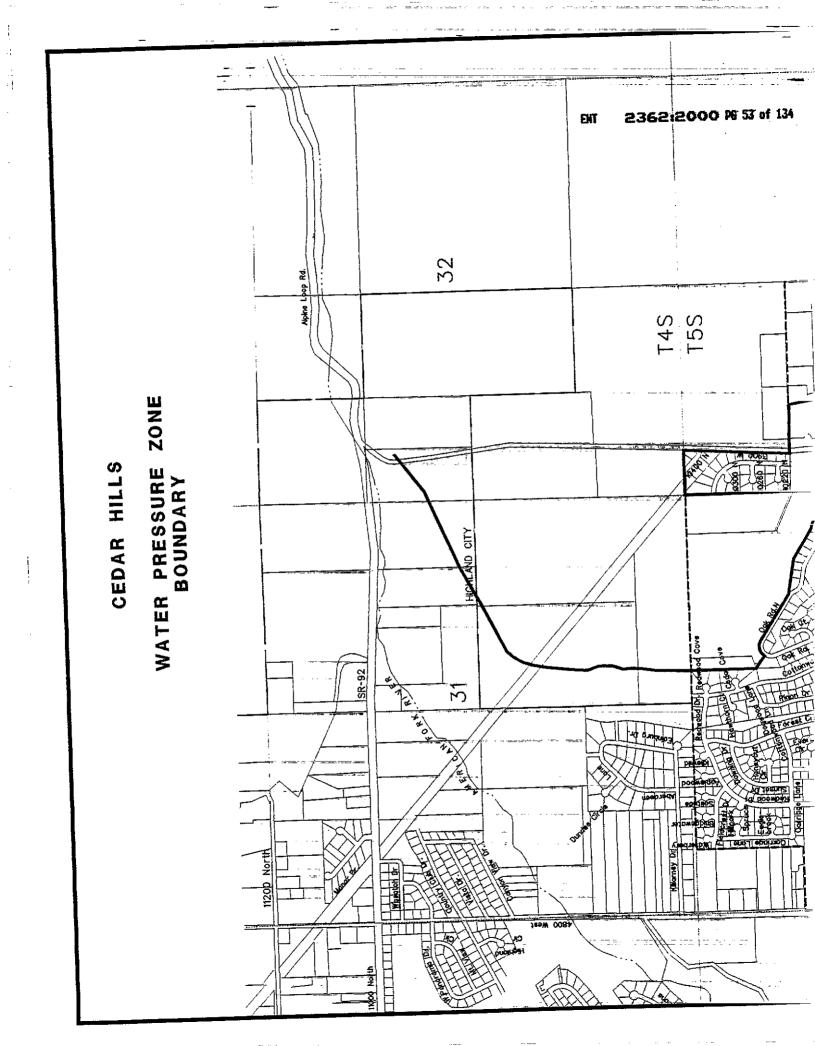
A STRIP OF LAND BEING 24.00 FEET IN WIDTH, 12.00 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

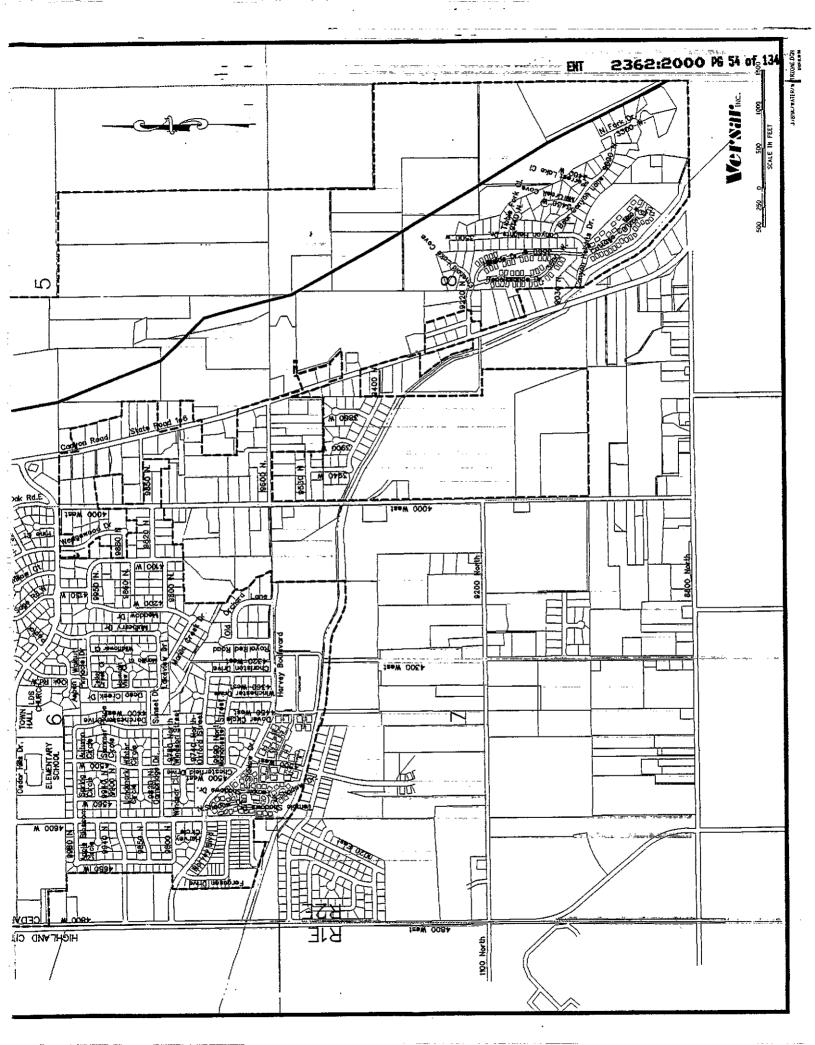
COMMENCING AT A BRASS CAP MONUMENT MARKING THE SOUTHEAST CORNER OF SECTION 8; THENCE S. 89°39'23" W. ALONG THE SOUTH LINE OF SAID SECTION, A DISTANCE OF 2002.97 FEET; THENCE NORTH 2833.09 FEET TO THE REAL POINT OF BEGINNING; THENCE S. 89°10'50" W. A DISTANCE OF 54.85 FEET TO A POINT OF CURVATURE OF A 212.00-FOOT RADIUS CURVE TO THE RIGHT; THENCE NORTHWESTERLY A DISTANCE OF 127.65 FEET ALONG THE ARC OF SAID CURVE, HAVING A CENTRAL ANGLE OF 34°29'52", SUBTENDED BY A CHORD THAT BEARS N. 73°34'14" W. A DISTANCE OF 125.73 FEET TO THE POINT OF TERMINUS, CONTAINING 3,871 SQ. FEET, OR 0.18 ACRES OF LAND, MORE OR LESS.

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When Recorded, Mail to:
Legacy Properties and Investments, L.C.
1402 West State Street
Pleasant Grove, Utah 84062

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CANYON HEIGHTS AT CEDAR HILLS SUBDIVISION

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CANYON HEIGHTS AT CEDAR HILLS SUBDIVISION (this "Declaration"), is made this sold and of December, 1999, by LEGACY PROPERTIES AND INVESTMENTS, L.C., a Utah limited liability company ("Declarant").

RECITALS:

- A. Declarant owns certain real property (the "Property") located in Utah County, Utah, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.
- B. Declarant intends to develop a residential subdivision on the Property. Declarant will develop and convey all of the Property within the Subdivision subject to a general plan of development and subject to certain covenants, conditions and restrictions, all as set forth in this Declaration, which are deemed to be covenants running with the land, mutually burdening and benefiting all of the Property and each of the Lots.

ARTICLE I

DECLARATION

encumbered, leased, used, occupied and improved subject to and in strict accordance with all of the terms and conditions of this Declaration, including without limitation all of the covenants, conditions and restrictions set forth herein, all of which are created for the mutual benefit of the Owners of the Property and the Lots. It is the intention of the Declarant in imposing the covenants, conditions and restrictions set forth in this Declaration to create a generally uniform pattern of development of the Property and to protect and enhance the property values and aesthetic values of the Property by eliminating inconsistent uses or improvements, all for the mutual protection and benefit of the Owners of the Lots. All of the terms and conditions of this Declaration, including without limitation all covenants, conditions and restrictions set forth herein, are intended to and shall in all cases run with the title of the land comprising the Property and shall be binding upon the Owners, their successors, assigns, heirs, lien holders, and any other person holding any interest in the Property and shall inure to the benefit of all other Property in the Subdivision. All of the terms and conditions of this Declaration, including without limitation

the covenants, conditions and restrictions set forth herein, shall be binding upon Declarant as well as all of Declarant's successors in interest, and may be enforced by Declarant, by the Architectural/Technical Committee, or by any Owner.

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

ARTICLE II

DEFINITIONS

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

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

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

"Cedar Hills" shall mean the Town of Cedar Hills, a Utah municipal corporation, and its appropriate departments and officials.

"Declarant" shall mean and refer to Legacy Properties and Investments, L.C., a Utah limited liability company.

"Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Canyon Heights at Cedar Hills Subdivision, together with any subsequent amendments or additions, and any other matters or conditions shown on the official Plat A of Canyon Heights at Cedar Hills Subdivision, which are incorporated into this Declaration by reference.

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

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

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

"Improvements" shall mean all structures and appurtenances of every type and kind, including but not limited to buildings, Dwellings, garages and storage buildings.

"Lot" shall mean any numbered building Lot shown on Plat A of Canyon Heights at Cedar Hills Subdivision.

"Open Space" shall mean Open Space Lot 83, which is identified on the Plat and which is to be conveyed to Cedar Hills as open space. The term "Open Space" shall also mean any other areas which are designated as Open Space Lots on any amendments to or subsequent phases of the Plat.

"Owner" shall mean the person or persons having title to any Lot as shown on Plat A of Canyon Heights at Cedar Hills Subdivision. Owner shall mean the person holding fee simple title, including the Declarant, and buyers under any contract for deed, but shall exclude any person or entity holding title for purposes of securing performance of an obligation.

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

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

"Plat" shall mean Plat A of Canyon Heights at Cedar Hills Subdivision, as approved by Cedar Hills and recorded in the office of the Recorder of Utah County, Utah, and any amendments that may be made from time to time, including the addition of subsequent phases of the Subdivision, if any, provided that such subsequent phase of the Subdivision is made subject to the provisions of this Declaration by a supplemental declaration stating that such subsequent phase has been added to the Subdivision and is subject to this Declaration. Any such subsequent declaration must be recorded in the Office of the Recorder of Utah County, Utah.

"Property" shall mean all of the land described on the Plat, including Lots, Roadways and Open Space.

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

"Roadway" shall mean those portions of the Property that have been or will be dedicated to Cedar Hills as a public way.

"Subdivision" shall mean the subdivision known as Canyon Heights at Cedar Hills Subdivision, Plat A and all Lots and other Property within the Subdivision as shown on the Plat, and as it may be amended or expanded from time to time.

ARTICLE III

PURPOSE OF DECLARATION

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

ARTICLE IV

ARCHITECTURAL/TECHNICAL COMMITTEE

- 4.1 <u>Introduction</u>. It is the intention and purpose of this Declaration to impose architectural design standards of a type and nature that result in Dwellings and Permitted Improvements which are compatible with the mountain landscape. The placement, massing, dimensions and materials of the Permitted Improvements will be guided, but still allow for diversity in style and vitality in design. To accomplish this goal, the Declarant hereby establishes the Architectural/Technical Committee, which is empowered to oversee and enforce the provisions of this Declaration.
- 4.2 <u>Architectural/Technical Committee Created.</u> The Architectural/Technical Committee will consist of two (2) people appointed by the Declarant, who do not need to be Owners. At the time Dwellings have been constructed on 100% of the Lots, all two members of the Architectural/Technical Committee will be elected by the Lot Owners. The above percentages are to be based on the total number of Lots in the Subdivision so that the Declarant is able to remain active in the administration and enforcement of this Declaration while Lots are being marketed.
- 4.3 Approval by Architectural/Technical Committee. No Improvements of any kind, including without limitation the construction or installation of any Dwelling, garage, out building or any other permanent structure may be constructed, installed, maintained or allowed to stand in the Subdivision without the prior written approval of the Architectural/Technical Committee. The construction of all Improvements must occur within the portion of a Lot which is approved for the construction of Improvements by the ordinances of Cedar Hills and also in compliance with all set back requirements set forth in this Declaration. No Excavation, Fill, grading, filling or draining shall be made without the prior written approval of the Architectural/Technical Committee. Approval of the Architectural/Technical Committee will be sought in the following manner:

- (a) Plans submitted. A complete set of plans for the construction of any Improvement as described in Section 4.3 must be signed by the applicant and submitted to the Architectural/Technical Committee for review. It is recommended that preliminary plans be submitted before the expense of final construction drawings is incurred. The plans must be in sufficient detail to show the location on the Lot of the Improvements, including without limitation the exterior walls of any Dwelling and all other structures to be built with it; detailed drawings of all elevations of all buildings showing locations of windows, doors, roof pitches, decks and other exterior elements; a list of exterior stucco, brick and/or stone and roofing materials and/or a sample, including color samples. In the case of an addition or modification to an existing Dwelling, the Architectural/Technical Committee may waive any of the foregoing requirements.
- Review. The Architectural/Technical Committee shall exercise its best judgment in overseeing the construction of all Improvements on the Property within the Subdivision. The Architectural/Technical Committee shall consider the materials to be used on the external features of all Improvements, including but not limited to exterior colors, harmony of external design with existing structures within the Subdivision, location with respect to topography and finished grade elevations and harmony of landscaping with the natural settings While in receipt of a complete submission of the plans, the and surroundings. Architectural/Technical Committee will review the plans and make an initial determination whether or not the plans comply with the conditions imposed by this Declaration. If the plans do in compliance, not comply, the plans will be rejected. If the plans are stamp and approve Architectural/Technical Committee will Architectural/Technical Committee may approve the plans subject to specific modifications or conditions. Owners may desire to submit preliminary plans to the Architectural/Technical Committee for informal and preliminary approval or disapproval. The Architectural/Technical Committee will review preliminary plans and the Architectural/Technical Committee will make its comments known to the Owner. However, no preliminary approval is to be considered a final approval, and no final approval will be granted on less than a complete submission of plans as set forth in this Declaration. All preliminary sketches will be kept by the Architectural/Technical Committee. Upon final approval, the Architectural/Technical Committee and the Owner will each sign a copy of the approved plans, which shall be left with the Architectural/Technical Committee. Any construction that is not in strict compliance with the approved plans is prohibited. Notwithstanding any provisions in the Declaration, all construction of any nature upon any of the Lots within the Subdivision shall be performed in compliance with the requirements of the land management code and the building and zoning ordinances of all governmental entities having jurisdiction with respect to the Subdivision.
- (c) Written Record. The Architectural/Technical Committee will maintain a written record of its actions, and maintain in its files a copy of all plans approved or rejected for a period of five years.
- (d) Failure to Act. If the Architectural/Technical Committee has not approved or rejected any submission within 45 days after the submission of complete plans, the submission shall be deemed to have been disapproved.

- (e) Permits and Approvals from Cedar Hills. Notwithstanding any other provision of this Declaration to the contrary, prior to commencing the construction of any Improvements on any Lot, the Owner of each Lot must obtain from Cedar Hills all necessary permits and approvals required by Cedar Hills in connection with the construction of any such Improvements.
- 4.4 <u>Variances</u>. The Architectural/Technical Committee has the authority to deviate from the requirements contained in this Declaration under extenuating circumstances, when compliance with this Declaration would create an unreasonable hardship or burden for a Lot Owner. No such variance may be granted without the unanimous written consent of the Architectural/Technical Committee. The Architectural/Technical Committee does not, however, have the authority to deviate beyond the requirements of the land management code and the building code and zoning ordinances of all governmental entities having jurisdiction with respect to the Subdivision.
- 4.5 <u>General Design Review</u>. The Architectural/Technical Committee will use its best efforts to provide a consistent pattern of enforcement and consistent application of this Declaration that results in a high quality, attractive, and well-designed community.
- the Architectural/Technical Committee and its members shall not be liable to the applicant or to the Owners of any Lots within the Subdivision for damages or any other remedy as the result of their actions, inactions, or approval or disapproval of any set of plans submitted to the Architectural/Technical Committee for review. In the absence of bad faith or malicious actions, the Owners shall have no claim against the Declarant, the Architectural/Technical Committee or its members as a result of the performance or failure to perform the duties created by this Declaration. Any person or persons acquiring title to any Lot in the Subdivision shall be deemed to have agreed and covenanted that such Owner will not bring any action or suit to recover damages against the Declarant or the Architectural/Technical Committee or its members, or the advisors, officers, employees or agents of the any of the foregoing, as a result of the performance by the Architectural/Technical Committee of its duties and responsibilities under this Declaration. Each Owner has the right to enforce this Declaration against another Owner.
- Limitations on Review. The Architectural/Technical Committee's review is limited to those matters expressly described in this Declaration. The Architectural/Technical Committee shall have no authority over the enforcement of building codes, zoning ordinances, or other statutes, laws, or ordinances affecting the development or improvement of the Property and shall have no liability to any Owner whose plans were approved in a manner that included any such violation. The Architectural/Technical Committee shall not be responsible for reviewing, nor shall the approval by the Architectural/Technical Committee of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or compliance with any applicable building codes, zoning ordinances, or other statutes, laws or ordinances affecting the development or improvement of the Property. The structural integrity of any Improvements constructed within the Subdivision is not the responsibility of the Architectural/Technical Committee. Corrections or changes to plans as may be subsequently

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required to bring them into conformity with any applicable statutes, laws or ordinances must be reviewed and approved by the Architectural/Technical Committee prior to construction.

4.8 Approval to Proceed. The Architectural/Technical Committee shall stamp, date and sign the plans and deliver the plans to the applicant once the plans for any Permitted Improvements have been approved.

