

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS

OF

BRIDGERLAND MEADOWS TOWNHOMES P.U.D.

AN EXPANDABLE TOWN HOME PLANNED UNIT DEVELOPMENT COMMUNITY

THIS DECLARATION, made on the date hereinafter set forth, of the certain covenants, conditions and restrictions named the Bridgerland Meadows Townhomes P.U.D., by the Bridgerland Meadows, LLC "Declarant", for itself, its successors, grantees and assigns, pursuant to the Utah Code Annotated 1953, Section 57-8-1 et seq., as amended, of the State of Utah.

RECITALS

A. Declarant is the owner of certain real property in Cache County, Utah, more particularly described on Exhibit A and Exhibit B attached hereto.

B. Declarant has or may construct certain buildings and improvements on the Land consistent with the plans and drawings set forth in the Record of Survey Map filed concurrently herewith, consisting of three (3) sheets prepared and certified by Cache Landmark Engineering Company, a Utah Registered Land Surveyor.

C. Declarant desires by filing this Declaration and the duly approved subdivision plat map to submit the Land and the said buildings and other improvements constructed or to be constructed thereon to the provisions of the above statute as BRIDGERLAND MEADOWS TOWNHOMES P.U.D. Development.

D. Declarant desires the individual living units contained in said Planned Unit Development, together with undivided ownership interests in the Common Areas and Facilities appurtenant thereto, be subject to the covenants, limitations, and restrictions contained herein.

E. Declarant desires and intends to develop, subsequent phases to be built on land continuous with and/or adjacent to the Land included in the initial phase of the development. It is Declarant's intent to subject the additional property and units so developed into the Bridgerland Meadows Townhomes P.U.D. development community.

F. This Declaration has been duly approved by City of Logan on March 28, 2005.

DECLARATION

NOW, THEREFORE, and for such purposes, Declarant hereby makes the following Declaration containing covenants, conditions and restrictions relating to said Planned Unit Development which, pursuant to the foregoing statute of the State of Utah, shall be enforceable, and shall run with the Land:

1. Name of the Development: The name by which the Planned Unit Development shall be known is:

BRIDGERLAND MEADOWS TOWNHOMES, P.U.D.

2. Definitions: The terms used in this Declaration including Exhibits attached hereto shall have the meaning stated in the foregoing statute and as given herein, unless the context otherwise requires.

(a) "The Act" shall refer to Utah Code Annotated 1953, Section 57-8-1, et. seq., as the same may be amended from time to time.

(b) The "Land" as used in this Declaration shall mean and refer to the real property as described on Exhibit "A" attached hereto. "Additional Land" shall mean and refer to any land or an interest therein which may from time to time be added to, and subject to, the terms and conditions of this Declaration. Such Additional land may include all or part of the tracts of land situated in Cache County, State of Utah, together with all appurtenances thereto as described on Exhibit "B" attached hereto.

The description of the Additional Land is solely for purposes of identification and is not intended and shall not be deemed to constitute any lien, encumbrance, restriction, or limitation upon any real property or interest in real property other than the Land which the Declaration expressly submits to the provisions of the Act, which Land is expressly described on Exhibit "A" attached hereto, unless the description expressed on Exhibit "A" is hereafter duly amended or modified.

(c) "Association of Unit Owners" or "Association" shall mean and refer to BRIDGERLAND MEADOWS HOMEOWNER'S ASSOCIATION, INC., of which all Unit Owners shall be members. The Association shall be governed in accordance with this Declaration and the Bylaws of said Association.

(d) "Common Areas and Facilities" shall mean and refer to:

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(1) The Land, other than the land to be deeded for each townhome unit, or as otherwise specifically excluded by Declarant.

(2) That portion of the Property not specifically included in the respective Units as herein defined.

(3) All exterior walkways, driveways, streets, such recreational areas and facilities as may be provided, yards, fences, service and parking areas, open spaces, club house and entrances and exits, and in general all other apparatus, installations and other parts of the property (with exceptions noted below), necessary or convenient to the existence, maintenance and safety of the Common Areas and Facilities or normally in common use;

(4) Those areas specifically set forth and designated in the Map as "Common Ownership" or "Limited Common Area" and

(5) All Common Areas and Facilities as defined in the Act whether or not expressly listed herein.

(e) "Common Expenses" shall mean and refer to all expenses of administration, maintenance, repair or replacement of the Common Areas and Facilities, taxes and insurance, except as expressly limited; to all items, things and sums described in the Act which are lawfully assessed against the Unit Owners in accordance with the provisions of the Act, this Declaration, the Bylaws, such rules and regulations pertaining to the Unit Owners or the Management Committee may from time to time adopt, and such other determinations and agreements lawfully made and/or entered into by the Management Committee.

(f) "Townhome" shall mean and refer to a single unit in this Planned Unit Development consisting of unit foundations, columns, girders, supports, main walls, roofs, stairways, etc., together with a proportionate undivided interest in the Common Areas and Facilities of the Property.

(g) "Planned Unit Development", "Development", or sometimes the "Project" shall mean and refer to the entire Property, as defined below, together with all rights, obligations and organizations established by this Declaration. At any point in time the Project shall consist of the initial and subsequent Phases which theretofore have been added to and merged with the first Phase.

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(h) "Declarant" shall mean BRIDGERLAND MEADOWS, LLC, a Utah limited liability company or its successors and subsequent Unit Owners.

(i) "Management Committee" or "Committee" shall mean and refer to the Association Committee as provided in this Declaration and the Bylaws of Bridgerland Meadows Homeowners Association, Inc. Said Committee is charged with and shall have the responsibility and authority to make and to enforce all of the reasonable rules and regulations covering the operation and maintenance of the Project; such responsibilities may be delegated by the Committee to one or more managers.

(j) "Manager" shall mean and refer to the person, persons or corporation selected by the Management Association Committee to manage the affairs of the Project.

(k) "Map" shall mean and refer to the Record of the plat map of the Project recorded as No. _____ in the Office of the Cache County Recorder, State of Utah, on _____ 2005, Entry No. _____.

(l) "Ownership Interest" shall mean an equal undivided interest of each Townhome unit and an undivided interest in the Common Areas at any point in time and as may be revised from time to time upon expansion of the Project.

