

DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS OF THE
BRIDGESTONE HOMEOWNER'S ASSOCIATION

A Planned Unit Development (Expandable)

Cedar Hills, Utah County, Utah

ENT 55377 BK 4657 PG 609
RANDALL A. COVINGTON
UTAH COUNTY RECORDER
1998 Jun 02 3:11 pm FEE 42.00 BY 85
RECORDED FOR TOWN OF CEDAR HILLS

THIS DECLARATION is made as of the date hereinafter set forth by Foothill Development, Inc. (Hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the Town of Cedar Hills, County of Utah, State of Utah, which is more particularly described as:

(Description of Phase I)

Commencing at a point located North 89° 30' 34" East along the section line 1923.94 feet and South 307.91 feet from the Southwest corner of Section 6, township 5 South, Range 2 East, Salt Lake Base and Meridian; thence North 14° 41' 04" East 77.08 feet; thence along the arc of a 560.00 foot radius curve to the right 41.22 feet (chord bears North 16° 47' 36" East 41.21 feet); thence North 18° 54' 08" East 58.18 feet; thence along the arc of a 470.00 foot radius curve to the left 131.56 feet (chord bears North 10° 53' 00" East 131.13 feet); thence North 02° 51' 52" East 94.32 feet; thence along the arc of a 530.00 foot radius curve to the right 228.88 feet (chord bears North 15° 14' 09" East 227.11 feet); thence along the arc of a 15.00 foot radius curve to the left 23.87 feet (chord bears North 17° 58' 02" West 21.43 feet); thence South 63° 33' 21" East 90.02 feet; thence along the arc of a 15.00 foot radius curve to the left 23.20 feet (chord bears South 72° 07' 51" West 20.95 feet); thence along the arc of a 470.00 foot radius curve to the left 204.85 feet (chord bears South 15° 21' 03" West 203.23 feet); thence South 02° 51' 52" West 94.32 feet; thence along the arc of a 530.00 foot radius curve to the right 148.35 feet (chord bears South 10° 53' 00" West 147.87 feet); thence South 18° 54' 08" West 41.73 feet; thence South 74° 41' 41" East 154.33 feet; thence North 15° 00' 05" East 21.52 feet; thence South 75° 50' 14" East 110.47 feet; thence South 15° 00' 05" West 152.23 feet; thence North 75° 07' 13" West 326.63 feet along the Northerly boundary line of the Murdock Canal to the point of beginning. (14:003:0009 and 14:004:0008 part of)

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

RECITALS

Section 1. Purpose. The purpose of his instrument is to provide for the preservation of the values of both Lots and common Areas within Bridgestone, a Planned Unit Development in Cedar Hills, Utah (the "Development"), and for the maintenance of the roadways, driveways, sidewalks, parking amenities, open spaces, landscaping, trees and all other common Areas therein.

Section 2. Effectiveness. From and after the effective date hereof:

(a) Each part of the Development and each Lot and Unit lying within the boundaries of the Development shall constitute parts of a single Planned Unit Development;

(b) The Development shall consist of the Lots and of the Common Areas which are described and depicted on the Plat, together with such additional Lots and Common Areas as may come into existence pursuant to the provisions hereof relating to annexation or expansion of the Development.

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(c) The Declaration for the Development shall consist of this Document as the same may be modified, amended, supplemented, or expanded in accordance with the provisions hereof;

(d) The Declaration for the Development shall remain in effect with automatic successive reinstatements for as long as Bridgestone exits as specified hereafter, and

(e) The Plat of the Development shall consist of the instrument which is identified as Plat "A", A Planned Unit Development, Town of Cedar Hills, Utah, and filed for record concurrently herewith in the office of the Utah County Recorder, Provo, Utah, as the same may be amended, and any subsequent plats which may be filed for record pursuant to the provisions hereof relating to annexation or expansion of the Development.

Section 3. Declarant has constructed, or is in the process of constructing, upon said tract a Multiple Family Living Project, including certain Units and other improvement. All of such construction has been or is to be, performed in accordance with the plans and drawings contained in the Plat Map filed for record simultaneously herewith, prepared and certified by Judco, of Orem, Utah.

Section 4. Declarant intends to sell to various purchasers the fee title to the individual Units contained in the Project, together with the undivided ownership interest in the Common Areas and Facilities appurtenant to such Units, subject to the covenants, condition, restrictions, limitation, and easements herein set forth.

Section 5. Declarant reserves the Option, as more fully set forth in Article VI below, to expand the Project to include certain additional tracts of land and improvements.