ARTICLE V

RESTRICTIONS ON ALL PROPERTY

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

- 5.1 Governing Regulations. The lawfully enacted zoning regulations of Cedar Hills and of any other governmental body having jurisdiction with respect to the Property, including without limitation any and all applicable building, fire, and health codes, are in full force and effect in the Subdivision, and no Lot may be occupied in a manner that is in violation of any such statute, law, ordinance or regulation. If the provisions of this Declaration are more stringent than any applicable governmental statute, law, ordinance or regulation, it is the intent that the provisions of this Declaration shall control. This Declaration shall not authorize any uses, improvements, or activities that are prohibited by any local, state or federal statute, law, ordinance or regulation.
- 5.2 <u>No Mining Uses</u>. No mining, quarrying, tunneling, excavating or drilling for any substances within the earth, including but not limited to oil, gas, minerals, gravel, sand, rock and earth, shall ever be permitted on the Property within the Subdivision. The foregoing limitation shall not preclude drilling and excavation in connection with the construction of roads, utility lines and other Permitted Improvements.
- No Business or Commercial Uses. The Property within the Subdivision shall be 5.3 used for residential purposes only. No portion of the Subdivision may be used for any commercial or business use, provided however that nothing in this provision is intended to prevent (a) the Declarant from using one or more Lots for purposes of a construction office or sales office during the actual period of construction of the Subdivision Improvements or until the Lots are sold, or (b) the use by any Owner of his Lot for a home occupation. No home occupation will be permitted, however, which requires or encourages the Owner's clients, customers, patients or others to come to the Lot to conduct business, or which requires any employees outside of the Owner's immediate family or household to come to the Lot to conduct business. No signs or other advertisements relating to any such home occupation shall be placed upon any of the Property within the Subdivision, nor shall any such sign or advertisement be visible from the outside of any of the Permitted Improvements constructed on the Property. No retail sales of any kind may be made in the Subdivision. All home occupations operated or conducted from any of the Lots within the Subdivision shall comply with all applicable local, state or federal statutes, laws, ordinances and regulations, including without limitation all statutes, laws, ordinances and regulations pertaining to licensing and permitting for the operation of any such home occupation.

- 5.4 Restrictions on Signs. No signs will be permitted on any Lot or within the Subdivision, except for traffic control and directional signs for Roadways or trails placed by Cedar Hills or temporary signs warning of some immediate danger and except for such other signs as may be approved by the Architectural/Technical Committee. Signs indicating a Lot is for sale may be placed in accordance with Cedar Hills sign regulations. The Declarant may erect a sign acceptable to Cedar Hills at the entrance to the Subdivision announcing the availability of Lots and giving sales information. An entrance monument for the Subdivision may be constructed by Declarant, at Declarant's sole discretion.
- 5.5 <u>Dwelling to be Constructed First</u>. No garage, storage unit, or other out-building may be constructed on any Lot prior to the construction of the Dwelling on such Lot.
- Animals. No animals, livestock or poultry of any kind shall be raised or kept on any Lot, except that dogs, cats and other domesticated household pets may be kept on a Lot, provided that they are not kept or maintained for any commercial purpose, and provided further that all pets must be restrained upon the Owner's Lot in a humane and sanitary manner. Notwithstanding the foregoing limitation, the Owner of Lot 65 and the Owner of Lot 66 may, with the prior approval of the Architectural/Technical Committee and Cedar Hills, keep one or more horses on such Lots. Corrals, enclosures, barns, kennels, runs and the leash areas must be kept clean and sanitary and must be located not less than forty (40) feet from any neighboring Dwelling. No pets may be kept in unreasonable numbers, as determined by the sole discretion of the Architectural/Technical Committee, and the Architectural/Technical Committee may establish rules and restrictions from time to time concerning specific breeds or types of animals which may be kept on any Lot. No boarding of animals for hire shall be allowed within the Subdivision. Owners are required to be in control over their respective animals and pets in order to protect inhabitants of the Subdivision and other animals kept within the Subdivision and to protect the wildlife in the area. No dangerous animals will be allowed in the Subdivision. The Owner of each Lot shall make such Permitted Improvements as are necessary to assure that animals kept on such Owner's Lot do not trespass on other Lots.
- 5.7 <u>No Hazardous Activity</u>. No activity may be conducted on any Lot that is, or would be considered by a reasonable person to be, unreasonably dangerous or hazardous, or which would cause the cancellation of conventional property casualty insurance. This includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses.
- 5.8 No Unsightliness. No unsightliness is permitted on any Lot. This requirement shall prohibit, without limitation, the open storage of any building materials (except during the construction of any Dwelling or Improvements); open storage or parking of construction equipment, trucks larger than pick-up trucks (except during periods of actual loading and unloading); accumulations of lawn or tree clippings or trimmings; accumulations of construction debris or waste; household refuse or garbage except as stored in tight containers in an enclosure such as a garage.

- 5.9 No Annoying Lights. No outdoor lighting shall be permitted expect for lighting that is designed to aim downward and limit the field of light to the confines of the Lot on which it is installed. This shall not apply to street lighting maintained by Cedar Hills.
- 5.10 No Transient Lodging Uses. The Lots are to be used for residential housing purposes only and shall not be rented in whole or in part for transient lodging purposes, boarding house, "bed and breakfast," or other uses for providing accommodations to travelers.
- 5.11 Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept on any Lot, except in sanitary containers approved by the Architectural/Technical Committee. All equipment for the storage or disposal of waste or rubbish shall be kept in a clean and sanitary condition and must meet the approval of the Architectural/Technical Committee.
- Parking and Storage of Personal Property. No personal property, including but not limited to boats, trailers, campers and motorized vehicles, shall be placed or stored upon any Lot prior to the time the Owner thereof is ready to commence the construction of Permitted Improvements, and thereafter all such personal property shall be placed within the property lines of the Lot and not within the streets and shall be placed in such a manner as not to constitute an aesthetical nuisance upon the rights of other Lot Owners. The Owner of each Lot shall be obligated to construct on such Lot sufficient on-site parking on the Lot to accommodate all automobiles placed or parked on the Lot. No storage of any articles, material, equipment or vehicles of any nature is permitted in the front yard portion of any Lot, except that regularly used passenger cars and light pickup trucks may be parked on the driveway areas in the front yard. Boats, trailers, campers, motorized vehicles and all other types of recreational and/or accessory equipment shall be restored and repaired only in side or rear yards, garages, or driveways acceptable to the Architectural/Technical Committee. No automobiles, trucks, campers, trailers, boats, equipment, recreational vehicles, motor homes or other similar vehicles shall be parked or stored on a public street or right of way for more than seven (7) consecutive days without the express written consent of the Architectural/Technical Committee.

ARTICLE VI

RESTRICTIONS ON LOTS

6.1 <u>Dwelling and Ancillary Structures:</u> No <u>Dwelling</u> or other Improvements shall be placed, erected, altered, or permitted to remain on any Lot other than one (1) single family Dwelling and one (1) garage together with related nonresidential Improvements which have been approved by the Architectural/Technical Committee. At the time of construction of the single family Dwelling on any Lot, said Lot must also be improved with a garage with at least a two (2) car capacity. The Dwelling on each Lot shall be used for private residence purposes only, and no structure of any kind shall be moved from any other location and placed upon a Lot, nor shall any incomplete building or Improvement of any type be permitted to remain incomplete on a Lot for a period in excess of one (1) year from the date the Improvement was started, unless otherwise approved by the Architectural/Technical Committee. No structure of a temporary

character nor any trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently. No structure greater than one hundred (100) square feet in area may be built upon any Lot without the prior written consent of the Architectural/Technical Committee.

6.2 <u>Finished Area Above Grade</u>. <u>The Dwelling</u> constructed on each Lot in the Subdivision shall have the following minimum finished area above grade, which shall be determined according to the following table, depending upon the Lot number. The number of square feet in the table refers to the minimum size of the finished area above grade, excluding the garage:

Lot Designation	Minimum Area of Single Story Dwelling	Minimum Area of Two Story Dwelling
Lots 1 through 19, inclusive;	1,500 square feet	1,700 square feet
Lots 27 through 32, inclusive;		
Lots 38 through 44, inclusive and	<u>-</u>	
Lots 79 through 82, inclusive.		<u> </u>
Lots 20 through 26, inclusive;	1,700 square feet	1,900 square feet
Lots 33 through 37, inclusive;		<u> </u>
Lots 45 through 60, inclusive; and		
Lots 71 through 78, inclusive.		
Lots 61 through 70, inclusive.	1,900 square feet	2,100 square feet

The minimum area of all multi-level or split-level homes shall be approved on a case-by-case basis by the Architectural/Technical Committee regardless of the Lot designation.

- 6.3 <u>Completion of Dwelling</u>. All construction and alteration work shall be prosecuted diligently, and each Dwelling which is commenced on any Lot shall be entirely completed within twelve (12) months after commencement of construction. A three (3) month grace period after the initial twelve (12) month period has expired may be granted by the Architectural/Technical Committee upon the showing of just cause for such grace period.
- 6.4 Towers, Satellite Receivers and Antennas: No towers, exposed or outside radio, television or other electronic antennae, with the exception of television receiving antennae, shall be allowed or permitted to remain on any Lot. Satellite receivers, in excess of eighteen (18) inches in diameter, must have an enclosure to screen them from view from any surrounding Lot Owner.
- 6.5 <u>Used or Temporary Structures</u>: No used or previously erected or temporary house, structure, house trailer, mobile home, camper, or nonpermanent outbuilding shall be placed, erected, or allowed to remain on any Lot except during construction periods, and no

Dwelling shall be occupied in any manner prior to its completion and approval in accordance with Article V hereof.

- 6.6 <u>Minimum Architectural Requirements</u>: The following shall be considered to be minimum architectural requirements with respect to Dwellings constructed within the Subdivision, although the Architectural/Technical Committee shall have broad discretion in the approval of plans for Dwellings constructed in the Subdivision and shall be entitled to consider factors in addition to the following minimum requirements:
- (a) Exterior materials on all Dwellings shall be limited to brick, stone, stucco or rock. Upon the express written approval of the Architectural/Technical Committee, other exterior building materials may be used. Exceptions to the foregoing requirements may be allowed to accommodate an architectural duplication of a certain era or style, such as Victorian. No Dwellings shall be constructed with readily combustible exterior finishes, which prohibition shall preclude without limitation wood shingles, wood soffits, wood facia and wood siding.
- (b) No dome, A-frame or modified A-frame Dwellings shall be allowed or constructed.
 - (c) No prefabricated Dwellings or trailers shall be allowed or constructed.
- (d) Roofs on all buildings shall be constructed with a minimum pitch angle of 6:12. All roofs shall be made of fire resistant dimensional shingles or other roofing materials approved by the Architectural/Technical Committee. The shingles must be a minimum of 25 year dimensional shingles.
- (e) All buildings, structures and improvements on any Lot shall comply with the construction guidelines and specifications of the planning and building department of the governmental authority having jurisdiction over the Subdivision.
- 6.7 <u>Slope and Drainage Control</u>. No Improvement, planting or other material shall be placed or permitted to remain, nor shall any other activities be undertaken, which may damage or interfere with established slope ratios, which create erosion or sliding problems, or which may change the direction or flow of drainage channels or obstruct or retard the flow of water through drainage channels. The slope control areas of each Lot and all Improvements within them shall be maintained continuously by the Owner of the Lot, except for those Improvements for which a public authority or utility company is responsible. All Lot Owners shall retain and control all water runoff from such Owner's Lot or Lots, so as not to damage or hinder other Lots or Owners.
- 6.8 <u>Landscaping</u>. The Landscaping of the front yard of each Lot, including the planting of grass or the placement of sod, and the planting of at least a minimal number of shrubs or trees on the Lot, must be completed within eighteen (18) months from the time the construction of the Dwelling is commenced. The Owner of each Lot within the Subdivision shall keep such Owner's Lot clean of weeds and trash. If the Owner fails to do so, the Declarant or the Architectural/Technical Committee shall have the right to cause such maintenance work to be done and to cause the cost of such maintenance work to be charged to and paid by the Owner of

such Lot. The recordation by the Declarant in the Office of the Recorder of Utah County, Utah of a Notice of Charge against the Owner of any Lot shall constitute a lien against such Lot, which lien shall remain in effect until such amount, together with interest thereon at the rate of eighteen percent (18%) per annum from the date of such Notice of Charge, is paid. Thereupon the Notice of Charge shall be released of record.

ARTICLE VII

OWNERS' MAINTENANCE OBLIGATIONS

- 7.1 <u>Duty to Maintain</u>. It is the obligation of the Owner of each Lot to maintain properly his Lot and the Improvements to the Lot in a good state of repair and an attractive, safe, and healthy condition at all times in order to preserve and enhance the enjoyment of the Subdivision.
- 7.2 Alterations of Exterior Appearance. The Owners will maintain their Lots and Improvements in substantially the same condition and appearance as that approved by the Architectural/Technical Committee. No subsequent exterior alterations, improvements or remodeling, whether structural or cosmetic, will be made without the advance written consent of the Architectural/Technical Committee.
- Repair Following Damage. In the event of casualty loss or damage to the Improvements, the Owner will be entitled to reconstruct the Improvements as they existed prior to the damage or loss without review by the Architectural/Technical Committee, provided however that alterations or deviations from the originally approved plans will require review. Nothing in this Declaration is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent further damage, or to prevent injury or dangerous conditions following loss or damage, before reconstruction begins. Such temporary measures may be taken without the consent or approval of the Architectural/Technical Committee, provided that any such measures must be of a temporary nature, and repair or reconstruction must begin as soon as circumstances will permit. No damaged structure will be permitted to remain on any Lot for more than 90 days without repairs commencing, and any damaged structure which does remain unrepaired after 90 days following the occurrence of damage is deemed a nuisance which may be abated by the Architectural/Technical Committee.

ARTICLE VIII

CONSTRUCTION COVENANTS

8.1 <u>Introduction</u>. In order to minimize the disturbance of the Property within the Subdivision during any construction activities, and to minimize the inconvenience to adjoining Owners, the following construction regulations shall be enforced. These regulations shall be made a part of the construction contract between the Owner and the builder of each Dwelling or other Improvements on a Lot. The Owner shall be bound by these regulations, and violations

committed by the builder or its employees, subcontractors or others shall be deemed a violation by the Owner for which the Owner shall be liable.

- 8.2 <u>Construction Debris Removal.</u> The builder must comply with the ordinances of Cedar Hills and the requirements of the Architectural/Technical Committee requiring the placement and maintenance of a trash container or dumpster on the Lot. The builder shall collect trash at the end of each work day and deposit construction trash, packing material, unusable scraps, and other debris in a suitable container, protected from the wind. Such container shall be regularly serviced. No trash may be burned, buried, or otherwise disposed of on the Property. No concrete trucks may be cleaned out on the Lot, the Property or anywhere within the Subdivision.
- 8.3 <u>Construction Area Appearance</u>. The Lot must be maintained in a reasonably organized and neat condition at all times during the construction of a Dwelling or other Improvements. Once the Dwelling is enclosed, materials shall be stored inside the Dwelling and out of sight, whenever practical and possible.
- 8.4 <u>Sanitary Facilities.</u> The builder is responsible for the installation and maintenance of an approved portable toilet facility during construction. The portable toilet must be located on the Lot at a location approved by the Architectural/Technical Committee and must be removed from the site at such time as the permanent plumbing system is operational.
- 8.5 <u>Construction Parking and Vehicles.</u> Construction crews must park their vehicles on the Lot on which they are working or on the street in front of such Lot and shall not use or park on any other Lot or any other Property within the Subdivision. All vehicles must be parked to allow the free flow of traffic within the Subdivision.
- 8.6 Removal of Mud. The builder is responsible for cleaning up and removing mud from the construction site that is deposited on the Roadways of the Subdivision.
- permit and all other necessary permits from Cedar Hills and any other governmental entity having jurisdiction over construction on the site. No materials, tools, temporary offices or portable toilets, excavation or construction equipment or similar materials or equipment may be delivered to the site prior to the issuance of the permit(s). It is the obligation of the Owner to proceed with construction with all reasonable speed once construction has commenced, and in any event, all exterior surfaces of the Dwelling shall be substantially complete within a period of six months from commencement. All landscaping and soil stabilization work must be completed as soon as possible after completion of the exterior of the Dwelling, but in no event later than the summer following completion of the exterior of the Dwelling.
- 8.8 Repair of Damage. Each Owner is responsible for the prompt repair of any damage to any Property within the Subdivision caused by or incidental to such Owner's construction, including without limitation any cracked or broken sidewalks. The Declarant or the Architectural/Technical Committee, if necessary, may initiate legal action against any Owner for the repair of damage that occurs from construction activity pertaining to that Owner's Lot. The

Declarant or the Architectural/Technical Committee shall be entitled to record a Notice of Charge against such Owner's Lot until all such damage is repaired and paid for, in the manner described in Section 6.11 above.

ARTICLE IX

GENERAL PROVISIONS

- 9.1 The covenants, conditions, and restrictions contained in this Declaration may be enforced as follows:
- 9.2 <u>Violation Constitutes Nuisance</u>. The violation of the provisions of this Declaration is deemed to be a nuisance, and the Owner of the Property on which the violation occurs is responsible for the removal or abatement of the nuisance.