(m) "Phase" shall mean and refer to each separate step in development of the Land or Additional Land and as authorized hereunder. The term shall also include all improvements which are constructed and all appurtenances, rights, obligations, and legal relationships which come into existence in conjunction with the development of any single tract.

(n) "Property" shall mean and include the Land, the building, all improvements and structures thereon, all easements, right and appurtenances belonging thereto, and all articles of personal property attached for use in connection therewith.

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(o) "Project Developer" or "Developer" shall mean and refer to Wapiti Development, Inc.

(p) "Unit" or "Townhome Unit" shall mean and refer to one of the residential living spaces designated as a Unit or Lot on the Map. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning compressors and other air conditioning apparatus, furnaces, stoves, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim, consisting of inter alia and as appropriate, wallpaper, paint, flooring, carpeting, tile, and wood flooring. All pipes, wires, conduits, or other public utility lines, or installations constituting a part of the Unit and serving only the Unit, and any structural members other than bearing walls and structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the building, within which the Unit is situated shall be considered part of the Unit.

(q) "Unit Owner" or "Owner" shall mean the person or persons owning a Unit in fee simple and an equal undivided interest in the Common Areas and Facilities as shown in the records of the County Recorder of Cache County, Utah. Notwithstanding any applicable theory relating to a mortgage, deed of trust, or like instrument, the term Unit Owner or Owner shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such a party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

(r) Those definitions contained in the Act, to the extent they are applicable to and not inconsistent herewith, shall be and are hereby incorporated herein by reference and shall have the same effect as if expressly set forth herein and made a part hereof.

3. Submission to Townhome Ownership. Declarant hereby submits the Land, buildings, and other improvements constructed thereon or hereafter to be constructed, together with all appurtenances thereto, to the provisions of the Act as a Townhome and this Declaration is submitted in accordance with the terms and the provisions of the Act and shall be construed in accordance therewith. It is the intention of Declarant that the provisions of the Act shall apply, to the Property.

4. Covenants to Run with the Land. This Declaration containing covenants, conditions and restrictions relating to the Project shall be enforceable equitable servitude which shall run with the land and this Declaration and its servitude shall be binding upon Declarant, its successors and assigns, and upon all Unit Owners or subsequent Unit Owners, their grantees, mortgagees, successors, heirs, executors, administrators, devisees and assigns.

5. Description of Property.

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(a) Description of Land. The Land is that tract or parcel more particularly described in Exhibit "A" attached hereto. The Land may hereafter be amended to include any or all of the Additional Land as described in Exhibit "B" attached hereto.

(b) Description of Improvements. The significant improvements contained or to be contained in the Project include one and two story buildings containing multiple residential living Units each (unless otherwise determined by Declarant) constructed principally of concrete foundation with exterior walls of combinations of stucco, brick, stone, and vinyl siding, asphalt shingle roofing, interior walls of wood studs, plywood and dry wall plaster or a similar looking material. Each Unit has a built-in two car garage. The Project shall also include landscaping, guest parking and other amenities located substantially as shown in the Map and will be subject to easements which are reserved through the Project as may be required for utility services.

(c) Description and Legal Status of Units. The Map shows the Unit Number of each, Unit, its location, those Limited Common Areas and Facilities which are reserved for its use, and the Common Areas and Facilities to which it has immediate access. All Units, of whatever type, shall be capable of being independently owned, along with any attached garage.

(d) Garages. Garages built into each Unit shall belong to the Unit as shown on the recorded plat.

(e) Each Unit shall include both the portions of the building that are not common areas and facilities within such boundary lines and the space so encompassed. Without limitation, a Unit shall include any finishing material applied or affixed to the interior surfaces of the interior walls and all utility pipes, lines, systems, fixtures, or appliances found within the boundary lines of the unit and servicing only that Unit.

(f) Common Areas and Facilities. Except as otherwise provided in the Declaration, the Common Area and Facilities shall consist of the areas and facilities described in the definitions and constitute in general all of the parts of the Property except the Units. Without limiting the generality of the foregoing, the Common Areas and Facilities shall include the following:

(i) The Land not conveyed to each Unit owner;

(ii) All common structural parts of the buildings including, without limitation, foundations, columns, joists, beams, supports, supporting walls, floors, ceilings and roofs;

(iii) Driveways, parking areas, lawns, shrubs, and gardens, sidewalks, and recreational areas;

(iv) All common utility pipes or lines or systems servicing more than a single Unit, and all ducts, wires, conduits, and other accessories used therewith except as noted below;

(v) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities in the Map;

(vi) The Limited Common Areas and Facilities herein described or identified on the Map; and

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(vii) All repairs and replacements of any of the foregoing to include an irrevocable and exclusive license to use and occupy the Limited Common Areas reserved exclusively for the use of his Unit. The Limited Common Areas appurtenant to any given Unit and consist of a front court yard, entrance walkway contiguous with the Unit as indicated on the Map and other areas as may be shown on the Map as Limited Common Area. The exclusive right to use and occupy each Limited Common Area shall pass with the-title to the Unit with which it is associated.

(viii) Notwithstanding anything herein to the contrary Common Areas and Facilities shall not include the following:

(a) Those areas, easements, trenches, conduit, wiring, and equipment associated with the delivery of technology to Unit owners described as telephone services, internet services, television services, security and any other services which now or in the future are used to deliver these services will remain private property and owned by the Project developer, Wapiti Development Incorporated or others who hereafter may be designated by Declarant.

(b) The room in the Clubhouse designated on the Map as the Technology Mechanical Room will remain in the control of the Project Developer, Wapiti Development Incorporated, under a long term lease with the Bridgerland Meadows Homeowners Association for the sum of \$10.00. The purpose of this long term lease is to provide a permanent home for the equipment and related materials associated with the delivery of the technology services to Unit owners.

(c) The area on the Map identified as Garages and Storage Area located in the South West corner of the Project which will remain in the private ownership of the Project Developer, Wapiti Development Incorporated, and will be exclusively used for the Project.