NOW THEREFORE, for the foregoing purposes, Declarant hereby declares and certifies as follows:

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to BRIDGESTONE HOMEOWNERS' ASSOCIATION, its successors and assigns and the governing body thereto.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract seller, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property (including the improvement thereto) owned by the Association for the common use and enjoyment of the owners. The Common Area to be set forth and designated as such in the Plat Map.

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Section 5. "Lot" shall mean and refer to any plot of land shown upon any subdivision map of the Properties including Additional properties with the exception of the Common Area.

Section 6. "Unit" shall mean and refer to any lot and the physically enclosed space upon it together with the undivided interest in the common areas and facilities appertaining to that unit.

Section 7. "Declarant" shall mean and refer to Foothill Development, Inc., its successors and assigns if such succors.

Section 8. "Additional Land" shall mean and refer to all the land in Cedar Hills, Utah County, State of Utah, set forth and described:

(Description of all Property less phase 1)

Commencing at a point located North 89 * 30' 34" East along the section line 1329.03 feet and North 11.32 feet from the Southwest corner of section 7, Township 5 South, range 2 East, Salt Lake Base and Meridian; thence South 90* 00' 00" East 452.80 feet; thence North 00* 04' 33" East 226.39 feet; thence South 90* 00' 00" East 200.70 feet; thence North 120.71 feet; thence South 73* 18' 46" East 619.03 feet; thence South 00* 00' 49" East 169.99 feet; thence North 89 * 30' 40" East 74.92 feet; thence South 00* 19' 19" East 508.01 feet; thence North 75* 06' 30" West 649.94 feet; thence North 75* 09' 14" West 236.19 feet; thence North 00* 41' 51" West 42.73 feet; thence North 65* 42' 56" West 513.05 feet; thence North 00* 03' 02" East 26.73 feet to the point of beginning.

Less and Excepting:

Commencing North 89* 30'34" East along the section line 1329.03 feet and North 11.32 feet from the Southwest corner of section 6, Township 5 South, range 2 East, Salt Lake Base and Meridian; thence East 452.80 feet; thence South 3* 34' 14" East 238.19 feet; thence North 65 * 42' 56" West 513.05 feet; thence North 0* 03' 02" East 26.73 feet to the point of Beginning.

Less and Excepting:

Phase 1 description page 1.

Section 9. "Limited Common Areas" shall mean and refer to those Common Areas designated in the Declaration and shown on the Plat Map reserved for use of a certain Unit or Units to the exclusion of other Units. Limited common Areas include storage areas and Parking spaces and Hall spaces and Elevator areas and Doors and Stairs specifically assigned for the exclusive use of the individual Unit Owners.

Section 10. "Management Committee or Committee" shall mean and refer to the Committee as appointed by the Association charges with and having the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Property.

ARTICLE II

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PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulation;

(c) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of member has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Allocation of undivided interest in Common Areas. Each Unit owner shall have one share interest in the common Areas and Facilities proportionate to the number of units completed.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a unit which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any unit which is subject to assessment. In addition, the Declarant shall be a member of the Association until the earlier of the dates set forth in Section 2 (b) below.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each unit owned. When more than one person holds an interest in any unit, all such persons shall be members. The vote for such unit shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any unit.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned including projected Lots in Additional Land. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total vote outstanding the Class B membership, or

(b) on July 1, 2003. ENT 55377 BK 4657 PG 613

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Unit owned within the Properties hereby covenants, and each owner of any Unit by acceptance of the deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessment levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area.

(a) In addition to maintenance of the Common Areas, the Association shall provide exterior maintenance for each Unit which is subject to assessment hereunder, as follows: paint, repair replacement and care of roofs, gutters, down spout, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements. Such exterior maintenance shall not include glass windows for each Unit.

(b) Included in the Assessments but not limited to is the cost of adequate liability and hazard insurance on property owned by the Association, water for the landscaping, outside lighting, snow removal, landscape and building maintenance, capitol improvement, roadway and parking area maintenance and TV cable service.

Section 3. Maximum Annual Assessment. Until January of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment shall be SEVEN HUNDRED AND TWENTY DOLLARS (\$720.00) per Unit. Preliminary budget is set forth in Exhibit "A".