9.3 Remedies.

- (a) Any single or continuing violation of the covenants contained in this Declaration may be enjoined in an action brought by the Declarant (for so long as the Declarant is the Owner of any Lot), by any other Owner, or by the Architectural/Technical Committee in its own name. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment all of the reasonable costs of enforcement, including attorneys' fees and costs of litigation.
- (b) Nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state, or local laws and ordinances pertaining to health, safety, abatement of nuisances or other matters. The remedies available under this Declaration are to be construed as being in addition to all other remedies available at law.
- (c) The remedies available under this Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.
- (d) The delay or failure by anyone to take enforcement action with respect to any violation of this Declaration shall not be construed as a waiver of the covenants contained in this Declaration with respect to such violation or with respect to any other violations.
- 9.4 <u>Severability</u>. Each of the covenants, conditions, restrictions and provisions contained in this Declaration shall be independent of the others, and in the event that any covenant, condition, restriction or provision of this Declaration is found to be invalid, unenforceable or illegal by a court of competent jurisdiction, the remaining covenants, conditions, restrictions and provisions of this Declaration shall remain in full force and effect.
- 9.5 <u>Limited Liability</u>. Neither the Declarant, or the Architectural/Technical Committee or its individual members, nor any Owner shall have personal liability to any other Owner for actions or inactions taken pursuant to the terms of this Declaration, provided that any

such actions or inactions are the result of the good faith exercise of their judgment or authority under this Declaration and without malice.

- 9.6 Term of Declaration, Renewal. This Declaration shall expire fifty years from the date it is first recorded with the Recorder of Utah County, Utah, provided however that in the last year prior to expiration, the Owners of eighty percent (80%) of the Lots may, by written notice which is recorded with the Recorder of Utah County, Utah, agree to extend the term of this Declaration for a period of an additional twenty years, and at the end of each additional period of twenty years thereafter, the Owners of eighty percent (80%) of the Lots may, by written notice which is recorded with the Recorder of Utah County, Utah, agree to extend the term of this Declaration for a period of twenty additional years.
- 9.7 Amendment, Mortgagee Not Bound. At any time while this Declaration is in effect, the Owners of eighty percent (80%) of the Lots subject to this Declaration may amend the provisions of this Declaration, provided that if the Declarant owns or controls an interest in all or a portion of the Additional Land at the time of the proposed amendment, the consent of the Declarant will be required. Any such consent shall be in the exclusive judgment of the Declarant. Any amendment must be in writing and must be properly recorded in the office of the Recorder of Utah County, Utah. No amendment will be binding upon the holder of any mortgage or trust deed on any Lot which mortgage or trust deed is of record at the time of the amendment, unless the mortgage or trust deed holder joins in the amendment. This Declaration may not be repealed by amendment.
- 9.8 Constructive Notice. Every person who owns, occupies, or acquires any right, title or interest in any Lot in the Subdivision is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the provisions of this Declaration against such Owner's Lot, whether or not there is any reference to this Declaration in the instrument by which such Owner acquires an interest in any Lot.
- 9.9 <u>Reservation of Easements.</u> Easements affecting the Lots within the Subdivision are reserved as shown on the Plat for utility installation and maintenance, drainage and other purposes as designated on the Plat.
- 9.10 <u>Notices</u>. All notices under this Declaration are deemed effective 72 hours after mailing, whether delivery is proved or not, provided that any mailed notice must have postage pre-paid and be sent to the last known address of the party to receive notice. Notices delivered by hand are effective upon delivery.
- 9.11 <u>Liberal Interpretation</u>. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development of the Subdivision. Section headings are inserted for convenience only and shall not be considered in the interpretation of the provisions. The singular shall include the plural, and the plural shall include the singular. Any reference to gender is intended to include masculine, feminine and neuter as well.

- 9.13 No Obligation to Expand. The Declarant reserves the right to add some or all of the Additional Land to the Subdivision, but there is no obligation to do so. Any Additional Land, if not added to the Subdivision, may be developed in a manner that is different from the development plan utilized for the Subdivision.
- 9.14 Expansion in Phases. The Declarant may exercise its right to expand the Subdivision in one or more phases. The addition of some of the Additional Land does not obligate the Declarant to add the balance of the Additional Land to the Subdivision.
- 9.15 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Subdivision to the public or for any public use, except as specifically shown on the Plat.

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

LEGACY PROPERTIES AND INVESTMENTS, L.C., a Utah limited liability company

John Heiner Title: Member

Reed Swenson

Title: Member

STATE OF UTAH) : ss.			ENT	2362:2000 P6 72 of 1
COUNTY OF UTAH) _				
The foregoing instr 1999 by John Heiner in his Utah limited liability comp	capacity as a	cknowledged Member of L	before me this egacy Properties	15-46 s and Ir	day of December, evestments, L.C., a
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STATE OF UTAH) : ss.			KIM E. 100181	uly 1, 2001 HOLINDRAKE North Pine Court fills, Utah 84062
The foregoing insta 1999 by Reed Swenson in a Utah limited liability com	his capacity a	icknowledged s a Member of	before me this Legacy Propert	15-fl ies and	day of December, Investments, L.C.,
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EXHIBIT "A" TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CANYON HEIGHTS AT CEDAR HILLS SUBDIVISION

Legal Description of the Property

EHT

EXHIBIT "B" TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR CANYON HEIGHTS AT CEDAR HILLS SUBDIVISION

Map Showing Approximate Location of the Additional Land

EHT

EXHIBIT

M

ENT 2362:2000 P6 76 of 134

ARTICLES OF INCORPORATION

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FOR

THE COTTAGES AT CANYON HEIGHTS HOMEOWNERS ASSOCIATION, INC.

The undersigned Incorporator, being a natural person over the age of 18 years, executes these Articles of Incorporation to form and establish a nonprofit corporation under the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, Section 16-6-18 et seq. of the Utah Code, and adopts the following Articles of Incorporation:

- 1. Name. The name of the corporation is The Cottages at Canyon Heights Homeowners Association (the "Association").
- 2. <u>Duration</u>. The duration of the Association shall be perpetual, unless dissolved by the action of the Association, Inc. or by operation of law.
- 3. Purposes. The Association is organized as a nonprofit corporation. The purposes of the Association are to function as the homeowners association for the residential planned unit development known as The Cottages at Canyon Heights (the "Project") located in Utah County, Utah and to enforce the Covenants, Conditions and Restrictions for The Cottages at Canyon Heights (the "Declaration") for the lots (the "Lots") within the Project as set forth in the Declaration, and to provide the other services and to perform all of the other functions of the Association set forth in the Declaration as may become desirable or necessary for the benefit of the owners of the Lots. The Association shall have all powers, rights, and privileges available to nonprofit corporations under the laws of the State of Utah.
- 4. <u>Membership</u>. The Members of the Association shall be the owners of the Lots in the Project. Membership is deemed an appurtenance to each Lot and shall pass automatically to the owner of each Lot upon conveyance of title to such Lot. The Association shall not have stock or issue shares or certificates of membership.
- 5. <u>Voting Rights</u>. The Member or Members of each Lot shall be entitled to cast one vote for each Lot such Member or Members own on all matters presented to the Members for approval. If a Lot is owned by more than one person or entity, then such persons or entities must decide among themselves how the one vote for such Lot shall be cast. In the election of Trustees, Members may accumulate their votes.
- 6. Registered Agent. The initial registered agent and the initial registered office of the Association are:

John Heiner 1402 West State Street Pleasant Grove, Utah 84062 09-15-99P04:31 RCVD

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Acceptance of Appointment

I, John Heiner, hereby accept the appointment as the registered agent for The Cottages at Canyon Heights Homeowners Association, Inc.

John Heiner

- 7. <u>Bylaws</u>. The Board of Trustees will adopt by-laws consistent with these Articles at its first meeting. Thereafter, by-laws may be adopted, amended, or repealed by the vote of the Members.
- 8. <u>Principal Office</u>. The initial principal office of the Association is located at: 1402 West State Street, Pleasant Grove, Utah 84062. The Association may establish such other offices and locations as it deems appropriate for the operation of its business.
- 9. <u>Board of Trustees.</u> There will be three Trustees of the Association. The initial Board of Trustees, who will serve until the election of Officers and Trustees at the first annual Members meeting, are:

<u>Name</u>		Address
John Heiner		317 West 740 North American Fork, Utah 84003
Reed Swenson	. sen u uz minum n	10253 North Oak Road Cedar Hills, Utah 84062
Eric Swensen	v a com	4364 West Aspen Cove Cedar Hills, Utah 84062

The Trustees from time to time shall elect one of them to act as Chairman.

10. Officers. The initial Officers of the Association are:

President

John Heiner

Secretary/Treasurer

Reed Swenson

Officers serve at the pleasure of the Board of Trustees.

11. <u>Limitations on Liability</u>. The Officers, Trustees and Members of the Association shall not be held personally liable for the debts and obligations of the Association.

12. <u>Incorporator</u>. The Incorporator of the Association is:

John Heiner 317 West 740 North American Fork, Utah 84003.

IN WITNESS WHEREOF, the Incorporator has executed and verified these Articles of Incorporation this 2 day of September, 1999.

ohn Heiner

STATE OF UTAH

SS.

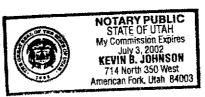
COUNTY OF UTAH

The foregoing instrument was acknowledged and verified before me by John Heiner, who personally appeared before me, and being by me duly sworn declared under penalty of perjury that he is the Incorporator of The Cottages at Canyon Heights Homeowners Association, Inc., and that he signed the foregoing Articles of Incorporation of The Cottages at Canyon Heights Homeowners Association, Inc., and that the statements contained therein are true and correct.

In witness whereof, I have set my hand and seal this $2^{n\theta}$ day of September, 1999.

Notary Publica Residing at:

My Commission Expires:



Legacy Properties and Investments, L.C. 1402 West State Street Pleasant Grove, Utah 84062 Attention: John Heiner

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE COTTAGES AT CANYON HEIGHTS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE COTTAGES AT CANYON HEIGHTS (this "Declaration") is made and executed this _____/5___ day of December, 1999, by LEGACY PROPERTIES AND INVESTMENTS, L.C., a Utah limited liability company (hereinafter referred to as the "Declarant").

RECITALS:

- A. This Declaration affects that certain real property located in the Town of Cedar Hills, Utah described with particularity in Exhibit "A" attached hereto and incorporated herein by this reference (hereinafter referred to as the "Property").
 - B. Declarant is the owner of the Property.
- C. Declarant has constructed, is in the process of constructing or will construct upon the Property a residential planned unit development which shall include certain Lots, Common Area, and other improvements. All of such construction has been, or is to be, performed in accordance with the plans contained in the Record of Plat Map to be recorded concurrently herewith.
- D. Declarant intends to sell to various purchasers the fee title to the individual Lots contained in the Property, and a corresponding membership interest in the Association of Lot Owners (which shall own the Common Areas), subject to the Plat Map and the covenants, conditions and restrictions set forth herein.
- E. Declarant desires, by filing this Declaration, to submit the Property and all improvements now or hereafter constructed thereon to the terms, covenants and conditions of this Declaration. The residential planned unit development on the Property is to be known as "THE COTTAGES AT CANYON HEIGHTS."

NOW, THEREFORE, for the reasons recited above and subject to the covenants, conditions and restrictions set forth below, Declarant makes the following declaration:

SUBMISSION AND DECLARATION

Declarant hereby declares that all of the Property shall held, sold, conveyed, encumbered, leased, used, occupied and improved subject to and in strict accordance with all of the terms and

conditions of this Declaration, including without limitation all of the covenants, conditions and restrictions set forth herein, all of which are created for the mutual benefit of the Owners of the Property and the Lots. It is the intention of Declarant in imposing the covenants, conditions and restrictions set forth in this Declaration to create a uniform pattern of development of the Property and to protect and enhance the property values and aesthetic values of the Property by eliminating inconsistent uses for improvements, all for the mutual protection and benefit of the Owners of the Lots. All of the terms and conditions of this Declaration, including without limitation all covenants, conditions and restrictions set forth herein, are intended to and shall in all cases run with the title of the land comprising the Property and shall be binding upon the Owners, their successors, assigns, heirs, lien holders and any other person holding any interest in the Property and shall enure to the benefit of all other Property in the Project. All of the terms and conditions of this Declaration, including without limitation the covenants, conditions and restrictions set forth herein, shall be binding upon Declarant as well as all of Declarant's successors in interest, and may be enforced by the Declarant, by the Association, or by any Lot Owner.

COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission and declaration is made upon and under the following covenants, conditions, and restrictions:

- 1. <u>Definitions</u>. When used in this Declaration (including in that portion hereof entitled "Recitals"), each of the following terms shall have the meaning indicated.
- a. <u>Additional Charges</u> shall mean and refer cumulatively to all collection and administrative costs, including but not limited to all attorneys' fees, late charges, service fees, filing and recordation fees, accruing interest, fines, and expenditures actually incurred or assessed by the Association.
- b. Additional Land shall mean and refer to the real property located in Utah County, Utah the approximate location of which is shown on the map attached hereto as Exhibit "C" and incorporated herein by this reference.
- c. <u>Area of Common Responsibility</u> shall have the meaning set forth in Section 16 below.
- d. <u>Area of Personal Responsibilities</u> shall have the meaning set forth in Section 16 below.
- e. <u>Articles of Incorporation shall mean and refer to the Articles of Incorporation of The Cottages at Canyon Heights Homeowners Association, Inc., on file or to be filed with the Utah Department of Commerce.</u>
- f. Assessments shall mean and refer to the amounts levied for Common Expenses by the Association against a Lot or Lot Owner.

- g. <u>Association shall mean and refer to The Cottages at Canyon Heights</u> Homeowners Association, Inc., a Utah nonprofit corporation.
- h. <u>Building shall mean and refer to any of the structures constructed within</u> the Project.
- i. <u>By-Laws</u> shall mean and refer to the By-laws of The Cottages at Canyon Heights Homeowners Association, Inc. attached to this Declaration as Exhibit "B," as the same may be amended from time to time as provided herein.
- j. <u>Capital Improvement</u> shall mean and refer to all non-recurring expenses (as opposed to day-to-day expenses) to repair, maintain or replace significant fixed assets in the Project intended to restore, enhance, improve or ameliorate the useful life, utility, value or beauty of the Common Areas.
- k. <u>Class B Control Period</u> shall mean and refer to the period of time during which the Class B Member is entitled to appoint all of the members of the Management Committee.
- l. <u>Common Areas shall mean and refer to all real property in the Project in</u> which the Association owns an interest for the common use and benefit of its Members, their successors, assigns, tenants, families, guests and invitees, including but not limited to the following items:
 - i. The real property and interests in real property submitted hereby, including the entirety of the Property and all improvements constructed thereon, excluding the individual Lots.
 - ii. All Common Areas designated as such in the Plat Map or Maps;
 - iii. All utility installations and all equipment connected with or in any way related to the furnishing of utilities to the Project and intended for the common use of all Lot Owners, such as telephone, electricity, gas, water and sewer;
 - iv. The Project's outdoor grounds, landscaping, street lighting, perimeter fences, sidewalks, common parking spaces, roadways, streets, ways, spurs, lanes, and alleys;
 - v. All portions of the Project not specifically included within the individual Lots; and
 - vi. All other parts of the Project normally in common use or necessary or convenient to the use, existence, maintenance, safety, operation or management of the Property owned by the Association for the common benefit of its Members.
 - m. <u>Common Expense shall mean and refer to:</u>

- i. All sums lawfully assessed against the Owners;
- ii. Expenses of administration, maintenance, repair or replacement of the Project;
 - iii. Expenses allocated by the Association among the Owners;
- iv. Expenses agreed upon as common expenses by the Management Committee; and
 - v. Expenses declared common expenses by the Declaration.
 - n. Community shall mean and refer to the Project.
- o. <u>Community-Wide Standard</u> shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing in the Community as determined by the Management Committee from time to time.
- p. <u>Declaration</u> shall mean and refer to this <u>Declaration of Covenants</u>, Conditions and Restrictions for The Cottages at Canyon Heights.
- q. <u>Declarant</u> shall mean <u>LEGACY PROPERTIES AND INVESTMENTS</u>, L.C., a Utah limited liability company, and its successors and assigns.
- r. <u>Dwelling Unit or Unit shall mean and refer to the detached</u> single family home, living unit or residential structure constructed upon a Lot.
- s. <u>Eligible Insurer</u> shall mean and refer to an insurer or governmental guarantor of a Mortgage who has requested notice in writing of certain matters from the Association in accordance with this Declaration.
- t. <u>Eligible Mortgagee</u> shall mean and refer to a mortgagee, a beneficiary or trustee under a trust deed, or a lender who has encumbered by a Mortgage one or more of the Lots and who has requested notice in writing of certain matters from the Association in accordance with this Declaration.
- u. <u>Eligible Votes</u> shall mean and refer to those votes available to be cast on any issue before the Association or the Management Committee. A vote which is for any reason suspended is not an "eligible vote."
- v. <u>Family</u> shall mean and refer to a group of natural persons residing in the same residential structure within the Project and maintaining a common household.
- w. <u>Guest shall mean and refer to a temporary visitor, invitee or person whose</u> presence within the Project is approved by or is at the request of a particular resident.