6. Statement of Purpose and Restriction on Use.

(a) Purpose. The purpose of this Townhome Project is to provide residential housing and parking spaces in accordance with governmental requirements in effect at the time of development for the Unit Owners and to their tenants and guests, all in accordance with the provisions of the Act,

(b) Restrictions on Use. The Units and Common Areas and Facilities shall be used and occupied as hereinafter set forth.

(i) Each of the Units shall be occupied by the unit owner, his family, servants, guests or tenants as a private residence and for no other purpose, as may be allowed by law from time to time. (Additional requirements regarding tenants are addressed below at 6(c).)

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(ii) No areas designated on the Map as guest parking area shall be used for parking of trailers, mobile homes, boats, snowmobiles, or campers or any vehicle or conveyance which have been detached from towing vehicles. No changing oil or repairs to vehicles or maintenance may be performed in any parking or common area. There shall be no storage or overnight parking of any property in any parking area designated as guest parking. Unit owner guests desiring to park a vehicle overnight may receive permission to do so from the Developer or from the chairperson of the Association or the Management Committee. A Unit owner, tenant, or other party residing in a Unit desiring to park vehicles in addition to the two places provided inside their Unit garage or to store vehicles or other property outside their Unit garage may rent space for such parking or storage from the Developer, Wapiti Development Incorporated or their designee, in the area shown

on the Map as Garage and Storage area. All other parking in the Project, including parking on public roads throughout the Project, is to be used as "guest-only" without the right to park overnight unless prior permission is obtained.

(iii) No short term or overnight parking is to occur on the Common Area roadways leading to the rear of each unit and designated by street names on the Map. These areas are to be used exclusively for the Unit owners to access their individual Units.

(iv) The Common Areas and Facilities shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of the Unit owners.

(v) Nothing shall be done or kept in any Unit or in the Common Areas and Facilities which will increase the rate of insurance on the buildings or contents thereof beyond that customarily applicable for residential use, or will result in the cancellation of insurance on the buildings, or the contents thereof, without the prior written consent of the Developer or the Management Committee. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas and Facilities which is in violation of any law, ordinance or regulation of any governmental authority. No unit owner, guest, or tenant shall use or store any hazardous material or substance on premises.

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(vi) No Unit Owner shall cause or permit anything including, without limitation, a sign, awning, canopy, shutter, radio, television antenna, or satellite dish to be affixed to or places on the exterior walls or roof or any part thereof. No Unit owner shall cause clothes lines, pots, plants, wind chimes or other decorative items to hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the inside or outside of windows or doors, without the prior written consent of the Developer or the Management Committee. Temporary open house signs may be placed subject to written approval of the Management Committee as to location, duration, size and design. If signs are placed without written approval, the Committee retains the right to remove them. No signs for the sale of a unit may be placed in or upon any vehicle or on common areas without approval of the Management Committee.

(vii) Horizontal leveler type window blinds are allowed subject to Management Committee approval of the color. No plastic, sun screen or reflective type material shall be used on the interior or exterior of the windows.

(viii) No noxious, offensive, or illegal activity shall be carried on or permitted in any Unit or in the Common Areas and Facilities, nor shall anything be done

therein, either willfully or negligently, which may be or become an annoyance or public or private nuisance to the other Unit Owners or occupants.

(ix) Nothing shall be done in any Unit or in, on, or to the Common Areas and Facilities which will impair the structural integrity of the buildings or any part thereof or which would structurally change the buildings or any part thereof except as is otherwise provided herein.

(x) No animals or pets of any kind are to be raised, bred or kept in any Unit or in the Common Areas or Limited Common Areas, except as follows:

No animals or pets of any kind are to be raised for eventual sale or for any other purpose in any Unit or in the Common Areas or Limited Common Areas. Dogs and/or cats may be allowed under the following restrictions and at the sole discretion of the Developer or the Management Committee:

1. Only one dog or one cat may be allowed to reside in any one unit and must be registered with the Bridgerland Meadows Homeowners Association upon moving into a Unit or upon acquiring the animal, whichever is first.

2. Dogs are restricted in weight to not more than 20 pounds and are to be spayed or neutered and have a licensed veterinarian certificate as proof of such sterilization. Dogs are to be totally house trained and remain inside the unit unless accompanied on leash by its Owner or Owner's agent. Cats are to be spayed or neutered and have a licensed veterinarian certificate as proof of such sterilization and be entirely indoor pets and not allowed outside except on a leash accompanied by the Owner or Owner's agent.

3. Authorized animals shall use a "pet area" in which to conduct their elimination activities. Dogs and cats are never to be left at a pet area unattended by their Owner or Owner's agent. Dogs or cats are not allowed to roam freely in or on any Common Area and if this should accidentally happen and a mess is left, it is Owner's immediate responsibility to pick up any mess left. It is also the Owner's responsibility to pick up any mess left by his or her pet in the designated pet areas.

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4. An additional monthly assessment of \$10 will be assessed to any Unit Owner, family member or other person housing a pet.

5. Fines: In the event a complaint is registered to the Developer or to the Management Committee or its designee concerning a dog or cat, the complaint will be investigated. Complaints would include but not be limited to barking, leaving mess in limited courtyards and in Common Areas, biting or demonstrating unacceptable behavior, or any act which will interfere with the common

enjoyment of other Unit Owners. If the Developer or Management Committee determines the complaint is valid, then a fine will be assessed to the dog or cat owner and each so named dog or cat owner will do everything possible to ensure the complaint will not occur again. The fine process is described as follows:

- a. First offense: \$25.00 payable to the Bridgerland Meadows Homeowners Association.
- b. Second offense: \$50.00 payable to the Bridgerland Meadows Homeowners Association.
- c. Third offense: The owner will be issued a citation which will require the dog or cat owner to remove permanently the said dog or cat from the premises of the Bridgerland Meadows Project within 30 days. There will be no exceptions to this action.

(xi) The Common Areas and Facilities and Limited Common Areas shall be kept free and clear of all rubbish, debris and other unsightly materials.

(xii) No Unit Owner shall violate the rules and regulations regarding use of the Units and of the Common Areas as adopted from time to time by the Management Committee.

(xiii) All owners shall conform to requirements of City of Logan for zoning.