(a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased each year not more than 10% above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased above 10% by vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvement. In addition to the annual assessment authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

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Section 5. Notice and Quorum for any Action Authorized under Section 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Units and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence to all Units on the first day of the month following the "Occupancy Permit" from the Town of Cedar Hills. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Unit at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the association setting forth whether the assessments on a specified Unit have been paid. A properly executed certificate of the Association as to the status of assessments on a Unit is binding upon the Association as of the date of its issuance.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Unit.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. There shall be no monthly or special assessment assessed to new Units being built until such time as the Unit is fully completed and an "Occupancy Permit" is granted from the Town of Cedar Hills. If the Declarant is the owner after the "Occupancy Permit" has been obtained, sixty (60%) of the assessment applicable for that Unit shall be the obligation of the Declarant. Such assessment shall begin at the first of the month following the day "Occupancy Permit" is obtained.

When each Unit is occupied for the first time or title thereto is no longer vested in the Declarant, such Unit shall then pay 100% of the amount which would otherwise be assessed to that Unit.

ARTICLE V

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ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specification have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. This article in no way has authority over architecture of the 104 Units to be built at Bridgestone or the other improvements required to complete these Units and/or Common Area.

ARTICLE VI

EXPANDABILITY

Section 1. Annexation by Declarant. Declarant may, from time to time, expand the Development subject to this Declaration by the annexation of all or part of the lands constituting the Additional Land. Subject to compliance with the conditions imposed by the following Section 2, the annexation of any such land shall become effective upon the concurrent recordation in the office of the County Recorder of Utah County, Utah, of a Plat of such Additional Land signed by the owner thereof and of a supplemental declaration ("Supplemental Declaration") which

- (a) is signed by the then owner(s) of such Additional Land as Declarant;
- (b) describes the land to be annexed;
- (c) declares that the annexed land is to be held, transferred, sold, conveyed, and occupied as part of the Property subject to this Declaration; and
- (d) sets forth such additional limitations, restrictions, easements, covenants and conditions, not inconsistent with those of this Declaration, as are applicable to the annexed land. When any such annexation becomes effective, the annexed land shall become part of the Property and the Development and subject to the provisions of this declaration and any amendment or supplement thereto.

Section 2. Limitation on Annexation. Declarant's right to annex land to the Development shall be subject to the following limitation:

- (a) The annexed land must be part of the Additional Land set forth and described herein;
- (b) Declarant shall not effectuate any annexation of land which would cause the total number of Lots existing in the Development to exceed one hundred four (104);

(c) The holder of each mortgage, deed of trust or other security device affecting any part of the Additional Land being annexed into the Development must consent, through appropriate instruments recorded in Utah County, Utah, to the recordation of the Supplemental Declaration and to the Plat to which such Supplemental Declaration relates;

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(d) The final Plat for the portion of the Additional Land to be annexed shall have been approved by the Town Council;

(e) The Additional Land added to the Development must be subdivided into Lots and Common Areas designed to be used for purposes similar to those contemplated by this Declaration, with all Units and Lots being similar in concept as that of such Units, Lots and uses in Phase I of the Development provided, however, that in each succeeding phase of the Development the architectural style of the Units within such phase must remain consistent throughout such succeeding phase and in harmony with that of prior phases;

(f) All Common Areas covered by the Supplemental Declaration designed on the Plat related thereto shall be conveyed to the Association; and

(g) Declarant's right to annex land to the Development shall expire ten (10) years after this Declaration is filed for record in the office of the County Recorder of Utah County, Utah.

Section 3. No Obligation to Annex or Develop. Declarant has no obligation hereunder to annex any Additional Land to the Development or to develop or preserve any portion of Additional Land in any particular way or according to any particular time schedule. No land other than the Property, as defined on the date hereof, and land annexed thereto in accordance with the terms of this Article shall be deemed to be subject to this Declaration whether or not shown on any subdivision plat filed by Declarant or described or referred to in any documents executed or recorded by Declarant.

Section 4. Other Annexation. Anything herein to the contrary notwithstanding to the extent that Declarant does not now or in the future may not own all of the Additional Land, the then owners of such Additional Land or parts thereof ("Adjoining Owners") may annex all or any part of the Additional Land to the Development and subject the same to the terms of this Declaration provided that

(a) the same limitations which are imposed on Declarant under Section 2 of this Article VI shall be applicable to Adjoining Owners; and

(b) Adjoining Owners make the recordations and comply with all the other requirement referred to in section 1 of this Article VI.

ARTICLE VII

DUTIES AND OBLIGATION OF OWNERS

Section 1. Maintenance and Repairs.

(a) Each Owner shall at his own cost maintain his Lot and any improvements constructed thereon in good repair at all times, except for Unit exteriors, roofs, and patio fences which shall be maintained and repaired by the Association as provided in Section VIII of this Declaration, below.