- x. <u>Improvement shall mean and refer to all physical structures and appurtenances to the Property of every kind and type, including but not limited to all Buildings, Dwelling Units, utility systems, roads, pathways, walking trails, driveways, parking areas, fences, walls, stairs, landscaping, trees, shrubs, bushes and green space.</u>
- y. Lot shall mean and refer to a portion of the Property, other than the Common Areas, intended for any type of independent ownership and use as may be set out in this Declaration and as shall be shown on the Plat Map filed with this Declaration or amendments thereto. The term Lot includes the Dwelling Unit located on such Lot, the Private Yard Area appurtenant to the Dwelling Unit on such Lot, and any physical structure or improvement constructed on such Lot.
- z. <u>Lot Number</u> shall mean and refer to the number, letter or combination thereof designating a particular Lot.
- aa. Lot Owner shall mean and refer to the person who is the owner of record (in the Office of the Recorder of Utah County, Utah) of a fee or an undivided fee interest in a Lot, including but not limited to both the seller and buyer under an executory sales contract (e.g. uniform real estate, land sales contract, or other similar instrument). The term Lot Owner does not mean or, include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.
- bb. <u>Majority</u> shall mean and refer to those eligible votes of Lot Owners or other groups as the context may indicate totaling more than fifty (50%) percent of the total eligible number.
- cc. <u>Management Committee shall mean and refer to those Lot Owners duly</u> elected and qualified to manage, operate and regulate the Association, which is established pursuant to the provisions of the By-Laws.
- dd. Manager shall mean and refer to the person or entity appointed or hired to manage and operate the Project, as provided in the By-Laws.
- ee. <u>Member</u> shall mean and refer to a Lot Owner obligated and entitled, by virtue of his ownership of a Lot, to be a member of the Association.
- ff. Mortgage shall mean and refer to either a mortgage or deed of trust on any Lot, but shall not mean or refer to an executory contract of sale.
- gg. Mortgagee shall mean and refer to a mortgagee under either a mortgage or a beneficiary under a deed of trust on any Lot, but shall not mean or refer to a seller under an executory contract of sale.
 - hh. Owner shall mean and refer to a Lot Owner.

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- ii. <u>Permanent Resident shall mean and refer to anyone who resides in the Project for more than four (4) consecutive weeks or for more than eight (8) cumulative weeks in any calendar year.</u>
- jj. <u>Person</u> shall mean and refer to a natural person, corporation, partnership, trust, limited liability company, or other legal entity.
- kk. Plat or Plat Map shall mean and refer to the Plat Map of The Cottages at Canyon Heights, Plat "A", on file in the Office of the Recorder of Utah County, Utah, as it may be amended from time to time, including the addition of any subsequent phases of the Project, if any, provided that any such subsequent phase of the Project is made subject to the provisions of this Declaration by a supplemental declaration stating that such subsequent phase has been added to the Project and is subject to this Declaration. Any such subsequent declaration must be recorded in the Office of the Recorder of Utah County, Utah. The Plat Map will show the location of the Lots, including the Private Yard Areas, and the Common Areas.
- Il. Private Yard Area shall mean and refer to the area in the rear yard of each Lot as shown on the Plat, around which the Declarant shall construct a fence and in which the Lot Owner may (i) construct a deck, porch or patio, whether covered or uncovered, as approved and authorized by the Association, and/or (ii) plant a flower or vegetable garden, subject to certain conditions, rules and restrictions as specified by the Association.
- mm. <u>Project</u> shall mean and refer to the residential planned unit development constructed on the Property which is subject to this Declaration.
- nn. <u>Project Documents</u> shall mean this Declaration, the By-Laws, the Rules and Regulations, and the Articles of Incorporation.
- oo. <u>Property</u> shall mean and refer to all of the land or real estate, improvements, and appurtenances submitted to this Declaration.
- pp. Recreational, Oversized or Commercial Vehicle shall mean and refer to any recreational, commercial or oversized vehicle, motor home, commercial vehicle, tractor, golf cart, mobile home or Property (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other recreational, oversized or commercial transportation device of any kind.
- qq. <u>Single Family Home or Residence</u> shall mean and refer to both the architectural style of a dwelling unit and the nature of the residential use permitted.
- accepted meanings, and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required therefor.

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- ss. Unit shall mean and refer to a Dwelling Unit.
- 2. <u>Description of Improvements</u>. The significant improvements in the Project include, or shall include, thirty (30) Lots and Dwelling Units, with cement footings and foundation; wood, stucco, stone and/or brick exteriors; interiors of wood frame and dry wall plaster; and tile or composite asphalt shingles on the roof, and certain Common Areas consisting of common parking areas, green space, landscaping, fences, gates, roads, pathways or walking trails, utility systems, as well as an entrance to and exit from the Project. The Project will also contain other improvements of a less significant nature.
- 3. <u>Description and Legal Status of the Property</u>. The Project consists of approximately 8.808 acres, upon an estimated 1.649 acres of which shall be constructed Dwelling Units. The remaining acreage shall consist primarily of private roadways, Private Yard Areas, Common Areas and open space. The Lots, each of which includes an appurtenant Private Yard Area, shall be individually owned, and the Common Areas shall be owned by the Association.
- 4. <u>Membership in the Association</u>. Membership in the Association is appurtenant to the ownership of a Lot, and may not be partitioned therefrom.
- 5. <u>Conveyancing</u>. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Lot shall describe the interest or estate involved substantially as follows:

all of LOT NO contained within The Cottages at Canyon			
Heights, as the same is identified in the Record of Plat Map			
recorded in the Office of the Recorder of Utah County, Utah as			
entry No, in Book, at Page (as said	=		
Record of Plat Map may have heretofore been amended or			
supplemented) and in the Declaration of Covenants, Conditions			
and Restrictions for The Cottages at Canyon Heights, recorded in			
the Office of the Recorder of Utah County, Utah as Entry No.			
, in Book , at Page , (as said Declaration may	,- ·-		
have heretofore been amended or supplemented).			

Regardless of whether or not the description employed in any such instrument is in the above specified form, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Lot. Neither the membership in the Association, nor the right of non-exclusive use of Common Areas shall be separated from the Lot to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such mandatory membership in the Association and such right of non-exclusive use of Common Areas shall automatically accompany the transfer of the Lot to which they relate.

6. Ownership and Use. Each Owner shall be entitled to the exclusive ownership and possession of his Lot and to membership in the Association as set forth herein, subject, however, to the following:

- a. Nature and Restrictions on Ownership and Use in General. Each Owner shall have and enjoy the privileges of fee simple Ownership of his Lot. There shall be no requirements concerning who may own a Lot, it being intended that a Lot may and shall be owned as any other property right by persons. The Project is a residential community and as such the Lots shall be used only for residential purposes, except as set forth below. The Common Areas shall only be used in a manner consistent with the residential nature of the Project.
- b. <u>Title to the Common Areas.</u> The Common Areas, as identified on the Plat Map, shall be owned by the Association.
- c. <u>Mandatory Association</u>. Each Owner of a Lot shall automatically become a member of the Association.
- d. <u>Member's Easements and Rights of Way</u>. Every <u>Member of the</u> Association shall as an Owner have the right and non-exclusive easement to use and enjoy the Common Areas. Such right and easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following restrictions:
 - i. The right of the Association to limit the number of guests and residents;
 - ii. The right of the Association to suspend the voting privilege; and
 - iii. The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for the purpose of providing utilities and similar or related purposes. During the Declarant's period of development of the Project, any such dedication or transfer shall be effective only if approved in writing by the Declarant.,
- e. <u>Rules and Regulations. The Management Committee</u> shall have the power and authority to adopt, amend or repeal administrative rules and regulations from time to time pertaining to the Project.
- f. Restrictions and Limitations of Use. The use of all Lots is subject to the following guidelines, limitations and restrictions:
 - i. <u>Parties Bound</u>. The Project Documents shall be binding upon all Owners and residents and their family members, guests, and invitees.
 - ii. <u>Nuisance</u>. It shall be the responsibility of each Owner and resident to prevent the creation or maintenance of a nuisance in, on or about the Project. For purposes of this section "Nuisance" includes but is not limited to the following:
 - (A) The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about a Lot or the Common Areas;

- (B) The storage of any item, property or thing that will cause any Lot or the Common Area to appear to be in an unclean or untidy condition or that will be noxious to the senses;
- (C) The storage of any substance, thing or material upon any Lot or in the Common Areas that will emit any foul, unpleasant or noxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the other residents at the Project;
- (D) The creation or maintenance of any noxious or offensive condition or activity in or about any Lot or the Common Areas;
- (E) Actions or activities tending to cause embarrassment, discomfort, annoyance, distress or a disturbance to any other residents, their guests or invitees, particularly if the police or sheriff must be called to restore order; or
- (F) Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Project by other residents, their guests or invitees.
- iii. <u>Unsightly Work, Hobbies or Unkempt Condition</u>. The pursuit of hobbies or other activities, including but not limited to the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly, or unkept conditions, shall not be pursued or undertaken on any part of the Project.
- iv. Removing Garbage, Dust & Debris. All rubbish, trash, refuse, waste, dust, debris and garbage shall be regularly removed from the Lots and shall not be allowed to accumulate thereon. Garbage cans shall be stored so as not to be visible from the street except on pick-up day and then for no more than twenty-four (24) hours.
 - v. Subdivision of a Lot. No Lot shall be subdivided or partitioned.
- vi. <u>Firearms, Incendiary Devices and Graffiti</u>. The use of firearms and incendiary devices, or the painting of graffiti, within the Project is prohibited. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, paintball guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of size.
- vii. <u>Temporary Structures.</u> No Owner or resident shall place upon any part of the Project any temporary structures including but not limited to trailers or sheds, without the prior written consent of the Management Committee. Notwithstanding anything to the contrary in this Declaration, until the occurrence of the Events referred to

in Section 13, Declarant may install and use temporary structures in the development of the Project and marketing of the Lots or Units.

- viii. Trees, Shrubs and Bushes; Maintenance of Proper Sight Distance at Intersections. All Property located at or near driveways, entrances, exits, walkways, paths and street intersections or corners shall be landscaped so as to remove any obstructions and to permit safe sight. No fence, wall, hedge, shrub, bush, tree or monument, real or artificial, shall be planted or placed by an Owner or resident in, on or about the Common Areas without the prior written consent of the Management Committee. The Management Committee may alter or remove any objects planted or placed in violation of this subsection.
- ix. <u>Energy Conservation Equipment</u>. No solar energy collector panels, other energy conservation equipment or attendant hardware shall be constructed or installed on the Project without the prior written consent of the Management Committee.
- x. Business Use. No commercial trade or business may be conducted in or from any Lot unless: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (b) the business activity conforms to all zoning requirements for the Project; (c) the business activity does not involve (i) persons coming onto the Project who do not reside in the Project or (ii) door-to-door solicitation of residents of the Project; and (d) the business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Management Committee. Anything to the contrary notwithstanding, the leasing of a residence shall not be considered a trade or business within the meaning of this subsection.
- xi. Storage and Parking of Vehicles. The driving, parking, standing and storing of motor vehicles in, on, or about the Project shall be subject to the following:
 - (A) The parking rules and regulations adopted by the Management Committee from time to time shall be strictly obeyed;
 - (B) Except for purposes of loading or unloading passengers or supplies (for a period of time up to twenty-four (24) hours), no recreational, commercial or oversized vehicle parking is allowed in the Project. Cement pads on Lots to park or store said vehicles are prohibited;
 - (C) No overnight parking on the street is allowed in the Project,, except as allowed in the parking rules and regulations adopted by the Management Committee from time to time;
 - (D) No motor vehicle or trailer, including but not limited to any car, automobile, truck, van, or any other transportation device of any kind may be

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parked or stationed in such a manner so as to block access to any Lot, Building or parking space, or to create an obstacle or potentially dangerous situation;

- (E) Residents may only park their motor vehicles within their garages and driveways;
- (F) No resident shall repair or restore any vehicle of any kind in, on, or about any Lot or the Common Areas, except for routine maintenance or emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility;
- (G) No garage may be altered in such a manner that the number of motor vehicles which may reasonably be parked therein after the alteration is less than the number of motor vehicles that could have been reasonably parked in the garage as originally designed and constructed;
- (H) All parking areas shall be used solely for the parking and storage of vehicles;
- (I) Garage doors shall remain closed except when the garage is in use; and
- (J) Vehicles parked in violation of this Declaration may be impounded or towed without further notice, and at the Owner's sole risk and expense.
- xii. Aerials, Antennas and Satellite Systems. Antennas and satellite dishes shall be prohibited within the Property, except (a) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter or diagonal measurement; (b) antennas or satellite dishes designed to receive video programming services via multipoint distribution services which are one meter or less in diameter or diagonal measurement; or (c) antennas or satellite dishes which are one meter or less in diameter or diagonal measurement designed to receive television broadcast signals (collectively referred to herein as "Permitted Devices") shall be permitted, provided that any such Permitted Device is:
 - (A) located in the attic, crawl space, garage, or other interior spaces of the dwelling or another approved structure on the Lot so as not to be visible from outside the dwelling or other structure;
 - (B) located in the Private Yard Area of the Lot and setback from all Lot lines at least eight (8) feet;
 - (C) attached to or mounted on a deck or patio and extending no higher than the eaves of the portion of the roof of the dwelling directly in front of such antenna; or

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- (D) attached to or mounted on the rear wall of the dwelling so as to extend no higher than the eaves of the dwelling at a point directly above the position where attached or mounted to the wall.
- xiii. Windows and Window Coverings. No aluminum foil, newspapers, reflective film coatings, or any other similar materials may be used to cover the exterior windows of any Dwelling Unit or garage. Horizontal and vertical levelors, sun shades and tinted windows are allowed. All windows and window panes in the Project shall be harmonious and comparable in size, design and quality, so as not to detract from uniformity in appearance or quality of construction.
- xiv. Pets. Domestic pets may be allowed in accordance with pet rules and regulators adopted or changed from time to time by the Management Committee, which pet rules and regulations may limit or control the numbers and types of pets which may be kept within the Project. Residents with pet(s) must abide by the pet rules and regulations adopted by the Management Committee from time to time. No pets, animals, livestock or poultry of any kind shall be bred in, on, or about the Project. Pets which constitute a nuisance will not be allowed in the Project. Pets outside the Dwelling Unit must be in a fenced yard or kept on a leash or in a cage at all times. All city ordinances and regulations concerning pets will also be followed by the Owners and residents of the Project. Dogs which bark, whine, howl or scratch unreasonably, or pets running loose in the Common Areas and not in a cage or on a leash and under the control of the owner, or pets whose owners do not immediately clean up after them, or pets in violation of any city ordinance or regulation, or pets which threaten any Owner, resident, guest or invitee with physical harm shall be deemed to constitute a nuisance.
- xv. <u>Insurance. Nothing</u> shall be done or kept in, on, or about any Lot or the Common Areas which may result in the cancellation of the insurance on any portion of the Project or an increase in the premium for the insurance for the Common Areas of the Project paid by the Management Committee.
- xvi. <u>Laws</u>. Nothing shall be done or kept in, on, or about any Lot or the Common Areas, or any part thereof, which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.
- xvii. <u>Damage or Waste</u>. No damage to, or waste of, the Common Areas shall be committed by any Owner or any invitee of any Owner, and each Owner shall indemnify, defend and hold the Management Committee and the other Owners harmless from and against all loss resulting from any such damage or waste caused by that Owner or an invitee.
- xviii. <u>Structural Alteration</u>. No structural alterations to any <u>Building</u>, Unit or the Common Areas is allowed without the prior written consent of the Management Committee. In order to insure uniformity of appearance and quality of

construction consistent with the architectural guidelines adopted and established from time to time by the Management Committee.

- xix. <u>Mail Boxes</u>. The original mail box on any Lot must be the one approved and provided by the Declarant. Replacement mail boxes must be approved in writing by the Management Committee.
- Leases. Any agreement for the leasing, rental, or occupancy of a Dwelling Unit 7. (hereinafter in this Section referred to as "Lease") shall be in writing, and a copy thereof shall be delivered to the Association before the term of the Lease commences. Every Lease shall provide that the terms of such Lease shall be subject in all respects to the provisions of the Project Documents and that any failure by the resident thereunder to comply with the terms of the foregoing documents shall be a default under the Lease. If any Lease does not contain the foregoing provisions, such provisions shall nevertheless be deemed to be a part of the Lease and shall be binding on the Owner and resident by virtue of their inclusion in this Declaration. No Owner shall be permitted to lease his Unit for short term, transient, hotel, seasonal, vacation or corporate/executive use purposes, which shall be deemed to be any occupancy or rental with an initial term of less than six (6) months. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate persons or less than his entire Unit. Any Owner who shall lease his Unit shall be responsible for assuring compliance by the resident with the Project Documents. Failure by an Owner to take legal action, including the institution of an eviction proceeding against his resident who is in violation of the Project Documents within ten (10) days after receipt of written demand so to do from the Management Committee, shall entitle the Association to take any and all such action, including the institution of eviction proceedings. Neither the Association nor any agent retained by the Association to manage the Project shall be liable to any Owner or resident for any loss, damage, liability, claim or demand arising out of or related to any eviction proceeding commenced hereunder, if it is made in good faith. Any expenses incurred by the Association, including attorneys' fees and costs of suit, shall be repaid to it by such Owner. Failure by such Owner to make such repayment within ten (10) days after receipt of a written demand therefor shall entitle the Management Committee to levy an individual Assessment against such Owner and his Unit for all such expenses incurred by the Association, and to file a notice of lien to secure payment of the debt. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Unit.
- 8. <u>Easements</u>; <u>Drainage</u>, <u>Support</u>. <u>Maintenance and Repair</u>. There are hereby RESERVED and the Association is hereby GRANTED the following easements and rights of way:
- a. A non-exclusive easement over, across, through, above and under the Lots and the Common Areas for the operation, maintenance and regulation of the Common Areas, amenities and facilities, and landscaping and maintenance.
- b. A reciprocal easement on, over, under, through and across all Lots and Common Areas for the drainage of surface waters on, over, under, through and across the

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Project. The Declarant shall establish a storm drainage system designed to serve the entire Project (the "Storm Drain System"). No Lot Owner shall interfere with the Storm Drain System established by the Declarant, or its successors or assigns. Each Lot Owner shall be responsible to develop his Lot in a manner consistent with the Storm Drain System, and so as not to detract therefrom or interfere therewith, or the Established Drainage Pattern on any other Lot in the Project. No changes to the Established Drainage Pattern on any Lot shall be permitted without the prior written consent of the Management Committee. For purposes of this Section, the term "Established Drainage Pattern" is defined as the approved drainage pattern, facilities and improvements in existence at the time such Lot is conveyed to a home purchaser by the Declarant, its successor or assign. The cost of all improvements, maintenance, repairs and replacements of the Storm Drain System located within the boundaries of any Lot shall be the responsibility of the Lot Owner. The cost of all improvements, maintenance, repairs and replacements of the Storm Drain System located in the Common Area shall be the responsibility of the Association. If the Association or the Lot Owners fail to properly manage, maintain or replace the Storm Drain System, the Town of Cedar Hills or Utah County shall have the right, but not the obligation, to maintain the systems and to charge the cost thereby incurred to the Association. The Association shall not have the authority to change, by vote, alienation, alteration, transfer, sale, or otherwise, the use of the currently existing areas and structures designed to control storm water runoff, unless the consent of the appropriate governmental agencies has first been obtained in writing. The Town of Cedar Hills and Utah County are hereby made a party to the covenants established by this Declaration for the sole purpose of protecting and preserving the use of the Storm Drain System that serves the Project; however, neither the Town of Cedar Hills nor Utah County shall be a member of the Association, and they shall have no vote in the management, operation or regulations of its affairs, although they are hereby granted a right of enforcement as set forth in Section 36 of this Declaration.