(xiv) No common area shall be subdivided, sold, or otherwise conveyed without approval of City of Logan and Declarant.

(c) Units Rented to or Used by Others:

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(i) Any lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to this Declaration and the requirements of the Management Committee (the "Governing Documents"). Any failure by a lessee to comply with the terms of the Governing Documents shall be in default under the terms of the lease, whether or not it is expressed therein, and the Owner shall be liable for any fines or other costs incurred which result from the lessee's (tenant's) actions.

(ii) If for any reason the insurance provider for Bridgerland Meadows Homeowner's Association, Inc. determines that premium adjustments must be added to the fire or liability policy because a Unit or Units are rented to persons other than the Owner or persons residing in the Unit are other than his/her

immediate family, the Owner of the Units so affected will incur the additional assessment.

(iii) Prior to such event (leasing of a Unit), it is the Unit Owner's responsibility to notify the Developer or Management Committee if his or her Unit is to be rented or if a party or parties other than the Owner shall be possessing or residing in the Unit. This notification must be in writing and include the name or names of the individual or individuals who will be possessing or residing in the Unit, their address(es) and telephone numbers, and the purpose of their residing in the development, ie., renting, related to owner, or other purpose of their residence. The anticipated length of stay will also be described in the notification.

(iv) Any tenant or other party residing in a Unit will adhere fully to the rules set forth in this Declaration as amended, as if an Owner of a Unit. It will be the responsibility of the Unit Owner to deliver a copy of the Governing Documents to all persons renting or living in a Unit other than the Owner or his/her immediate family. Such other persons will be held to the same standards of conduct and level of responsibility regarding the Governing Documents as if they were an Owner.

(v) If complaints are filed by other Unit Owners regarding a tenant or other person residing in a Unit, with the Developer or Management Committee, the complaint will be immediately considered and/or investigated. If the complaint is found to be valid, a copy of the complaint and the investigation results may be sent to both the Unit Owner and the tenant or party to whom the complaint is directed, and the complaint must be resolved to the satisfaction of the Developer or Management Committee within 3 days.

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If a second complaint, including but not limited to loud or noisy activities or any activity or action which causes others in the Development to receive less than full satisfaction of living, is found to be valid, the Unit Owner will be found in violation and fined \$100 (one hundred dollars). This fine will be added to the Unit Owner's assessment and will be payable as with any other assessment described herein and subject to the same collection and lien remedies.

A third violation by a tenant or other person authorized by the Unit Owner to reside in his or her unit, will automatically require the Owner to evict within thirty (30) days the tenant(s) or other parties living in the Unit.

(vi) All assessments resulting from complaints related to the Governing Documents are tied to the property owned individually or in common by the Unit Owner and are his or her responsibility and not the responsibility of a tenant or other party residing in a Unit. The Bridgerland Meadows Homeowner's

Association, Inc. may but is not required to levy against or attempt to collect assessments from any person or entity other than the registered Unit Owner.

(vii) No tenant or other party not a part of the Unit Owner's immediate family will be allowed to own or cause to be on the premises any dog, cat or other pet. No exceptions to this rule will exist.

(viii) Notwithstanding anything herein to the contrary, all occupants and Owners of Units are required to keep and comply with all requirements of law including state statutes and municipal ordinances. Violation of law is a violation of this Declaration.

(ix) In addition, any other requirements, if more than 2 parking spaces are needed because a Unit is rented to others or because a Unit Owner or his family has need for additional spaces, garages may be available for an additional fee by the Developer in the area on the Map designated Garages and Storage.

(x) All requirements apply to tenants or other persons residing in an Owner's Unit in the same manner as the Owner.

(xi) It is the hope of the Declarant, that if a Unit Owner determines to cause his or her Unit to be rented or lived in by parties other than the Unit Owner or his immediate family, that these conditions will result in the full living enjoyment by the Unit Owner, his or her tenant or other party allowed to reside in his or her Unit, and the other residents of this Development.

7. Person to Receive Service of Process. The person to receive service of process in the cases provided herein or in the Act is James C. Jenkins, Olson & Hoggan, P.C., whose address is 88 West Center Street, Logan, Utah 84321. The said person may be changed by the recordation by the Management Committee of an appropriate instrument.

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8. Ownership and Use.

(a) Ownership of a Unit. Except with respect to any of the Common Areas and Facilities located within the bounds of a Unit, each Unit Owner shall be entitled to the exclusive ownership and possession of his Unit and garage and to the ownership of an undivided interest in the Common Areas and Facilities.

(b) Nature of and Restrictions on Ownership and Use. Each Unit Owner shall have and enjoy the rights and privileges of ownership of his Unit and garage. All units shall be used as single family residences. All unit Owners, their tenants and other occupants or users of the Project, shall be subject to the Act, this Declaration, the Bylaws, and all rules and regulations of the Association of Unit Owners and Management Committee.

(b)(i) Complaints: In the event the Developer or Management Committee receives a complaint against a Unit Owner, a Unit, or the occupants of a Unit, the complaint will be considered and may be investigated.

Complaints may include, but are not limited to, barking or otherwise noisy dogs [described in Section 6], loud or insulting behavior, or any action or activity which impairs the enjoyment of life by other residents in the Development. Owners may express concerns and/or complaints in writing to the Developer or Management Committee involving violations of this Declaration. A Complainant shall address the issue with the affected parties prior to initiating a request for Management Committee or Developer action concerning any alleged violation. When a violation is brought to the attention of the Committee or Developer, it shall be reviewed and appropriate action may be taken as deemed necessary and appropriate in the sole discretion of the Committee or Developer including, but not limited to, action as set forth below.

1. Request for Reconsideration: An Owner may request the Committee or Developer to reconsider a decision that is adverse to the Owner. The Owner shall address the issue with all affected parties prior to initiating a request for Committee reconsideration. The Developer or Management Committee may reconsider its original decision and take appropriate action.

2. Costs Reconsideration: If the Committee incurs any costs in reconsidering an original decision, including the costs of retaining a consultant or attorney to advise the Committee, such cost shall be paid by the party(s) making the request unless the Committee's decision constitutes a substantial reversal of the original decision, in which event such costs shall be paid by the Association.