(b) Each Owner shall at his own cost and expense maintain, repair, paint, repaint, tile, was, paper or otherwise refinish and decorate the interior walls and trim the interior surfaces of the walls, ceiling, floors, and windows and doors forming the boundaries of his Units and all walls, ceilings, floors, windows and doors within such boundaries. In addition to decorating and keeping the interior of his Unit in good repair and in a clean and sanitary condition, he shall be responsible for the maintenance, repair or replacement of any plumbing fixtures, pipes, water heater, heating equipment, air conditioner, lighting fixtures, wire, refrigerator, dishwasher, disposal equipment, range or other appliances or fixtures that may be in or connected with his Unit.

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(c) In the event of the damage or destruction of any Unit, the Owner of the Unit shall rebuild the same within a reasonable time. The painting or repainting, remodeling, rebuilding or modification of any Unit exteriors or parts thereof must be submitted to and approved by the Architectural Control Committee pursuant to its procedures.

(d) In the event that the need for maintenance or repair of a Unit is caused through the willful or negligent acts of its Owner or through the willful or negligent acts of the family, guests or invitees of the Owner of the Unit needing such maintenance or repair, the cost of such exterior maintenance shall be added to and become a part of the assessment to which such Unit is subject.

(e) In the event an Owner of any Unit in the Project shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Association, the Management Committee, after approval by two-thirds (2/3) vote of the Association, shall have the right, through its agents and employees to enter the said Unit and to repair, maintain and restore the Unit and the exterior of the Building and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become a part of the assessment to which such Unit is subject.

(f) Nothing shall be kept or stored on any part of the Common Areas without the prior written consent of the Association

Section 2. Insurance. Notwithstanding any insurance coverage required to be provided herein by the Association, each Owner shall procure and maintain in force hazard insurance on the structure, personal contents, and liability coverage as is customary in projects such as the Development and which is consistent with each Owner's individual circumstances.

Section 3. Assessments and Rules Observance. Each Owner shall be responsible for the prompt payment of any Assessments provided for in this Declaration and for the observance of the rules and regulation promulgated by the Association from time to time.

Section 4. Maintenance of Limited Common Areas. Each Owner shall keep the Limited Common Areas designed for use in connection with his Unit in a clean, sanitary, safe and attractive condition at all times.

Section 5. Access for Repair of Common and Limited Common Areas. Some of the Common Areas and Limited Common Areas are or may be located within the Units or may be conveniently accessible only through the Units. The owners of the other Units shall have the irrevocable rights, to be exercised by the Committee as their agent, to have access to each Unit and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, repair located therein or replacement of any of the common Areas accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or another Unit or

Units. The Committee shall also have such rights independent of the agency relationship. Damage to the interior of any part of the Unit or Units resulting from the maintenance, repair emergency repair or replacement of any of the common Areas or as a result of emergency repair within another Unit at the instance of the Committee or of Unit Owners, shall be an expense of all the Unit Owners and assessed proportionately; provided, however, that if such damage is the result of negligence of the Owner of the Unit, then such Owner shall be financially responsible for all such damage. Amounts owing by Owners pursuant hereto shall be collected by the Committee by assessment pursuant to the Declaration.

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Section 6. Right of Ingress. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas designated for use in connection with his Unit, and each Owner shall have the right to the horizontal and lateral support of a Unit, and such rights shall be appurtenant to and pass with the title to each Unit.

Section 7. Easement to Management Committee. The Management Committee shall have non-exclusive easements to make such use of the Common Areas as may be necessary or appropriate to perform the duties and functions which they are obligated or permitted to perform pursuant to this Declaration.

Section 8. Easement for Utility services. There is hereby created a blanket easement upon, across, over and under the property for ingress, egress, installation, replacement, repair and maintenance of all utilities, including, but not limited to, water, sewer, gas telephone, electricity and other public and private utility services.

Section 9. Use of Unit.

(a) Each of the Units in the Project is intended to be used for either singles or single families. Each Unit is restricted to one family or three singles. Each unit may be rented or leased by the Unit Owner for use and occupancy as herein stated.

(b) Restriction Concerning Common Areas. There shall be no obstruction of the Common Area by the Owners, their tenants, guests or invitees without the prior written consent of the Association. The Association may by rules and regulations prohibit or limit the use of the Common areas as may be reasonably necessary for protecting the interests of all the Owners or protecting the Units or the Common Areas. Nothing shall be altered on, constructed in, or removed from the Common Areas, except upon consent of the Association.