- 9. <u>Liability of Owners and Residents For Damages</u>. Any Owner or resident who is negligent or careless and thereby causes damage to any person or property within the Project shall be strictly liable for said damage, loss or claim.
- 10. <u>Encroachments</u>. In the event that any portion of the Common Area or a Lot encroaches or comes to encroach upon other Common Area or a Lot as a result of construction, reconstruction, repair, shifting, settling, or movement, an easement for such encroachment is created hereby and shall exist so long as such encroachment exists.
- 11. The Association. The Association shall be managed by a board of trustees, which board of trustees shall comprise the Management Committee of the Association and which shall be comprised of three (3) trustees. Until the happening of the Events (described in Section 13 below), the Declarant shall have the exclusive and irrevocable right to appoint all of the members of the board of trustees comprising the Management Committee and their successors or replacements. The Association shall have, and is hereby granted, the following authority and powers:
- a. <u>To Enter</u>. The power and authority to enter into or upon any Lot or in to any Dwelling Unit to make repairs and to do other work reasonably necessary for the proper

maintenance and operation of the Project and the Common Areas. Except in the case of emergency, reasonable notice shall be given to the residents.

- b. <u>Grant Easements</u>. The authority, without the vote or consent of the Owners, Mortgagees, insurers or guarantors of any Mortgage, or of any other person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and non-exclusive easements over, under, across, and through the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance, operation or regulation of the Project.
- c. <u>Execute Documents</u>. The authority to execute and record, on behalf of all Owners, any amendment to this Declaration or the Plat Map which has been approved by the vote or consent necessary to authorize such amendment.
 - d. <u>Standing</u>. The power to sue and be sued.
- e. <u>Enter Into Contracts</u>. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained.
- f. <u>Transfer Interests in Real Property</u>. The power and authority to exchange, convey or transfer any interest in real property, so long as it has been approved by at least seventy-five percent (75%) of the members in the Association.
- g. <u>To Purchase Real Property</u>. The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property so long as it has been approved by at least seventy-five percent (75%) of the members in the Association.
- h. <u>To Add Real Property</u>. The power and authority to add any real property, or interest therein, obtained pursuant to subparagraph (g) above to the Project.

- i. <u>To Borrow Money</u>. The power and authority to borrow money, provided the loan has been approved by at least seventy-five percent (75%) of the members of the Association.
- j. <u>Promulgate Rules</u>. The authority to promulgate such reasonable administrative guidelines, rules, regulations, and procedures consistent with this Declaration as may be necessary or desirable to aid the Association and the Management Committee in the performance of their authorized duties and powers.
- k. <u>All other Acts. The power and authority to perform any and all other acts,</u> and to enter into any other transactions which may be reasonably necessary for the Association to perform its functions on behalf of the Owners.
- 12. <u>Delegation of Management Responsibilities</u>. The Association, acting through the Management Committee, may delegate some of its management responsibilities to either a

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professional management company, an experienced on-site manager or independent contractors, by the execution of one or more service contracts. The termination provision of any such service contract shall not provide for any form of termination penalty payable by the Association and shall permit the Association to terminate the service contract on thirty (30) days written notice. No such service contract shall be for a term greater than one (1) year.

- 13. <u>Classes of Membership and Voting Allocations</u>. The Association shall have two (2) classes of membership consisting of Class A Members and Class B Members, described more particularly as follows:
- a. <u>Class A.</u> Class A Members shall consist of the Owners of all the Lots in the Project, with the exception of the Class B Members, if any. Class A Members shall be entitled to vote on all issues before the Association, subject to the following conditions:
 - i. One Vote. Each Lot shall have (1) vote;
 - ii. <u>Subject To Assessment</u>. No vote shall be cast or counted for any Lot which is not subject to assessment by the Association;
 - iii. <u>Multiple Owners.</u> When more than one (1) person or entity holds title to a Lot, the vote for such Lot shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote of the Lot shall be suspended in the event more than one (1) person or entity seeks to exercise it.
 - iv. <u>Leased Lot</u>. Any Owner of a Lot which has been leased may, in the lease or other written instrument, assign the voting right appurtenant to that Lot to the lessee, provided that a copy of such instrument is furnished to the Secretary at least three (3) days prior to any meeting.
- b. <u>Class B.</u> The Class B Member shall be the Declarant and any successor of Declarant who takes title to the Property for the purpose of development and sale of Lots, and who is designated as such in a recorded instrument executed by the Declarant. During the Class B Control Period, the Class B Member shall be entitled to appoint all of the trustees of the Association. The Class B Member shall originally be entitled to ten (10) votes per Lot owned. The Class B membership and the Class B Control Period shall terminate, and the Class B membership shall convert to Class A membership upon the happening of the earlier of any of the following (herein referred to as the "Event" or "Events"):
 - i. <u>Lots Sold</u>. One hundred and twenty (120) days after the later to occur of the date on which (a) certificates of occupancy have been issued for and all of the Dwelling Units constructed upon all of the Lots within the Project (as the Project may be expanded pursuant to the provisions of Section 27) or (b); or the date on which all of the Lots within the Project (as the Project may be expanded pursuant to the provisions of Section 27) have been sold.

- ii. <u>Eight Years</u>. Eight (8) years after the effective date of this Declaration; or
 - iii. <u>Election</u>. When, in its sole discretion, Declarant so determines.

From and after the happening of any of the Events, whichever occurs earlier, the Class B Member shall be deemed to be a Class A Member entitled to one (1) vote for each Lot owned. At such time, the Declarant shall call a meeting, in the manner described in the By-Laws of the Association for special meetings, to advise the membership of the termination of Class B Member status.

- Lists of Lot Owners, Eligible Mortgagees and Eligible Insurers or Guarantors. The Association shall maintain up-to-date records showing: (a) the name of each person who is an Owner, the address of such person, and the Lot which is owned by such Owner; (b) the name of each person or entity who is an Eligible Mortgagee, the address of such Eligible Mortgagee, and the Lot which is encumbered by the Mortgage held by such Eligible Mortgagee; and the name of each person or entity who is an Eligible Insurer, the address of such Eligible Insurer, and the Lot which is encumbered by the Mortgage insured or guaranteed by such Eligible Insurer. In the event of any transfer of a fee or undivided fee interest in a Lot, either the transfer or transferee shall furnish the Association with evidence establishing that the transfer has occurred and that the deed or other instrument accomplishing the transfer is of record in the office of the Recorder of Utah County, Utah. The Association may for all purposes act and rely on the information concerning Lot ownership in its records or, at its option, the records of the Recorder of Utah County, Utah. The address of any Owner shall be deemed to be the address of the Lot owned by such person unless the Association is otherwise advised in writing.
- 15. <u>Capital Improvements</u>. The Management Committee shall prepare and update each year a list of foreseeable expenditures for capital improvements within the Area of Common Responsibility. Such list shall be included in every annual budget, and it shall be reviewed and updated at least annually, and reasonable reserve accounts shall be established by the Management Committee for the replacement of capital assets as they age. Expenditures by the Association for capital improvements to the Project shall be subject to and governed by the following:
- a. <u>Management Committee Discretion/Expenditure Limit</u>. Capital improvements to the Project which cost ten percent (10%) or less of the total annual operations budget and which do not materially alter the nature of the Project may be authorized by the Management Committee alone and without additional approval.
- b. Owner Approval/Expenditure Limit. Any capital improvement, the cost of which will exceed the amount described in Section 15.a above, must, prior to the commencement of construction, be authorized by at least a majority of the Owners.
- c. Owner Approval/Changing the Nature of the Project. Any capital improvement which would materially alter the nature of the Project must, regardless of its cost

and prior to being constructed or accomplished, be authorized by at least sixty-seven percent (67%) of the Owners of all Lots in the Project.

- 16. Operation, Maintenance and Alterations. The Lots and Common Areas shall be maintained by the Owners and the Association, respectively, as follows:
- a. <u>Area of Common Responsibility</u>. The Association shall maintain, repair and replace, as needed from time to time, the following (referred to herein as the "Area of Common Responsibility"):
 - i. All common elements and facilities, which are available for the use of all Lot Owners, including but not limited to all physical improvements constructed or installed in the Common Areas;
 - ii. Except for each Private Yard Area appurtenant to each Lot, all landscaping, green space, sprinkler systems, grass, sod, berms, flower and plant beds, ground cover, trees, shrubs, bushes and other plant life. This includes but is not limited to the:
 - (A) maintenance of the sprinkling system, including the repair and replacement of sprinkler heads and the water distribution lines as needed;
 - (B) mowing, edging and trimming of all grass lawns, in the front and side of Lots and all Common Areas, but not in the Private Yard Areas;
 - (C) pruning of the trees, bushes and shrubs, except those in the Private Yard Areas; and
 - (D) all planting, fertilizing, weeding and care of the plant fife in, on or about the Common Areas and the Lots, except in the Private Yard Areas.
 - iii. All fences within the Project, excluding the interior surface of fences surrounding Private Yard Areas;
 - iv. The entryway and monument to the Project;
 - v. All streets, roads, curbs, gutters, street lighting, sidewalks, walkways, and driveways in the Project, excluding only the sidewalks and walkways in the Private Yard Areas;
 - vi. All central or common utility systems for telephones, gas, power, yard light, water, sewer and garbage removal; and
 - vii. Any item not expressly and specifically included in the Area of Personal Responsibility, including without limitation the performance of snow removal on the private streets located within the Project.

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- b. <u>Area of Personal Responsibility</u>. Each Owner shall maintain, repair and replace, as needed from time to time, the following (referred to herein as the "Area of Personal Responsibility"):
 - i. All portions of such Owner's Dwelling Unit and garage, including, without limitation, the roof, foundation, footings, columns, girders, beams, supports, all exterior surfaces, windows, doors and all interior areas;
 - ii. All electrical and mechanical systems within each Owner's Dwelling Unit, including, without limitation, power, telephone, gas, water, sewer, heating and air conditioning systems;
 - iii. All fixtures, furnishings, windows, doors, porches, landings, patios, balconies and decks, garage doors and garage door systems located in each Owner's Lot or Dwelling Unit;
 - iv. The interior surface of the fence surrounding each Owner's Private Yard Area;
 - v. Each Owner's Private Yard Area;
 - vi. The steps, porch and landing at the entry to each Owner's Dwelling Unit; and
 - vii. All of the other non-landscaping improvements constructed or installed in, on, under or above each Owner's Lot, unless otherwise determined in writing by the Management Committee.
- c. <u>Changing Items in the Area of Common Responsibility or the Area of Personal Responsibility</u>. In its sole discretion, the Management Committee may change any duty or obligation in the Area of Common Responsibility or the Area of Personal Responsibility, subject only to thirty (30) days prior written notice.
- d. <u>Landscaping Guidelines</u>. Because of the design of the Project with its open and visible spaces, aesthetics are of paramount importance, and the Association is hereby given permission to make decisions based purely on aesthetic considerations. For the same reasons, the Association shall be directly and primarily responsible for the storm drains, storm drainage system or drainage patterns, and all of the landscaping, sprinkling systems, trees, bushes, shrubs, grass, sod, ground cover, plant and flower beds (hereinafter referred to collectively as "landscaping") in and throughout the entire Project, except for the fenced Private Yard Areas. Owners shall not modify the landscaping in, on or about any Lot or the Common Area or plant any flower gardens or beds (other than in a Private Yard Area) without the prior express written consent of the Management Committee. The Management Committee may establish rules with respect to the types of flowers, vegetables and other plants that may be planted within a Private Yard Area.

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- Private Yard Areas. With the prior written consent of the Association, the Owner of a Lot may remove sod within the Private Yard Area in order to construct a deck, porch or patio, whether covered or uncovered, as approved and authorized by the Association. Although the Owner of a Lot shall not be required to obtain the approval of the Association to plant a flower or vegetable garden within such Owner's Private Yard Area, the Owner shall have a duty to maintain properly all gardens planted within the Private Yard Area. Corn or plants taller than three feet (3') at maturity may not be planted. The Owner or resident shall be exclusively responsible to install, construct, maintain, repair and replace at such Owner's sole cost and expense all patios, decks, porches and other improvements constructed in such Private Yard Area, including without limitation the sprinkling system and the controls, sprinkler heads and water distribution lines in said Private Yard Area. If, in the opinion of the Management Committee the Owner or resident of a Lot fails to maintain properly any garden in such Owner's Private Yard Area, then the Private Yard Area shall be restored to its original sodded condition at the Owner's sole cost and expense. The Association shall have the right to approve the design, plans and specifications, color, exterior finish, building materials and all other aspects of all decks, patios, porches, fences or other improvements constructed by any Owner in the Private Yard Area to ensure that all such improvements are consistent and compatible with all other improvements within the Project.
- f. Right to Enter. The Management Committee is hereby granted the right, without claim of trespass or invasion of privacy, to enter any Lot, including but not limited to the Lot upon which an existing Dwelling Unit is located and any Private Yard Area, in order to remove, repair or replace any fences, patios, decks, porches or other improvements and to fertilize, weed, remove dead or diseased plant life and trees, prune, trim, edge or otherwise care for any trees, bushes, shrubs, ground cover, grass, sod, flowers or plants located thereon.
- g. <u>Standard of Care Generally</u>. The Project shall be maintained in a usable, clean, functional, safe, healthy, sanitary, attractive, and good condition, consistent with Community-Wide Standards. If a dispute arises between the Management Committee and a Lot Owner or resident as to the condition of a Lot, the decision of the Management Committee shall be binding, final and conclusive.
- h. <u>Standard of Care Landscaping</u>. All landscaping in the Project shall be maintained and cared for in a manner consistent with Community-Wide Standards and the quality of design and construction originally established by Declarant. Specific guidelines and restrictions on landscaping may be established by the Management Committee from time to time. All landscaping shall be maintained in a neat and orderly condition. Any weeds or diseased or dead lawn, ground cover, trees, bushes or shrubbery shall be removed and replaced. All lawn areas shall be neatly mowed, and trees, shrubs and bushes shall be properly pruned and trimmed. Since aesthetics are important, all landscaping shall be tasteful, so as not to affect adversely the value or use of any other Lot, or to detract from the general attractiveness and the uniform design and appearance of the Project. Unless the replacement of landscaping improvements within the Area of Common Responsibility is made necessary by the negligence of a Lot Owner or resident, the cost of replacing or restoring such landscaping improvement shall be the Association's responsibility, which shall be paid out of the Assessments collected from the Owners.

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- i. Neglect. If the Committee determines that any Owner has failed or refused to discharge properly his obligation with regard to the maintenance, repair or replacement of items for which such Owner is responsible hereunder, or that the need for maintenance, repair, or replacement of improvements or landscaping within the Area of Common Responsibility has been caused through the willful or negligent act of any Owner or resident, or their family members, guests, visitors or invitees, and it is not covered or paid for by insurance, in whole or in part, then the Association may, but is not obligated to, provide such maintenance, repair or replacement at the Owner's sole cost and expense, subject to the following:
 - i. <u>Debt and Lien.</u> Such costs as are incurred by the Association in the performance of an item included in the Area of Personal Responsibility is a debt of the Owner at the time the assessment is made and is collectible as such. If any Owner fails or refuses to make any payment of the debt when due, that amount constitutes a lien on the interest of the Owner in the Property, and upon the recording of notice of lien by the Association it is a lien upon the Owner's interest in the Property prior to all other liens and encumbrances, recorded or unrecorded, except:
 - (A) tax and special assessment liens on the Lot in favor of any assessing unit or special improvement district; and
 - (B) encumbrances on the interest of the Owner recorded prior to the day that such notice is recorded, which by law would be a lien prior to subsequently recorded encumbrances.
 - ii. Notice of Intent to Repair. Except in an emergency situation, the Management Committee shall give an Owner written notice of the Association's intent to provide necessary maintenance, repair, or replacement at such Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair, or replacement deemed necessary by the Management Committee. The Owner shall have ten (10) days after delivery of such notice within which to complete the maintenance or repair or, if the maintenance or repair is not capable of completion within such time period, to commence the maintenance or repair.
 - iii. <u>Emergency Situation</u>. If the Management Committee in its sole discretion determines that an emergency exists, then notice to an Owner and the opportunity for such Owner to cure the default is not necessary and is deemed to have been waived.
 - iv. Optional Repairs. The decision of the Association to maintain, repair or replace any item is purely optional. If the Association elects to do any such work, then its agents or employees shall have a right of entry upon or into any Lot or Common Area as necessary to perform such work, and the Association, its agents and employees shall not be liable for trespass or invasion of privacy.
- j. <u>Alterations to the Common Area.</u> Anything to the contrary notwithstanding, the Declarant may make changes to the Common Areas without the consent of

the Owners, Association or the Management Committee; provided, however, no Owner or resident may make any structural alterations, modifications, changes, or improvements to the Common Areas, including but not limited to any additions, extensions, enclosures, decks, patios, balconies, walkways, structures or sheds not shown on the approved plans and specifications, without the prior written consent of the Management Committee. No fencing, walls or barriers of any kind (other than the perimeter of the Project or around the Private Yard Areas) are allowed in or on the Lots.