3. Costs Compliance: All costs, expenses and damages determined by the Committee to be proximately caused by a deviation or violation of this Declaration of the rules of the Association or Committee, or costs and expenses incurred by the Association to correct the same, shall be assessed as a Special Assessment against the Unit Owner of the Unit, tenant and/or others as deemed appropriate by the Association.

4. Enforcement: The Association, acting through the Developer or Management Committee, shall have the right to enforce by any proceedings administratively, at law, or in equity, all Conditions, Covenants and Restrictions, reservations, liens, and charges now or hereafter imposed by this Declaration, and in such action shall be entitled to recover costs and reasonable attorney's fees.

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(c) Prohibition Against Subdivision of Unit. No Unit Owner, by deed plat or otherwise, shall subdivide or in any manner cause the ownership of his Unit or garage to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Map.

(d) Ownership of Common Areas and Facilities. The Common Areas and Facilities contained in the Project are described and identified in this Declaration. Said Common Areas and

Facilities shall be owned by the Unit Owners as tenants in common. Each Unit Owner will have an equal undivided ownership interest in the Common Areas and Facilities with all other Unit Owners. Such an undivided ownership interest shall automatically accompany the transfer of the Unit to which it relates. The Common Areas and Facilities shall be used only in a manner which is consistent with their community nature and with the use restrictions applicable to the Units contained in the Project.

(e) Use of Common Areas and Facilities. Except with respect to Limited Common Areas, each Unit Owner may use the Common Areas and Facilities in accordance with the purpose for which they are intended, but subject to this Declaration, the Bylaws, and the rules and regulations of the Management Committee. This right of use shall be appurtenant to and run with each Unit.

9. Use of Limited Common Areas and Facilities. A Unit Owner's exclusive right to use and occupancy of the Limited Common Areas and Facilities reserved for his Unit shall be subject to and in accordance with this Declaration and the Bylaws. Any Limited Common Area appurtenant to a Unit may be leased only to persons who reside in the Project or used by the family, servants, tenants or guests thereof on a temporary basis.

10. Voting-Multiple Ownership: The vote attributable to and exercisable in connection with a Unit shall be one vote for each Unit owned. In the event there is more than one Owner of a particular Unit, the one vote relating to such Unit shall be exercised as such Owners may determine among themselves. A vote cast at any meeting, actual or virtual, by any of such Owners shall be conclusively presumed to be the vote attributable to the Unit concerned unless the Association is otherwise notified in writing prior to such vote being cast. Developer shall retain not less than 67% of all voting rights until all four (4) phases are fully developed and built out.

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11. Management.

(a) Management Committee. The business, property and affairs of the developed Project shall be managed, operated and maintained by the Management Committee of the Association as agent for the Unit Owners. Prior to the establishment of the Management Committee, the Developer shall manage the Project. The Management Committee shall have, and is hereby granted, the following authority and powers:

(i) The authority, without the vote or consent of the Unit Owners or any other person(s), to grant or create, on such terms as it deems advisable, utility and similar easements, over, under, across and through the Common Areas and Facilities, and work performed pursuant to such easements must be done in a workmanlike manner and any damage to the interior structure or decor of a Unit must be repaired;

(ii) The authority to execute and record on behalf of all Unit Owners, any amendment to the Declaration or Map which has been approved by the vote consent necessary to authorize such amendment;

(iii) The authority to enter into contracts which in any way concern the Project, so long any vote or consent of the Unit Owners necessitated by the subject matter of the agreement has been obtained;

(iv) The power and authority to convey or transfer any interest in real property, so long as any vote or consent necessary under the circumstances ~~has~~ obtained;

(v) The power and authority to purchase, otherwise acquire, and accept title to any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances;

(vi) The power and authority to add any interest in real property obtained pursuant to paragraph (6) above, to the Project, so long as such action has been authorized by the necessary vote or consent;

(vii) The power too sue and be sued;

(viii) The authority to license persons not otherwise entitled to use any of the recreational areas and facilities to use the same from time to time as the Committee deems appropriate upon payment of fees prescribed by it to help defray the cost of maintenance thereof and in conformance with the conditions imposed by the City of Logan or developer and in conformance with city ordinances and regulations;

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(ix) The power and authority to borrow money, provided that no indebtedness for \$5,000.00 or more shall be incurred by the Association, and that the same shall be called and convened, at which a quorum is present;

(x) The authority to promulgate such reasonable rules, regulations, and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the project is maintained and used, in a manner consistent with the interests of the Unit Owners; and

(xi) The power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions as agent for the Unit Owners including the power to collect, enforce, and place liens on unit owners for delinquent and association fees.

(xii) The power to levy fines or assessments as otherwise described in this Declaration, and as amended.

Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument.

(b) Composition of Management Committee. The Committee shall be composed of not more than five (5) members. At the first regular Association meeting two (2) Committee members shall be elected for three-year terms, two (2) members for a two-year terms, and one (1) Committee member shall be elected for a one year term. At each annual Association meeting thereafter, any vacant seat on the Committee shall be filled with a member elected for a three-year term. Only Unit Owners, and officers and agents of Owners who are not individuals, shall be eligible for Committee membership. At the annual meeting, a Unit Owner may vote as many candidates for Committee membership as there are seats on the Committee to be filled. The Developer shall retain not less than 67% of representation on the Board until all phases are developed and built out.

Any Committee member who fails on three successive occasions to attend Committee meetings, (whether regular or special) or who has failed to attend at least 25% of all Committee meetings (whether regular or special) held during any twelve-month period shall automatically forfeit his or her seat. The remaining Committee members shall elect a replacement to sit on the committee until the expiration of the term for which the member being replaced was elected. Unless a member forfeits or otherwise loses his or her seat as herein provided, a member shall serve on the Committee until his successor is elected. Committee members shall be reimbursed for all expense reasonably incurred in connection with Committee business.

(c) Responsibility. The Management Committee shall be responsible for the control, operation and management of the Project in accordance with the provisions of the Act, this Declaration, such administrative, management and operational rules and regulations as it may adopt from time to time as herein provided, and all agreements and determinations lawfully made and entered into by said Committee.