(c) Miscellaneous Restrictions. Nothing shall be done or kept in any Unit or in the Common Area or any part thereof which would result in the cancellation of the insurance of the Project or any part thereof or increase the rate of the insurance on the Project or any part thereof over what the Association, but for such activity, would pay, without the prior written consent of the Association. Nothing shall be done or kept in any Unit or in 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. No damage to or waste of the Common Areas or any part thereof shall be committed by any Owner of any invitee of any Owner, and each owner shall indemnify and hold the Association harmless against all loss resulting from any such damage or waste caused by him or his invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee of any other owner. No noxious, destructive or offensive activity shall be carried on in any Unit of in the Common Areas or any part thereof, nor shall anything be done therein which may be or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the project.

(d) Animals. No livestock or poultry of any kind shall be raised, bred or kept in any Unit or in the common Areas. Household pets may be kept in Units, subject to strict observance of rules and regulations adopted by the Association.

(e) No violation of Rules and Regulations. No Owner shall violate the rules and regulations for the use of the Units and the Common Areas as adopted from time to time by the Association.

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(f) Restrictions on Alterations. No structural alterations to any Unit shall be made by any Owner without the prior written notice of the Association.

(g) Declarant's right to sell Units. Notwithstanding anything contained herein to the contrary until the Declarant has completed and sold all of the Units, neither the Unit Owners who have purchased Units from the Declarant nor the Association or either of them, shall interfere with the completion of the contemplated improvements and sale of the remaining Units. The Declarant may make such use of the unsold Units and the Common Areas as may facilitate such completion and sale, including, but not limited to, the maintenance of a sales office, the showing of the Units and recreational facilities, and the display of signs.

Section 10. Duty of Owner to Pay Taxes on Unit Owned. It is

ARTICLE VIII

MEETING OF MEMBERS

Section 1. Annual Meeting. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meeting. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the the Association, or supplied by such member to the Association for the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the By-Laws or this Declaration. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

ARTICLE IX

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by the Board of nine (9) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting the members shall elect three directors for a term of one year, three directors for a term of two years and three directors for a term of three years, and at each annual meeting thereafter the members shall elect three directors for a term of three years.

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Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE X

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the board of directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and two or more members of the Association. The nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among member or non-members.

Section 2. Election. Election to the Board of directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE XI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of

the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE XII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The board of directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of this Declaration, the By-Laws, or the Articles of Incorporation;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as fully provided in this Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

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(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

Section 3. First year. For the period of time before the first Annual Meeting in which the Board of Directors can be elected and Committees organized the Declarant will oversee the powers and duties of these Directors and Committees.

ARTICLE XIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of directors following each annual meeting of the members.

Section 3. Term. The officers of his Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualifies to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

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President

(a) The president shall preside at all meetings of the board of directors; shall see that orders and resolution of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice-President

(b) the vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant and file appropriate tax returns at the completion of each fiscal year; and shall prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XIV

COMMITTEES

The Association shall appoint an Architectural Control Committee, a Nominating Committee, and a Management Committee as provided in this Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XV

MANAGEMENT COMMITTEE

The Management Committee shall have, and is hereby granted the authority and powers to cause the Common and Limited Common Areas to be maintained. Under the direction of the Board of Directors the Management Committee has the power to enter into contracts relating to the repair,

EXHIBIT "A"

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BUDGET

BRIDGESTONE PUD
Cedar Hills, Utah

TOTAL NUMBER OF UNITS - 8 (Phase I)

Assessment for each Dwelling Unit:

	Annual Association Cost	Annual Per Unit	Monthly Cost Per Unit
1. Fire Liability and Property Ins.	\$ 961.00	\$ 120.13	\$ 10.00
2. Water (Outside Landscaping)	144.00	18.00	1.50
3. Outside Lighting	476.00	59.50	5.00
4. Snow Removal	880.00	110.00	9.20
Walkway Snow Removal	\$180.00		
Driveway Snow Removal	224.00		
5. Landscape and Building Maintenance	891.00	111.40	9.30
Maintenance Supplies	83.00		
Landscape Supplies	30.00		
Fredericos	278.00		
Misc. Maint.	500.00		
6. Reserve for Maint. and Repairs	500.00	62.50	5.20
7. Roadway and Parking Maint.	100.00	12.50	1.05
8. TV Cable	1,248.00	156.00	13.00
9. Capitol Improvement Reserve	500.00	62.50	5.20
TOTAL ANNUAL ASSESSMENT	\$ 5,700.00	\$ 712.50	\$ 59.38