- k. <u>Color Scheme</u>. Without the prior written consent of the Management Committee, the Owners and residents of the Lots may not change the color scheme in the Project, including, without limitation, the color of the stucco, brick or stone on any dwelling or the color of any garage door, any exterior door or any soffit, fascia, rain gutters, roofs, shutters, windows or any other exterior trim.
- 1. Snow and Ice Accumulations. The Association is responsible for removing all ice and snow accumulations from the streets and common sidewalks within the Project. Each Lot Owner is responsible for removing all ice and snow accumulation from the driveways, front yard sidewalks, steps, landings and porches of such Lot Owner's Dwelling Unit and also from all side and rear yard walkways, patios, porches, landings and steps and the Private Yard Area of such Owner.
- m. Garbage Removal. The Association will contract with a private company for garbage pick-up and removal. Owners will be notified of the designated garbage pick-up day. Owners shall purchase and maintain approved garbage containers in the places designated by the Management Committee. Garbage containers shall be kept out of sight except on garbage pick-up day and then may not be left in the designated pick-up area for a period in excess of twenty-four (24) hours.
- n. <u>Utilities</u>. All utility services shall be separately metered and billed to the individual Owners by the provider. The Association shall not provide any utility services. If the Declarant elects to provide electricity to certain Common Area lamp posts from any individual Lot, the cost, nevertheless, shall be divided equally among all Owners.
- 17. Common Expenses. Each Owner, upon receipt of a deed or other document of conveyance or transfer to a Lot, agrees to and shall pay his share of the Common Expenses and the Assessments against such Owner or such Owner's Lot; provided, however, notwithstanding any provision in this Declaration to the contrary, with respect to the Lots which are owned by Declarant, Declarant shall not be obligated to pay with respect to any particular Lot the portion of the Assessments which pertains to the maintenance and repair of landscape improvements in the Common Areas until such Lot owned by Declarant has been improved with a Dwelling Unit that is substantially complete and with respect to which a permanent certificate of occupancy has been issued. Declarant shall be obligated to pay with respect to all of the Lots owned by Declarant the portions of the Assessments with respect to such Lot which pertain to real property taxes for the Common Areas and which pertain to snow and ice removal from the roads within the Project and from the areas for which the Association is responsible as set forth in Section

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- 16.1. Declarant shall also be responsible to pay with respect to each Lot owned by Declarant, the portions of the Assessments with respect to each such Lot which benefits such Lot, notwithstanding the fact that the Lot has not been improved with a Building or Dwelling Unit.
- a. <u>Purpose of Common Expenses</u>. The Assessments provided for herein shall be used for the general purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and residents, including the maintenance of any real and personal property owned by the Association, and regulating the Project, all as may be more specifically authorized from time to time by the Management Committee.
- b. <u>Creation of Assessments.</u> The Management Committee. shall establish and determine the Assessments in accordance with the provisions of this Section 17.
- c. <u>Budget</u>. At least thirty (30) days prior to the annual meeting of the Association, the. Management Committee shall prepare and deliver to the Owners a proposed Budget which:
 - i. <u>Itemization</u> shall set forth an itemization of the anticipated Common Expenses for the twelve (12) month calendar year, commencing with the following January 1; and
 - Basis. shall be based upon advance estimates of cash requirements ii. by the Management Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Areas of Common Responsibility, which estimates shall include but are not limited to expenses of management, snow and ice removal from the roads within the Project and from the areas for which the Association is responsible as set forth in Section 16.1, grounds maintenance, property taxes and special assessments, premiums for all insurance which the Management Committee is required or permitted to maintain, common lighting and heating, water charges, painting, repairs and maintenance of the Areas of Common Responsibility and replacement of those elements of the Areas of Common Responsibility that must be replaced on a periodic basis, wages for Management Committee employees, legal and accounting expenses, any deficit remaining from a previous period, the creation of a reasonable contingency reserve, surplus or sinking fund, capital improvement reserve, and other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under and by reason of this Declaration.
- d. <u>Apportionment</u>. The Common Expenses of the Project shall be charged and allocated to the Lot Owners on an equal pro rata basis, based upon the number of Lots within the Project at the time of such allocation.
- e. Approval of Budget and Assessments. The proposed budget and the Assessments shall become effective unless disapproved at the annual meeting of the Association by a vote of at least a majority of the Owners. Notwithstanding the foregoing, however, if the membership disapproves the proposed budget and Assessments or the Management Committee fails for any reason to establish the budget and Assessments for the succeeding year, then and

until such time as a new budget and Assessment schedule shall have been established, the budget and the Assessments in affect for the then current year shall continue in effect for the succeeding year.

- f. Personal Obligation of Owner. Each Owner is liable to pay such Owner's portion of the Common Expenses and all Assessments against such Owner or such Owner's Lot, accruing interest, late charges and collection costs, including attorneys fees. For purposes of this Section, the term "Owner" shall mean and refer jointly and severally to: (i) the Owner of both the legal and equitable interest in any Lot, (ii) the owner of record in the offices of the Recorder of Utah County, Utah, and (iii) both the buyer and seller under any executory sales contract or other similar instrument.
- g. <u>Equitable Changes</u>. If the aggregate of all monthly payments of the Assessments on all of the Lots is too large or too small as a result of unanticipated changes in expenses, the Management Committee may from time to time effect an equitable change in the amount of such Assessments. Owners shall be given at least thirty (30) days written notice of any changes.
- h. <u>Dates and Manner of Payments.</u> The dates and manner of payment of the Assessments shall be determined by the Management Committee.
- i. Reserve Accounts. The Management Committee shall establish and maintain at least two (2) reserve accounts: one to pay for unexpected operating expenses and the other to pay for capital improvements. The reserve accounts shall be funded out of regular Assessments.
- j. <u>Acceleration</u>. Assessments shall be paid in the manner and on dates fixed by the Management Committee which may, at its option and in its sole discretion, elect to accelerate the entire annual Assessment for delinquent Owners. If, however, the Assessment is accelerated, the Management Committee, at its option and in its sole discretion, may thereafter elect to allow the delinquent Owner to pay the Assessments on a monthly basis.
- k. <u>Statement of Assessments Due.</u> Upon written request, the Management Committee shall furnish to any Owner a statement of Assessments due, if any, on such Owner's Lot. The Association may require the advance payment of a reasonable processing charge for the issuance of such certificate.
- l. <u>Superiority of Assessments.</u> All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled, which, by acceptance of a deed or other document of conveyance or transfer of a Lot, each Owners agrees to subordinate or waive.
- m. <u>Termination of Utility Service</u>. At the discretion of the Management Committee, the utility service to any Lot paid for by Assessments may be terminated if the Owner of such Lot is in arrears on such Owner's obligation to pay Assessments and has failed to

cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

- n. <u>Suspension of Right to Vote for Non-Payment</u>. At the discretion of the Management Committee, the right of an Owner to vote on issues concerning the Association may be suspended, if the Owner is delinquent in the payment of such Owner's Assessments, and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.
- o. Estimate of Initial Assessments. Declarant estimates that when all of the thirty (30) Lots within the Project have been improved with the construction thereon of a Dwelling Unit, the amount of the Assessments which will be assessed by the Association to each Lot within the Project shall initially be established at the rate of approximately \$148.00 per month. However, this amount is based upon the anticipated estimate of all of the Common Expenses to be incurred by the Association as envisioned by Declarant as of the date of this Declaration. Such amount shall not be binding upon Declarant or the Association, and the actual amount of the initial Assessment may be higher or lower than the estimated amount of \$148.00 per month. As provided in this Declaration, the amount of the Assessment may vary from year to year, as determined by the Association.
- 18. <u>Special Assessments</u>. The Management Committee may levy special assessments in any year, subject to the following:
- a. <u>Committee Based Assessment.</u> So long as the special assessment does not exceed the sum of Five Hundred and 00/100ths Dollars (\$500.00) (the "Special Assessment Limit") per Lot in any one fiscal year, the Management Committee may impose the special assessment without any additional approval.
- b. <u>Association Approval</u>. Any special assessment which would exceed the Special Assessment Limit shall be effective only if approved by a majority of the members of the Association.
- 19. <u>Specific Assessments</u>. The Committee may specifically assess an Owner in a particular area in the manner set forth below provided the Owner has the choice to accept or reject the benefit:
- a. <u>Benefit only To Specific Lot</u>. If the expense benefits less than all of the Lots, then those Lots benefited may be specifically assessed, and the specific assessment shall be equitably apportioned among those Lots according to the benefit received.
- b. <u>Unequal or Disproportionate Benefit</u>. If the expense benefits all Lots, but does not provide an equal benefit to all Lots, then all Lots shall be specifically assessed, but the specific assessment shall be equitably apportioned among an Lots according to the benefit received. Failure of the Management Committee to exercise its authority under this Section shall not be grounds for any action against the Association or the Management Committee and shall not constitute a waiver of the Management Committee's right to exercise its authority under this

Section in the future with respect to any expenses, including an expense for which the Management Committee has not previously exercised its authority under this Section.

- 20. <u>Individual Assessments</u>. <u>Individual Assessments may be levied by the Association</u> against an Owner or Lot for:
 - a. fines levied and costs incurred in enforcing the Project Documents;
- b. costs associated with the maintenance, repair or replacement of Areas of Common Responsibility which cost is caused by the negligence or intentional misconduct of any Lot Owner;
- c. any other charge, fee, due, expense, or cost designated as an individual Assessment in the Project Documents; and
- d. attorneys' fees, interest, and other charges relating thereto as provided in this Declaration.
 - 21. Collection of Assessments. Assessments shall be collectible as follows:
- a. <u>Time is of the Essence</u>. Time is of the essence, and all Assessments shall be paid promptly when due.
- b. <u>Debt and Lien. Each Owner's portion of the Common Expenses and all</u> Assessments or fines levied against each Lot or Owner is a debt of the Owner at the time the Assessment or fine is made and is collectible as such. Suit to recover a money judgment for unpaid Common Expenses, Assessments or fines is maintainable without foreclosing or waiving the lien securing it. If any Owner fails or refuses to make any payment of such Owner's portion of the Common Expenses or an Assessment or fine when due, that amount constitutes a lien on the interest of the Owner in the Property, and upon the recording of notice of lien, it is a lien upon the Owner's interest in the Property prior to all other liens and encumbrances, recorded or unrecorded, except:
 - i. tax and special assessment liens on the Lot in favor of any assessing unit or special improvement district; and
 - ii. encumbrances on the interest of the Lot Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.
- c. <u>Late Assessments and Accruing Interest</u>. Any Assessments delinquent for a period of more than ten (10) days shall incur a late charge of twenty five Dollars (\$25.00) or five percent (5%) of the delinquent amount, whichever is greater. Interest at the rate of One and One-Half percent (1.5%) per month shall accrue on all delinquent accounts. The Management Committee may, in its sole discretion, change the amount of the late fee or waive late fees and default interest but is not required to do so.

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- d. <u>Foreclosure of Lien and/or Collection Action</u>. If any Assessments remain unpaid, the Association may, as determined by the Management Committee, institute suit to collect the amounts due and/or to foreclose the lien.
- e. <u>Personal Obligation</u>. Each Owner, by acceptance of a deed or other document of conveyance or transfer, vests in the Association or its agents the right and power to bring all actions against such Owner personally for the collection of the Assessments as a debt or to foreclose the lien in the same manner as mechanics liens, mortgages, trust deeds or encumbrances may be foreclosed.
- f. No Waiver. The Association may not waive or otherwise exempt any Owner from liability for the Assessments provided for herein for any reason, including but not limited to the non-use of Common Areas or the abandonment of such Owner's Lot.
- g. <u>Duty to Pay Independent</u>. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or the Management Committee to take some action or to perform some function required to be taken or performed by the Association or the Management Committee under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority. The obligation to pay Assessments is and shall be a separate and independent covenant on the part of each Owner.
- h. <u>Application of Payments</u>. All payments of Assessments received from Owners shall be applied as follows: first to Additional Charges, then to delinquent Assessments and then to current Assessments.
- i. Foreclosure of Lien as Mortgage or Trust Deed. The lien for nonpayment of Assessments may be enforced by sale or foreclosure of the Owner's interest in such Owner's Lot by the Association. The sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust or mortgages or in any other manner permitted by law. In any foreclosure or sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, reasonable attorneys' fees, and a reasonable rental for the Lot during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Association may bid for the Lot at foreclosure or other sale and hold, lease, mortgage, or convey the same.
- j. Appointment of Trustee. If the Association elects to foreclose the lien for unpaid Assessments in the same manner as a nonjudicial trustee's sale under a deed of trust, then each Owner by accepting a deed to the Lot hereby designates the Association as the beneficiary under such deed of trust and hereby irrevocably appoints First American Title Insurance Company as trustee under such deed of trust, and hereby confers upon said trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. In addition, each Owner hereby transfers in trust to said trustee all of his right, title and interest in

and to such Owner's Lot for the purpose of securing such Owner's performance of the obligations set forth herein.

- k. Attorney in Fact. Each Owner by accepting a deed to a Lot hereby irrevocably appoints the Association as such Owner's attorney in fact to collect rent from any person renting such Owner's Lot, if the Lot is rented and the Owner is delinquent in paying such Owner's Assessments. Rent due shall be paid directly to the Association, upon written demand, until such time as such Owner's Assessments are current; and the Owner shall credit the renter, against rent due, for the amount of money paid to the Association.
- Liability of Association Officers and Trustees. The Association shall indemnify, 22. defend and hold harmless every officer and every trustee of the Association from and against any and all expenses, including but not limited to attorneys' fees reasonably incurred by or imposed upon any officer or trustee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Association) to which he may be a party by reason of being or having been an officer or a trustee of the Association. The officers and trustees of the Association shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and the trustees of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify, defend and forever hold each such, officer and trustee of the Association free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be exclusive of any other rights to which any officer or trustee of the Association, or former officer or trustee of the Association, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers and director's insurance coverage to fund this obligation, if such insurance is reasonably available.
- 23. <u>Insurance</u>. The Association shall at all times purchase, maintain in force, and pay the premiums for, if reasonably available, insurance on the Common Areas satisfying at least the following requirements:
- a. <u>Property Insurance</u>. Blanket property insurance using the standard "Special" or "All Risk" building form. Loss adjustment shall be based upon replacement cost. For purposes of this sub-section, the term "casualty insurance" shall not mean or refer to "earthquake" or other special risks not included in the standard planned residential development casualty policy. This additional coverage may be added by the Association as it deems necessary in its best judgment and in its sole discretion.
- b. <u>Flood Insurance</u>. If any part of the Project's improvements are in a Special Flood Hazard Area which is designated as A, AE, AH AO, AI-30, A-99, V, VE, or VI-30 on a Flood Insurance Rate Map (FIRM) the Association shall obtain a "master" or "blanket" policy of flood insurance and provide for the premiums to be paid as a Common Expense. The policy should cover any common element buildings and any other common property. The Unit Owner may also be required to purchase an individual policy. The amount of flood insurance

should be at least equal to the lesser of 100% of the insurable value of the facilities or the maximum coverage available under the appropriate National Flood Insurance Administration program.

- c. <u>Liability Insurance</u>. <u>Liability insurance with adequate limits of liability for bodily injury and property damage, consistent with that of similarly situated first class subdivisions in the county. If possible, the policy should be written on the comprehensive form and should include not-owned and hired automobile protection.</u>
- d. <u>Director's and Officers' Insurance</u>. Adequate directors and officer's liability insurance aka "D & O," "Errors and Omissions" or "E & O" coverage for the officers and trustees of the Association.
- e. <u>Fidelity Bond</u>. A separate fidelity bond in a reasonable amount to be determined by the Management Committee to cover all non-compensated officers as well as all employees for theft of Association funds, subject to the following:
 - i. Agents. Where the Association has delegated some or all of the responsibility for the handling of funds to a management agent, such bonds are required for the management agent's officers, employees and agents who handle or who are responsible for funds of, or administered on behalf of, the Association.
 - ii. Amount of Coverage. The total amount of fidelity bond coverage required shall be based upon the Association's best business judgment, but shall not be less than the estimated maximum amount of funds, including reserve funds, in the custody the Association, or the management agent as the case may be, at any given time during the term of each bond. Nevertheless, in no event may the amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all Lots, plus reserve funds.
 - iii. Quality of Coverage. The bonds required shall meet the following additional requirements:
 - (A) they shall name the Association as obligee;
 - (B) if the insurance contract or bond excludes coverage for damages caused by persons serving without compensation, and may use that exclusion as a defense or reason not to pay a claim, the insurance company shall, if possible, be required to waive that exclusion or defense;
 - (C) the premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by a management agent for its officers, employees and agents) shall be paid by the Association as part of the Common Expenses; and

- (D) the bonds shall provide that they may not be canceled or substantially modified, including cancellation for nonpayment of premium, without at least ten days' prior written notice to the Association.
- f. Earthquake Insurance covering Areas of Common Responsibility shall not be required unless requested by at least Seventy-five percent (75%) of the Members of the Association.
- g. <u>Miscellaneous Items.</u> The following provisions shall apply to all insurance coverage:
 - i. <u>Quality of Carrier</u>. A "B" or better general policyholder's rating or a "6" or better financial performance index rating in Best's Insurance Reports, an "A" or better general policyholder's rating and a financial size category of "VIII" or better in Best's Insurance reports -- International Edition, an "A" or better rating in Demotech's Hazard Insurance Financial Stability Ratings, a "BBBq" qualified solvency ratio or a "BBB" or better claims-paying ability rating in Standard and Poor's International Confidential Rating Service -- if the carrier is issuing a policy or an insurance policy for the common elements. in the Project.
 - ii. <u>The Insured.</u> The name of the insured under each policy required to be maintained hereby shall be set forth therein as the Association.
 - iii. <u>Certificate of Insurance</u>. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.
 - iv. <u>Mortgage Provisions</u>. <u>Each policy shall contain a standard mortgage clause or its equivalent and shall provide that the policy may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association.</u>
 - v. <u>Prohibited Provisions</u>. Each insurance policy shall contain at least the following additional miscellaneous items:
 - (A) <u>Waiver of Subrogation</u>. A waiver of the right of a subrogation against Owners individually;
 - (B) <u>Individual Neglect</u>. A provision that the insurance is not prejudiced by any act or neglect of any individual Owner; and
 - vi. <u>Deductible</u>. The deductible on a claim made against the Association's property insurance policy shall be paid for by the Association.
 - vii. <u>Individual Insurance</u>. Each Owner and resident shall purchase and maintain adequate liability and property insurance on such Owner's Lot, Dwelling Unit, personal property and contents.