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(d) Additional Facilities. The Management Committee shall, subject to any necessary approval, have the authority to provide such facilities, in addition to those for which provision has already been made, as it may deem to be in the best interests of the Unit Owners and to effect the necessary amendment of documents and maps in connection therewith.

(e) Name. The Management Committee shall be known as BRIDGERLAND MEADOWS HOMEOWNERS ASSOCIATION, INC., Management Committee.

(f) Manager. The Committee may carry out through a Professional Property Manager any of its functions which are properly the subject of delegation. Any Manager so engaged shall be an independent contractor and not an, agent or employee of the Committee, shall be

responsible for managing the Project for the benefit of the Committee and the Unit Owners and shall, to the extent permitted by law and the terms of the agreement with the Committee be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself. Any agreement for professional management of the project which may be entered into by the Management Committee or the Association shall call for a term not exceeding one (1) year renewable by agreement of the parties for successive one year periods, and shall provide that such management agreement may be terminated with or without cause by either party upon not more than thirty (30) days written notice, and without any payment of a termination fee.

12. Easements.

(a) Each Unit shall be subject to such easements as maybe necessary for the installation, maintenance, repair or replacement of any Common Areas and Facilities located within the, boundaries of such Unit or Common Areas and for electrical and gas service, or television cable services, telephone, internet, or security services to adjacent units in the same building.

(b) In the event that, by reason of the construction, reconstruction, repair, settlement, movement or shifting of any part of the building, any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon any part of any Unit or any part of the Common Areas and Facilities or any other Unit, valid easements for such encroachment and the maintenance of such encroachment are hereby established and shall exist and continue for the benefit of such Unit and the Common Areas and Facilities as the case may be, so long as all or any part of the building containing any such Unit shall remain standing, provided however that in no event shall a valid easement or any encroachment be created in favor of any Unit Owner or in favor of the Unit Owners as owners of the Common Areas and Facilities if such encroachment occurred due to the willful conduct of such Unit Owner or Owners.

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(c) Some of the 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 right, to be exercised by the Management Committee as its 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 or replacement of any of the Common Areas and/or the utilities and services provided thereby and located therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the Common Areas or to another Unit or Units. The Committee shall also have such rights independent of the agency relationship. Damage to the interior of any part of a Unit or Units resulting from the maintenance, repair, emergency repair, or replacement of any of the Common Areas or as a result of emergency repairs within another Unit at the instance of the Committee or of Unit Owners shall be the responsibility of the Association provided that if such damage is the result of negligence of the Owner of a Unit, then such Owner shall be financially reasonable far all such damage. Such damage shall be repaired and the property shall be restored substantially to the same condition as existed prior to damage. Amounts owing by Owners pursuant hereto shall be collected by the Committee by assessment.

(d) 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 for which it is obligated or permitted to perform pursuant to this Declaration.

13. Change in Ownership. The Management Committee shall maintain up-to-date records showing the name of each person who is an Owner, the address of such person, and the Unit which is owned by him. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Management Committee 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 County Recorder of Cache County, Utah. The Management Committee may for all purposes act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its option, the Management Committee may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Cache County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such Owner unless the Management Committee is otherwise advised in writing.

14. Assessments. Every Unit Owner shall pay his share of the Common expenses proportionate to the number of existing Units in the Project. Payment thereof shall be in such amounts and at such times as the Management Committee determines in accordance with the Act, the Declaration, or the Bylaws. There shall be a lien for nonpayment of Common Expenses as provided by the Act, and a lien may be imposed by the Association against any Unit for unpaid assessments against such Unit or for any unpaid obligations of the Owner of a Unit owed to the Association. Unsatisfied liens may be foreclosed by the Association.

No assessment for a single improvement in the nature of a capital expenditure which exceeds the sum of \$5,000 shall be made without the same having been first voted on and approved by at least a majority of the Project's undivided ownership interest.

15. Party Walls. Each wall which is built as a part of the original construction of the Units and placed between the Units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

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Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. Owners shall at all times maintain sufficient insurance to repair or restore party walls.

Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

16. Destruction or Damage: In the event of destruction or damage of part or all of the improvements in the Project, the procedures of this section shall apply.

(a) If ready cash from proceeds of the insurance maintained by or available to the Management Committee are alone sufficient to repair or reconstruct the damaged or destroyed improvement, such repair or reconstruction shall be carried out.

(b) If less than 75% of the Project's improvements are destroyed or substantially damaged, and if proceeds of the insurance maintained by the Committee are not alone sufficient to accomplish repair or reconstruction, restoration shall be carried out and all of the Units shall be assessed for any deficiency on the basis of their respective ownership interest.

(c) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Management Committee are not alone sufficient to accomplish restoration, and if the Unit Owners within 100 days after the destruction or damage by a vote of at least 75% of the entire undivided ownership interest in the Project elect to repair or reconstruct the affected improvements, restoration shall be accomplished in the manner directed under subsection (b) above.

(d) If 75% or more of the Project's improvements are destroyed or substantially damaged, if proceeds of the insurance maintained by the Committee are insufficient to accomplish restoration, and if the Unit owners do not, within 100 days after the destruction or damage and by a vote of at least 75% of the entire undivided ownership interest in the project, elect to repair or reconstruct the affected improvements, the Management Committee shall promptly record with the Cache County Recorder a notice setting forth such facts. Upon the recording of such notice the provisions of subsections (1) through (4) of Section 57-8-31, Utah Code Annotated (1953), as amended from time to time, shall apply and shall govern the rights of all parties having an interest in the Project or any of the Units.

(e) Any reconstruction or repair which is required to be carried out by this section shall be accomplished at the instance and direction of the Management Committee. Any question regarding the extent of damage to or destruction of Project improvements shall be made by an MAI appraiser selected by the Management Committee (and whose fees and costs shall be included in the total cost of such reconstruction or repair) who shall determine the figure representing the percentage of Project improvements which have been destroyed or substantially damaged.

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17. Taxes.

(a) Each Unit, together with its undivided interest in the Common Areas and Facilities in the Project, is deemed a taxable parcel and is subject to separate assessment and taxation by each assessing entity and special district for any and all types of taxes authorized by law. Each

Unit Owner will, accordingly, pay and discharge any and all taxes which may be assessed against his or her Townhome Unit.