- viii. <u>Primary Coverage</u>. The insurance coverage of an Owner shall, in the event the Association also has insurance covering the loss, be primary and the insurance of the Association shall be secondary.
- ix. <u>Prompt Repair</u>. Each Owner further covenants and agrees that in the event of any partial loss, damage or destruction of such Owner's Lot, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction.
- x. <u>Intent</u>. The foregoing provisions shall not be construed to limit the power or authority of the Association or the Owners to obtain and maintain insurance coverage, in amounts and in such forms as the Association may deem appropriate from time to time.
- 24. Consent in Lieu of Vote. In any case in which this Declaration requires the vote of an Owner for authorization or approval, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing from Owners who collectively hold the required percentages, subject to the following conditions:
- a. <u>Ninety-Day Limit</u>. All necessary consents must be obtained prior to the expiration of ninety (90) days from the time the first written consent is obtained; and
- b. <u>Change in Ownership</u>. Any change in ownership of a Lot which occurs after consent has been obtained from the Owner having an interest therein shall not be considered, and the successor in interest to the Owner which granted such consent shall be bound by the consent of the prior consenting Owner.
- 25. <u>Mortgagee Protection</u>. The lien or claim against a Lot for unpaid Assessments levied by the Association pursuant to this Declaration shall be subordinate to any first lien Mortgage recorded on or before the date such Assessments become due, subject to the following:
- a. <u>Effects of Voluntary and Involuntary Sale</u>. The lien or claim against a Lot for such unpaid Assessments shall not be affected by any sale or transfer of such Lot, except that a sale or transfer pursuant to a foreclosure of the Mortgage affecting such Lot or the exercise of a power of sale available thereunder shall extinguish any debt payable prior to such sale or transfer. Nevertheless, any such unpaid Assessments which are extinguished in accordance with the foreclosure or power of sale shall not relieve the purchaser or transferee of such Lot from liability for, nor such Lot for, the lien of any Assessments becoming due thereafter.
- b. <u>Books and Records Available for Inspection</u>. The Association shall make available to the Owners, to Mortgagees, lenders, and to holders, insurers, or guarantors of any Mortgage current copies of the Declaration, By-Laws, Articles of Incorporation, and administrative rules and regulations concerning the Project, as well as the books, records, and financial statements of the Management Committee and the Association. The term "Available", as used in the Section, shall mean available for reasonable inspection upon request during normal business hours or under other reasonable circumstances. The Association shall have the right to

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recover its photocopying and service charges incurred in making the inspection and photocopying available.

- c. <u>Eligible Mortgagee Designation</u>. Upon written request to the Association by the holder, insurer, or guarantor of a Mortgage (which request identifies the name and address of such holder, insurer or guarantor and the Lot Number or address of the property encumbered by the Mortgage held or insured by such holder, insurer, or guarantor), such holder, insurer, or guarantor shall be deemed thereafter to be an "Eligible Mortgagee" or "Eligible Insurer," as the case may be, shall be included on the appropriate lists maintained by the Association, and shall be entitled to timely written notice of any of the following:
 - i. <u>Condemnation Loss or Award</u>. <u>Any condemnation loss or any</u> casualty loss which affects a material portion of the Project.
 - ii. <u>Delinquency</u>. Any delinquency in the payment of Assessments owed by an Owner of a Lot subject to a Mortgage held, insured or guaranteed by such Eligible Insurer or Eligible Mortgagee, which delinquency remains uncured for a period of sixty days.
 - iii. <u>Lapse of Insurance</u>. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association.
- 26. Amendment. The affirmative vote of at least sixty-seven percent (67%) of the Owners shall be required and shall be sufficient to amend the Declaration or the Plat Map. Any amendment so authorized shall be accomplished through the recordation of an instrument executed by the Association. In such instrument the Association shall certify that the vote required by this Section for amendment has occurred.
- Expansion of Project. Declarant owns or has an option to purchase certain 27. additional land, the approximate location of which is shown on the map attached hereto as Exhibit "C" and incorporated herein by this reference (referred to herein as the "Additional Land"). The Declarant may subdivide all or part of the Additional Land and may then add it to the Project which is subject to this Declaration. Notwithstanding any other provision of this Declaration to the contrary, any of the Additional Land may be subjected to this Declaration and may become part of the Project at the sole discretion of Declarant without seeking consent or permission of any Owners of any of the Lots or any Mortgagees of the Lots within the Project. Any of the Additional Land may be subjected to this Declaration and shall become a part of the Project by the Declarant recording a plat map describing such Additional Land and the Lots created on it and by Declarant recording a supplemental declaration stating that such Additional Land has been added to the Project and is subject to the terms and conditions of this Declaration. The Additional Land will be added to the Project, if at all, within eight (8) years from the date this Declaration is recorded in the Office of the Recorder of Utah County, Utah. Although Declarant reserves the right to add some or all of the Additional Land to the Project, Declarant has no obligation to do so. Declarant may exercise its right to expand the Project with one or more phases. The addition of some of the Additional Land to the Project shall not obligate the Declarant to add the balance of the Additional Land to the Project. Owners of the Lots in any

subsequent phases of the Project shall automatically become members of the Association to the same extent as the Owner's of the Lots in the original portion of the Project become members of the Association.

- Notice and Hearing. In the event of a claimed violation of the Declaration, 28. By-Laws or administrative rules and regulations governing the Project, an Owner or resident shall be entitled to the following:
- Notice. Written notice from the Association specifying the nature of the violation (and providing any other appropriate information) and stating the time, date and place that the Owner or resident will have an opportunity to be heard by the Association. Written notice shall be given at least fifteen (15) days prior to the date set for the hearing and may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after it has been deposited in the United States mail, first class postage prepaid, addressed to the Owner or resident at the address given by the Owner or resident to the Association for the purpose of service or notice or to the address of the Owner's or resident's Lot if no other address has been provided. Any address may be changed from time to time by giving written notice to the Association.
- Costs and Assessments. If the violation, or the failure to correct or remedy b. a violation, results or may result in the expenditure of funds, the notice shall also state that the Association may vote to assess the adverse party, levy a fine, or impose other sanctions if the Association finds that a violation has occurred.
- Final Determination. After the hearing has taken place, the Association shall (1) determine whether a violation has occurred and, if so, may impose a fine or issue sanctions which shall become effective not less than five (5) days after the date of the hearing; or (2) take such other action as the Association deems appropriate. The determination of the Association shall be final. However, nothing herein shall be construed to prevent the Association from making any emergency repairs or taking any other emergency action it deems necessary and subsequently providing to the Owner notice and an opportunity for a hearing.
- Declarant's Sales Program. Notwithstanding anything to the contrary, until 29. Declarant has sold all the Lots and Dwelling Units owned by it in the Project (as the Project may be expanded) or the expiration of a reasonable sales period following eight (8) years after the date on which this Declaration is filed for record in the Office of the Recorder of Utah County, Utah, whichever first occurs (hereinafter referred to as the "Occurrence"), neither the Owners or the Association shall interfere with the completion of improvements and the sale of all remaining Lots, and Declarant shall have the following rights in furtherance of any sales, promotions or other activities, designed to accomplish or facilitate the sale of all Lots owned by Declarant:
- Sales Office and Model Lots. Declarant shall have the right to maintain a. one (1) or more sales offices and one (1) or more model Lots, homes or Units at any one time. Such offices and/or models may be one or more of the Lots owned by it, or one or more of any separate structures or facilities placed on the Property for the purpose of aiding Declarant's sales effort, or any combination of the foregoing;

- b. <u>Promotional</u>. Declarant shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Property;
- c. <u>Common Area Use</u>. <u>Declarant shall have the right to use the Common Areas of the Project to facilitate sales; and</u>
- d. Relocation and Removal. Declarant shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices. Within a reasonable period of time after the happening of the Occurrence, Declarant shall have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility which was placed on the Property for the purpose of aiding Declarant's sales effort.
- 30. <u>Limitation on Improvements by Association</u>. Until the Occurrence described above, the Association shall not, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas created or constructed by Declarant, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant.
- 31. <u>Declarant's Rights Assignable</u>. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Lots or Buildings in the Project title to which is vested in Declarant shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protection and controls which are accorded to Declarant (in its capacity as Declarant) herein.
- 32. Transfer of Management. Notwithstanding any provision in this Declaration to the contrary, Declarant may at any time relinquish its reserved right to select the trustees of the Association and to transfer management of the Project to the Association. If and when Declarant elects to do so, Declarant shall send written notification to each Owner of the effective date of the transfer (the "transfer or Transition Date") at least forty five (45) days prior thereto. Thereupon, the Owners shall call a meeting to elect the trustees of the Association to take office as of the Transfer Date. Declarant covenants to cooperate with the Owners in effecting an orderly transition of management.
- 33. Certain Provisions to Declarant. Notwithstanding any other provision in this Declaration to the contrary, for so long as Declarant continues to own any of the Lots, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations of an Owner to pay Assessments, except as herein otherwise provided, as to each Lot owned by Declarant in accordance with the Declaration:
- a. <u>Disclaimer</u>. Declarant specifically disclaims any intent to have made any warranty or representation in connection with the Project or the Declaration except as specifically

set forth herein or in any agreement for sale of a Lot, and no person shall rely upon any warranty or representation not so specifically made therein.

- b. <u>Declarant's Consent to Amendment.</u> No amendment may be made to the Declaration without the written consent of Declarant so long as Declarant retains the Ownership of three (3) or more Lots; provided, however, that the obligation to acquire said written consent of Declarant shall cease on the date which is eight (8) years after the date of this Declaration.
- 34. <u>Interpretation</u>. This Declaration shall be governed by and construed in accordance with the laws of the State of Utah. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any reference to gender shall include all genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.
- Covenants to Run with Land. This Declaration and all provisions hereof shall constitute covenants which run with the land or an equitable servitude, as the case may be, and shall be binding upon and shall inure to the benefit of Association, all other signatories hereto, all parties who hereafter acquire any interest in a Lot or in the Project, and their respective grantees, transferees, heirs, devisee, personal representative, successors, and assigns. Each Owner or resident of a Lot shall comply with, and all interests in all Lots shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Lot in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.
- 36. Enforcement and Right to Recover Attorney's Assessment. The Association or any Lot Owner may take action, at law or in equity, to enforce the terms, covenant or conditions of the Project Documents. Should the Association or a Lot Owner be required to take action to enforce or construe the Project Documents, or to pursue any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise, the successful party may recover from the unsuccessful party or parties all costs of expenses of enforcement, including reasonable attorneys' fees, which may arise or accrue.
- 37. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Project designed to make the Project safer than it otherwise might be. However, neither the Association nor the Declarant shall in any way be considered insurers or guarantors of security within the Project. The Association and the Declarant shall not be held liable for any loss or damage by reason of failure to provide adequate security or by reason of the ineffectiveness of security measures undertaken. All Owners and residents, their guests and invitees, as applicable, acknowledge that neither the Association nor the Declarant represent or warrant that any security measures undertaken will ensure their safety. All Owners and residents, their guests and invitees, acknowledge and understand that the Association and the Declarant are not insurers of their safety, and all Owners and residents within the Project hereby assume all

risks for loss or damage to their person or property and further acknowledge that the Association and the Declarant have made no representations or warranties, expressed or implied, relative to any security measures undertaken within the Project.

- 38. <u>Mechanics Liens</u>. Mechanics liens shall be filed in the Office of the Recorder of Utah County, Utah as follows:
- a. Association/Goods or Services. Mechanics liens for labor, materials or supplies purchased by the Association shall be recorded only against the Association's interest in the Common Areas, and shall be indexed in the public records under the name of the Association. If the Association has encumbered the Common Areas and thereafter defaults on its obligations, the lienholder must exercise its rights against the Common Areas only and not against any individual Lot within the Project.
- b. <u>Lot Owner/Goods or Services.</u> Mechanics liens filed for labor, materials or supplies benefiting a particular Lot shall be filed only against such Lot.
- c. <u>Constructive Consent.</u> Any person or entity who elects to perform labor or provide materials at the Project agrees to be bound by and subject to the terms of this Section.
- 39. <u>Duration</u>. This Declaration shall continue in perpetuity, unless terminated by the affirmative vote of eighty-five percent (85%) of the Owners.
- 40. <u>Waiver</u>. No restriction, condition, obligation, or provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.
- 41. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this Declaration should be invalid or should operate to render this Declaration invalid, this Declaration shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections, or section or sections had not been inserted.
- 42. <u>Effective Date</u>. This Declaration, any amendment or supplement hereto, and any amendment or supplement to the Plat Map shall take effect upon its being filed for record in the Office of the Recorder of Utah County, Utah.
- 43. Amendment of Declaration. At any time while this Declaration is in effect, the Owners of eighty percent (80%) of the Lots subject to this Declaration may amend the provisions of this Declaration, provided that if the Declarant owns or controls an interest in the Project or an interest in all or a portion of the Additional Land at the time of the proposed amendment, the consent of the Declarant shall be required. Any such consent shall be in the exclusive judgment of the Declarant. Any amendment must be in writing and must be properly recorded in the Office of the Recorder of Utah County, Utah. No amendment shall be binding on the holder of

any Mortgage on any Lot, which Mortgage is of record at the time of the amendment, unless the Mortgagee joins in the Amendment. This Declaration may not be repealed by amendment.

Conservation Easement. Declarant hereby grants to Town of Cedar Hills a 44. conservation easement over and across all of the Common Areas in the Project for the purpose of enabling the Town of Cedar Hills to enforce all of the restrictions with respect to the use of the Common Areas as set forth in this Declaration and in order to assure that no Dwellings or other Buildings shall be constructed within the Common Areas, except as specifically set forth herein and as shown on the Plat for the Project. Declarant hereby acknowledges and agrees that the development rights with respect to the Common Areas shall be limited as set forth in this Declaration and as shown on the Plat for the Project. The conservation easement granted to the Town of Cedar Hills by Declarant pursuant to this Section 44 shall be perpetual and irrevocable and shall not be affected by any document purporting to amend or terminate this Declaration, unless the Town of Cedar Hills consents to any such amendment or termination. This grant of conservation easement as set forth in this Section 44 shall not affect in any way manner the private nature of the Project and the Common Areas and is not intended to grant to the general public any right to enter upon, use or enjoy the Common Areas or any other portion of the Project. The sole purpose for Declarant granting to the Town of Cedar Hills the conservation easement set forth in this Section 44 is to provide assurance to the Town of Cedar Hills that the Common Areas for the Project shall not be used for any other purpose other than as described in this Declaration and as set forth on the Plat for the Project. The Town of Cedar Hills shall be entitled to enjoin by judicial action any attempted use of the Common Areas which is inconsistent with the terms of this Declaration and the Plat for the Project.

EXECUTED the day and year first above written.

DECLARANT:

LEGACY PROPERTIES AND INVESTMENTS, L.C., a Utah limited liability company

John Heiner Title: Member

Reed Swenson

Title: Member

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EXHIBIT "A"LEGAL DESCRIPTION OF THE PROPERTY

The Property referred to in the foregoing Declaration is located in Utah County, Utah and is described more particularly as follows:

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Exhibit "B" BY-LAWS OF

THE COTTAGES AT CANYON HEIGHTS HOMEOWNERS ASSOCIATION, INC.

A Nonprofit Corporation of the State of Utah

Pursuant to the provisions of the Utah Nonprofit Corporation and Co-operative Association Act, the Board of Trustees of The Cottages at Canyon Heights Homeowners Association, Inc. hereby adopts the following By-Laws.

ARTICLE I

NAME AND PRINCIPAL OFFICE

- 1.1 Name: The name of the corporation is "The Cottages at Canyon Heights Homeowners Association, Inc.", and it is referred to below as the "Association."
- 1.2 Offices. The initial principal office of the Association will be at 1402 West State Street, Pleasant Grove, Utah 84062.

ARTICLE II

MEMBERS AND MEETINGS

- 2.1 Annual Meetings. The annual meeting of the Members of the Association shall be held on the second Monday in April at 6:00 p.m. at the offices of the Association, beginning in the year following the year in which the Association is incorporated. The Board of Trustees may designate some other time, date and place for the annual meeting by giving proper notice of the change in advance of the meeting. The purpose of the annual meeting is to elect the Trustees, and to approve the annual assessments to be made by the Association upon the Members, as recommended by the Trustees, and to consider such other business that comes before the meeting. If the Trustees are not elected at the annual meeting, the existing Trustees shall continue to serve until their successors are named in a special meeting called for that purpose, or until the next annual meeting. The Trustees may change the date, time and place of the annual meeting as they see fit by formal resolution.
- 2.2 Special Meetings. Special meetings of the Members may be called by the Board of Trustees or by the President as they see fit, or by the Members of the Association representing not less than 33% of the total votes of the Association. Any notice of special meeting shall state the time, place, and date of the meeting and the matters to be considered at the meeting. When a special meeting is called by the Members of the Association, the notice shall be in writing and delivered to the President or the Chairman of the Board of Trustees.