(b) Special Assessments for Capital Improvements. In addition to the annual assessments the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in 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 majority of the votes of each class of members who are voting in person or by proxy at a meeting (actual or virtual) duly called for this purpose.

18. Insurance. All Owners of Units will provide their own hazard or public liability insurance homeowner policy on the Unit owned by them. The Homeowner Association shall maintain the following insurance:

(a) Hazard Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force hazard insurance meeting the following requirements:

(i) A multi-peril type "master" or "blanket" policy insurance covering the entire Town Home Project (both Common Units and Common Areas and Facilities) shall be maintained. Such policy shall provide coverage against loss or damage by fire and other hazards covered by the standard extended coverage indorsement, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, water damage, and such other risks as customarily are covered with respect to projects similar to the Project in construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any coinsurance percentage specified in the policy, but not less than one hundred percent (100%) of the full insurable value (based upon replacement cost). Such policy shall include an "Agreed Amount Endorsement" or its equivalent, a "Demolition Endorsement" or its equivalent, and if necessary, a "Special Condominium Endorsement" or its equivalent, and a "Contingent Liability from Operation of Building Laws Endorsement" or its equivalent.

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(ii) The named insured under each policy required to be maintained by the foregoing item (1) shall be in form and substance essentially as follows: "BRIDGERLAND MEADOWS TOWNHOME HOMEOWNER'S ASSOCIATION, INC., or its authorized representative.

(iii) Each such policy shall include the standard mortgage clause (without contribution) which either shall be endorsed to provide that any proceeds shall be paid to the Association of Unit Owners for the use and benefit of Mortgages as their interests may appear or shall be otherwise endorsed to fully protect the interests of Mortgagees. In addition, the mortgage clause shall provide that the

insurance carrier shall notify each Eligible Mortgagee at least thirty (30) days in advance of the effective date of any reduction in or Cancellation of the policy.

(iv) Each such policy shall provide that notwithstanding any provision thereof which gives the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable if it is in conflict with any requirement of law or without the prior written approval of the Association.

(b) Fidelity Insurance. The Management Committee or Association shall at all times and when reasonably available maintain in force, fidelity coverage against dishonest acts on the part of managers (and employees of manager), trustees, employees, officers, Committee members, or volunteers responsible for handling funds belonging to or administered by the Management Committee or Association of Unit Owners. The fidelity bond or insurance shall name the Association as the obligee or insured and shall be written in an amount sufficient to afford the protection reasonably necessary, but in no event less than one hundred fifty percent (150%) of the estimated annual operating expenses of the Project including reserve funds, unless a greater amount is required by a majority of the Mortgagees or their designees. Such fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each Eligible Mortgagee at least thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

(c) Liability Insurance. The Management Committee or Association of Unit Owners shall at all times maintain in force a Comprehensive policy of public liability insurance covering all of the Common Areas and Facilities. Such insurance shall include a "Severability of Interest Endorsement" or its equivalent which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of other Owners, the Management Committee, or the Association of Unit Owners. The coverage afforded by such public liability insurance shall include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and such other risks as customarily are covered with respect to projects similar to the Project in construction, location and use. The limit of liability under such insurance shall not be less than \$1,000,000 for all claims for personal injury and/or property damage arising out of a single occurrence.

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(d) General Requirements Concerning Insurance. Each insurance policy or fidelity bond maintained pursuant to the foregoing Sections 17(a) through 17c shall be written by an insurance carrier which is licensed to transact business in the State of Utah. No such policy or fidelity bond shall be maintained where: (1) under the terms of the carrier's charter, bylaws, bond or policy, contributions may be required from, or assessments may be made against, a Unit Owner, a Mortgagee, the Management Committee, the Association of Unit Owners, a Unit, the Common Areas, or the Project; (2) by the terms of the carrier's charter, bylaws, bond or policy, loss payments are contingent upon action by the carrier's board of directors, policy holders, or members; (3) the bond or policy

includes any limiting clauses (other than insurance conditions) which could prevent the party entitled from collecting insurance proceeds; or (4) the bond or policy provides that the insurance thereunder shall be brought into contribution with insurance purchased by the individual Unit Owners or their Mortgagees. Each such fidelity bond or policy Shall provide that (a) coverage shall not be prejudiced by any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association of Unit Owners or the Management Committee; (b) coverage shall not be prejudiced by any failure by the Association or Committee to comply with any warranty or condition with regard to any portion of the Project over which the Association and Committee have no control; (c) coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least thirty (30) days prior written notice to any and all insureds named therein, including any Mortgagee named as an insured; and (d) the insurer waives any right to subrogation it might have as to any and all claims against the Association, the Management Committee, and Unit Owners, and/or their respective agents, employees or tenants. If due to changed circumstances, excessive cost, or any other reason, any of the insurance coverage required to be obtained and maintained under Sections 17(a) through 17c hereof cannot reasonably be secured with respect to such coverage, the Association or the Committee shall obtain and maintain such substitute, different or other coverage as may be reasonable and prudent under the circumstances as they then exist, however the Association shall not self insure.

(e) Additional Provisions. The following additional provisions shall apply with respect to insurance:

(1) In addition to the insurance described above, the Committee shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with projects similar to the Project in construction, nature, and use.

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(2) The Committee shall have authority to adjust losses.

(3) Insurance secured and maintained by the Committee shall not be brought into contribution with insurance held by the individual Unit Owners or their mortgagees.

(4) Each policy of insurance obtained by the Committee shall, if possible, provide: A waiver of the Insurer's subrogation rights with respect to the Committee, the Manager, the Unit Owners, and their respective servants, agents, and guests; That it cannot be canceled, suspended, or invalidated due to the conduct of any member, officer, or employee of the Committee or of the Manager without a prior written demand that the defect be cured; That any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Unit Owners.

(5) Any Unit Owner may obtain additional insurance at his own expense, so long as such additional insurance does not have the effect of decreasing the amount which may be realized under any policy maintained by the Committee. Any Unit Owner who individually obtains insurance covering any portion of the Project shall supply

the Committee with a copy of his policy within thirty (30) days after he acquires such insurance.