- 2.3 <u>Place of Meetings.</u> All meetings will be held in Pleasant Grove, Utah, or Cedar Hills, Utah unless the Members have authorized a meeting to be held elsewhere by written waiver.
- 2.4 Notice of Meeting. The Board of Trustees shall cause written or printed notice of the date, time place and purposes of all meetings of the Members to be sent to each of the Members not more than 60 but not less than 10 days prior to the meeting. Mailed notice is deemed delivered when it is deposited in the United States Mail, postage prepaid, addressed to the Member at the last known address. Each Member shall register his or her address with the Association, and it shall be the obligation of the Member to provide notice of any change of address to the Association. If no address is registered, the Association may mail that Member's notice to the Secretary of the Association as the agent for the Member. Only one notice will be mailed on each Parcel, so if there are multiple owners, they must designate one of them to receive the notice of the meeting on their behalf.
- Members of Record. Upon purchasing a Lot (the "Lot") in The Cottages at Canyon Heights (the "Project"), each owner shall promptly furnish the Association with a copy of the deed or other instrument under which such owner acquired title to the Lot. The Members of the Association shall be the owners of the Lots in the Project. Membership is deemed an appurtenance to each Lot and shall pass automatically to the owner of each Lot upon conveyance of title to such Lot. The Association shall not have stock or issue shares. For purposes of determining a quorum, determining the persons entitled to vote, and all other matters before a meeting of the Members, the Association may designate a record date, not more than 60 days nor less than 10 days prior to the meeting date, to determine the Members entitled to notice and to vote at the meeting. If no record date has been fixed, the record date is deemed to be the date on which notice of the meeting was mailed to the Members. The persons appearing as Members as of the record date are deemed entitled to notice and to vote at the meeting. Persons who become Members subsequent to the record date, or whose ownership is not registered with the Association until subsequent to the record date shall not be entitled to notice, shall not be counted in comprising a quorum, and shall not be entitled to vote at the meeting. This shall not preclude a person who acquires such person's Membership subsequent to the record date from voting the interest of his predecessor under a written proxy.
- 2.6 Quorum. At any meeting of the Members, the presence of Members, in person or by proxy, holding the right to cast more than 50% of the total votes of the Association shall constitute a quorum for the transaction of business. In the event that a quorum is not present at a meeting, the Members present, in person or by proxy, though less than a quorum, may adjourn the meeting to a later date set by those Members present. Notice of the re-scheduled meeting will be sent to the Members providing at least 10 days notice of the new meeting. At any rescheduled meeting, a quorum will be deemed to exist comprised of those Members present in person or by proxy at the re-convened meeting.
- 2.7 <u>Proxies.</u> At each meeting of the Members, each Member entitled to cast a vote shall be entitled to vote in person or by written proxy. All proxies must be in writing, signed by the Member as shown on the records of the Association. When a Membership is jointly held, the

proxy must be signed by all of the joint owners of the Membership. Proxies must be presented to the Secretary of the Meeting at the beginning of the meeting for purposes of determining a quorum. The secretary will make an entry of proxies in the minutes of the meeting.

- 2.8 <u>Voting Rights</u>. With respect to each matter presented to the Members, including the election of Trustees, each Member will be entitled to cast one vote for each Lot that such Member owns on all matters presented to the Members for approval. If a Lot is owned by more than one person or entity, then such persons or entities must decide among themselves how the one vote for such Lot shall be cast. In the event that a Lot is owned by multiple owners and only one of the multiple owners is present at a meeting, the other multiple owners who are not present shall be deemed to have consented to the owner who is present voting the interests of that Lot. In the event of Lots held subject to trust deeds or mortgages, the trustor or mortgagor will be entitled to vote, and the lender shall have no right to vote; provided however, that when a lender has taken possession of any Lot, the lender shall be deemed to have succeeded to the interest of the trustor or mortgagor, and shall then be entitled to cast the vote.
- 2.9 <u>Simple Majority</u>. Unless otherwise provided in the Declaration of Covenants, Conditions and Restrictions for The Cottages at Canyon Heights (the "Declaration") any matter placed before the Members for a vote shall pass if there is an affirmative vote of the majority of the Members present at the meeting (and there is a quorum present). Election of Trustees will be by secret ballot. Other matters may be voted by secret ballot or by show of hands or such other means as the officer conducting the meeting shall determine.
- 2.10 <u>Waiver of Irregularities</u>. Any inaccuracies, irregularities, or errors in any call for a meeting or in any notice of meeting, and any inaccuracies or irregularities in the determination of a quorum or acceptance of proxies at a meeting are deemed waived, unless there is an objection stated in the meeting prior to the vote being taken.
- 2.11 <u>Informal Action</u>. Any action which is required to be taken or approved at a meeting may be taken or approved without a formal meeting, if all of the Members consent to the action in writing prior to the action being taken. The Members may hold meetings for which formal notice was not given if the Members waive notice prior to the meeting.

ARTICLE III

BOARD OF TRUSTEES

3.1 General Powers. The Board of Trustees shall have authority to manage and control the property and affairs of the Association. The Board of Trustees shall also constitute the Management Committee described and referred to in the Declaration, and the Board of Trustees shall have all of the powers and duties of the Management Committee as described in the Declaration. The Board of Trustees shall have the power to do all such acts as are necessary in connection with the operation, management, maintenance and repair of the Project. The Board of Trustees shall have the power from time to time to adopt any rules or regulations deemed proper for the exercise of which management powers, including without limitation any and all rules and regulations referred to in the Declaration. The Board of Trustees may exercise all

powers conferred upon them by law, by the Articles of Incorporation, by the Declaration, or by these By-Laws, provided however, that those powers which are specifically reserved to the Members in these By-Laws or in the Articles of Incorporation shall be exercised only by the Members. The Board may delegate its powers to officers, managers, or to such others as are appropriately delegated. Subject to any limitations or provisions contained in the Declaration, the Board of Trustees shall be responsible for at least the following:

- a) Preparation of an annual budget, in which there shall be established each Owner's share of the Common Expenses.
- Assessments from the Owners, and methods of collection Assessments from the Owners, and the method of payment. Unless otherwise determined by the Board of Trustees, each Owner's common area fee may be payable in equal monthly installments, due and payable in advance on the first day of each month of each year. However, in the event an Owner fails to make an to make an installment payment in a timely manner or the Association deems itself insecure, then the entire annual Assessment may be accelerated by the Board of Trustees and shall thereafter be automatically due and payable without further notice. The Board of Trustees may subsequently elect to de-accelerate the obligation in whole or in part.
- c) Providing for the operation, care, upkeep, replacement, maintenance, and regulation of all the Common Areas and all other portions of the Area of Common Responsibilities within the Project, as described in the Declaration.
- d) Designating, hiring, and dismissing the personnel necessary to operate and maintain the Project.
 - e) Collecting and depositing the Assessments.
 - f) Making, amending, and enforcing the Rules and Regulations.
- g) Opening and closing of bank accounts for and in behalf of the Association, and designating the signatories required therefor.
- h) Making, or contracting for the making of, repairs, additions, and improvements to, or alterations of, the Property and repairs to, and restoration of, the Property, in accordance with the Declaration and other provisions of the By-Laws, after damage or destruction by fire or other casualty.
 - i) Enforcing by legal means the Project Documents.
 - j) Purchasing and maintaining insurance.
- k) Paying the cost of all services rendered to the Project and not billed directly to Owners or individual Lots.

- 1) Keeping books and records with detailed accounts of the receipts and expenditures affecting the Property, and the administration of the Project, specifying the maintenance and repair expenses of the Areas of Common Responsibilities and any other expenses incurred. Said documents, books, financial statements, and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Board of Trustees for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices.
- m) Providing, where necessary, all water, electricity, and other necessary utility services for the Common Areas.
- n) Paying any amount necessary to discharge any mechanic's or materialmen's lien or other encumbrance levied against the Property, or any part thereof, which may in the opinion of the Board of Trustees constitute a lien against the Property or against the Common Areas, rather than merely against the particular Lot. When one or more Owners are responsible for the existence of such a lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Board of Trustees by reason of said lien or liens shall be specially assessed to said Owners and shall, until paid by said Owners, constitute a lien on the interest of said Owners in the Property which lien may be perfected and foreclosed in the manner provided in the Declaration.
- o) Giving notice of and conducting hearings on alleged violations of the Project Documents, sanction, cite, or fine Owners, occupants and residents.
 - p) Making emergency repairs.
- q) At the sole expense and risk of the Owner, impounding, immobilizing, towing or otherwise removing any motor vehicle parked, stored or standing in violation of the parking rules and regulations or in an unauthorized area.
- r) Evicting non-Owner residents in material violation of the Project Documents.
- s) Doing such other things and acts necessary to accomplish the foregoing and not inconsistent with the Declaration or By-Laws
- 3.2 <u>Number and Tenure.</u> There shall be three members of the Board of Trustees. They shall serve until the next annual meeting in which Trustees are elected, and shall continue to serve until their successors have been elected and assumed office. Trustees need not be residents of the State of Utah.
- 3.3 Board Meetings. The Board of Trustees shall have at least one meeting per year, which shall be within the 90 days preceding the Annual Meeting of Members for the purpose of

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setting the agenda for the Annual Meeting of Members, and for purposes of approving an annual budget for the operations of the Association, for approving (for recommendation to the Members) the assessments to be made by the Association upon the Members as contemplated by the Declaration, and for approving annual reports, tax returns, and similar matters. Special meetings may be called by the President or the Chairman, or by a majority of the Board by giving notice to the other Board members. Notice of Board meetings will be given in writing or by telephone not more than 15 days, and not less than 5 days prior to the date of the meeting.

- 3.4 Quorum. A quorum at a Board meeting will consist of a simple majority of the Board. Board members may be counted as present if they are participating in the meeting by telephone. No proxies will be given among Board members. Actions of the Board may only be taken by formal action of the Board, and no individual Trustee shall have the authority to act on behalf of the Association.
- 3.5 <u>Deadlock</u>. In the event of a deadlock on the Board, the Board shall immediately call for a special meeting of the Members and, at the direction of the Chairman of the Board, either call for the election of a new Board, or submit the matter to the Members for determination.
- 3.6 <u>Compensation</u>. The Board of <u>Trustees shall</u> serve without compensation, provided that their reasonable out of pocket expenses for Association business, including the costs of attending Board meetings, may be reimbursed by the Association.
- 3.7 <u>Resignation or Removal.</u> Any Trustee may resign at any time. A Trustee is deemed to have resigned when he or she sells (or otherwise is divested of) his or her Lot and therefore ceases to be a Member of the Association. Any Trustees may be removed prior to the end of his or her term of office by an affirmative vote of a simple majority of the Members of the Association at a regular or special meeting called for that purpose.
- 3.8 <u>Vacancies</u>. Vacancies on the Board of Trustees will be filled by appointment of a successor by the remainder of the Board, provided that any such appointee will be confirmed or rejected at the next regular meeting of the Members. Any such Trustee is to fill the balance of the vacant term which he or she has filled, and will stand for election at the expiration of that term.
- 3.9 <u>Informal Action by Trustees</u>. The Trustees may take any action they could take in a formal meeting without a formal meeting, provided that the action is authorized in advance in writing signed by all of the Trustees. The Trustees may waive notice of meetings by signing written waivers at the time of the meeting. Minutes of all Board meetings will be kept, and when a meeting is held without prior notice, the minutes will reflect the written waiver of notice.

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ARTICLE IV

OFFICERS AND DUTIES

- 4.1 <u>Number</u>. The Officers of the Association shall consist of at least a President, and a Secretary/Treasurer. The Board may establish such other Officers as it deems appropriate.
- 4.2 <u>Appointment Tenure</u>. The Officers will be appointed by the Board of Trustees at their annual meeting. All Officers serve at the pleasure of the Board and may be removed by a majority vote of the Board in a meeting called for that purpose. All Officers must be Members of the Association.
- 4.3 <u>Duties of the President.</u> The President shall preside at meetings of the Board of Trustees and at meetings of the Members. He shall sign, on behalf of the Association, all legal documents approved by the Board, including deeds and mortgages and other contracts. The President shall supervise and be primarily responsible for the day-to-day operation of the Association's affairs, including the hiring and termination of employees and subordinates. The President shall perform such other duties as assigned by the Board.
- maintain accurate books and records of the operations of the Association, including without limitation, records pertaining to the receipt and disbursement of funds, to keep accurate records of the Members of the Association and the transfer of their interests to others, to keep a record of assessments made to Members by the Association and the payment of assessments by the Members, to keep minutes of the meetings of the Members and the Trustees, and to cause notices of any meetings to be issued as called for in these By-Laws, to file annual reports, and to perform such other duties as assigned by the Board. The Secretary/Treasurer will perform the duties of the President, if the President is not available.
- 4.5 <u>Compensation</u>. The Officers will serve without compensation, provided that their reasonable out of pocket expenses in performing their duties for the Association will be reimbursed. The Board may fix such other compensation as it finds appropriate given the responsibility of the Officers.

ARTICLE V

INDEMNIFICATION

5.1 <u>Indemnification Against Third Party Actions</u>. The Association may defend and indemnify the Officers and Trustees against all actions, claims, and suits brought by third parties against them individually which arise from the exercise of their obligations and duties as Officers and Trustees. This shall include all civil, administrative or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorneys' fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in

scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.

- 5.2 <u>Indemnification Against Member Actions</u>. The Association may defend and indemnify the Officers and Trustees against all actions, claims, and suits brought by Members of the Association against them individually which arise from the exercises of their obligations and duties as Officers and Trustees. This shall include all civil, administrative or investigative actions whether brought by an individual or a governmental agency. The indemnification shall extend to the payment of reasonable attorneys' fees incurred in the defense of such action, including fees for independent counsel, and the payment of any fine, settlement, or judgment. This indemnity is limited in scope to those acts or omissions arising from the good faith exercise of the authority of the office held, or the discharge of the duties as a Trustee on behalf of the Association.
- Association receives notice of any action referred to above, he or she shall give notice to the President and to the Board of Trustees, stating the nature of the claim, the claimant, and providing all pertinent information about the claim. The Board, in the case of an action against an Officer or employee, or against a single Trustee, may vote to indemnify the Officer, employee or Trustee. In the event that the action is against the Board of Trustees as whole, or names more than a single Trustee individually, and the claim is entirely covered by and within the policy limits of the Association's insurance coverage, the Board may vote to indemnify itself and the individuals named. In the event that the claim exceeds the limits of any insurance coverage, or is not covered, the Board may not agree to indemnify itself without presenting the matter to the Association for a vote at a special meeting called for that purpose.
- 5.4 <u>Amendment</u>. These <u>By-Laws may be amended by the Members of the Association from time to time as the Members see fit by a majority vote at a meeting called for that purpose.</u>

ARTICLE VI

COMPLIANCE, CONFLICT, AND MISCELLANEOUS PROVISIONS

- 6.1 <u>Conflict</u>. These By-Laws are subordinate and subject to a provisions of the Declaration. All of the terms hereof, except where clearly inconsistent with the context, shall have the same meaning as they are defined to have in the Declaration. In the event of any conflict between these By-Laws and the Declaration, the provision of the Declaration shall control.
- 6.2 <u>Waiver</u>. No restriction, condition, obligation, or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.
- 6.3 <u>Captions</u>. The captions contained in these By-Laws are for convenience only and are not part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

- 6.4 <u>Interpretation</u>. Whenever in these By-Laws the context so requires, the singular number shall refer to the plural and the converse; and the use of any gender shall be deemed to include both masculine and feminine; and the term "shall" is mandatory while the term "may" is permissive.
- 6.5 Severability. The invalidity of any one or more phrases, sentences, subparagraphs, subsections or sections hereof shall not affect the remaining portions of this instrument or any part thereof, and in the event that any portion or portions of this document should be invalid or should operate to render this document invalid, this document shall be construed as if such invalid phrase or phrases, sentence or sentences, subparagraph or subparagraphs, paragraph or paragraphs, subsection or subsections, or section or sections had not been inserted.

Adopted this 1st day of December, 1999.

John Heiner

Title: President

Attest:

Reed Swenson

Title: Secretary

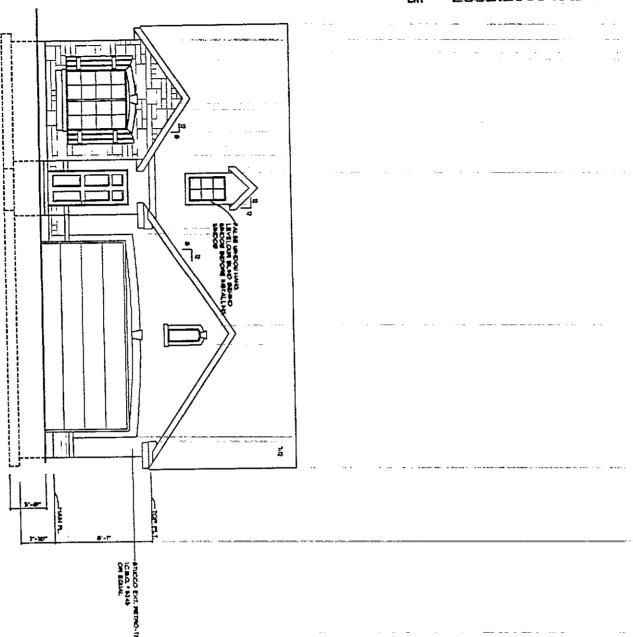
EXHIBIT "C" MAP SHOWING THE APPROXIMATE LOCATION OF THE ADDITIONAL LAND

271985.7 C-1

EXHIBIT

N

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