19. Payment of Common Expenses.

(a) Each Unit Owner shall pay the Management Committee his/her allocated portion, past, present, and future, of the Common Expenses deemed necessary by the Management Committee to manage and operate the Project, upon the terms, at the time, and in the manner herein provided without any deduction on account of any set-off or claim which the Owner may have against the Management Committee or Association. During the calendar year 2005 the fee shall be \$50.00 per month; unless arranged by the Management Committee to adjust for actual costs. Thereafter the Common Expense shall be established from time to time and at least once per year at the annual meeting of the Association. Each fee installment shall be due on or before the first day of each month. If the Unit Owner shall fail to pay any installment within five (5) days of the time when the same becomes due, the Owner shall pay a ten dollar (\$10.00) late fee and shall pay interest on the installment at the rate of eighteen percent (18%) per annum from the date when such installment shall become due to the date of the payment thereof, together with all costs and expenses, including attorney's fees incurred in any proceedings brought to collect such unpaid common expenses.

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(b) The Common Expenses above referred to for each year, or portions of the year, are hereby defined and shall be deemed to be such aggregate sum as the Management Committee from time to time shall determine, in its judgment, is to be paid by all the Owners of the Townhome Project then in existence to enable the Management Committee to pay all estimated expenses and outlays of the Management Committee to the close of such year, growing out of or in connection with the maintenance and operation of such land, buildings and improvements; which sum may include, among other things, the cost of management, special assessments, fire, casualty, floor fidelity, public liability and other insurance or bond premiums, common lighting, landscaping, and the care of the grounds, repairs, and renovations to Common areas and Facilities, sewer, water or other utility services, (other than services which are separately billed or metered to the individual Units by the utility or party furnishing such service), legal accounting or other professional fees, management fees, expenses and liabilities incurred by the Management Committee under or by reason of this Declaration, the payment of any deficit remaining from the previous period, the creation of a reasonable contingency or other necessary reserve or surplus fund, as well as all other costs and expenses relating to the Project. The Management Committee may, from time to time, up to the close of the year for which such cash requirements have been so filed or determined, increase or diminish the amount previously fixed or determined for such year. It may include in the cash requirements for any year, any liabilities or items of expense which accrued or became payable in the previous year, or which might have been included in the cash requirements for a previous year, but were not included therein; and also any sums which the Management Committee may deem necessary or prudent to provide a reserve against liabilities or expenses then accrued or thereafter to accrue although not payable in that year.

(c) The portion payable with respect to each Unit in and for each year or for a portion of a year shall be a sum equal to the aggregate amount of such Common Expenses for such year, or portion of year, determined as aforesaid, multiplied by the percentage of undivided interest in the Common Areas and Facilities appurtenant to such Unit. Such assessments, together with any additional sums accruing under this Declaration, shall be payable monthly in advance, or in such payments and installments as shall be required by the Management Committee.

(d) The Management Committee shall have discretionary powers to prescribe the manner of maintaining and operating the Project and to determine the cash requirements of the Association to be paid as aforesaid by the Owners under this Declaration. Every such reasonable determination by the Management Committee within the bounds of the Act and this Declaration shall be final and conclusive as to the Owners, and any expenditures made by the Management Committee, within the bounds of the Act and this Declaration shall as against the Owner be deemed necessary and properly made for such purpose.

(e) If an Owner shall at any time lets or sublets his Unit, and shall default for a period of one month in the payment of any assessments, the Management Committee or manager may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner occupying the Unit the rent due or becoming due and payment of such rent to the Management Committee shall be applied to all unpaid charges and assessments due to the Association until such default is satisfied or cured.

(f) Each monthly assessment and each special assessment shall be separate, distinct and personal obligations of the Owner(s) of the Unit against which the same is assessed at the time the assessment is made and shall be collectible as such. Suit to recover a money judgment for unpaid common expenses maybe maintained without foreclosing or waiving the following lien securing the same; the amount of any assessment, whether regular or special, assessed to a Unit plus interest at eighteen. percent (18%) per annum plus late fees, and costs, including reasonable attorney's. fees, shall become a lien upon such Unit upon recordation of a notice of assessment as provided by the Act. The said lien may be foreclosed for nonpayment of common expenses shall have priority over all other liens and encumbrances, recorded or unrecorded, except only:

(1) Tax and special assessment liens on the Unit in favor of any lawfully established taxing entity; and

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(2) Encumbrances on the interest of the Unit Owner recorded or established by law prior to the date such notice is recorded, and which by law would be a lien prior to subsequently recorded encumbrances.

(g) A certificate executed and acknowledged by the Manager or Management Committee stating the unpaid common expenses then outstanding with respect to a Unit shall be conclusive upon the Management Committee and the Owners as to the amount of such indebtedness on the date of the certificate in favor of all persons who rely thereon in good faith, and such certificate shall be furnished to any Owner or encumbrances or

prospective Owner or encumbrance of a Unit upon request at a reasonable fee not to exceed Ten Dollars (\$10.00). Unless the request for a certificate of indebtedness shall be compiled within ten (10) days, all unpaid common expenses which became due prior to the date of making of such request shall be subordinate to the lien or interest held by or obtained by the person making the request. Any encumbrance holding a lien on a Unit may pay any unpaid Common Expenses payable with respect to such Unit and upon such payment such encumbrances shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance. Requests for such certificate must be made in writing and either personally served upon the manager or mailed postage prepaid and by certified mail, return request required at the address established from time to time by the Committee for such purpose.

Subject to the provisions of this subparagraph, a purchaser of a Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

(h) Upon payment of delinquent assessments concerning which a notice of assessment has been recorded or other satisfaction thereof, the Management Committee shall cause to be recorded in the same manner as the notice of assessment a further notice stating the satisfaction and release of the lien thereof. Such lien for nonpayment of assessment may be enforced by sale of the Unit by the Management Committee or by a bank or trust company or title insurance company authorized by the Management Committee, such sale to be conducted in accordance with the provisions of the law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any manner permitted by law. In any foreclosure or sale, the Unit Owner shall be required to pay the costs and expenses of such proceedings including reasonable attorneys fees.

(i) In the event of foreclosure, the Unit Owner shall be required to pay a reasonable rental for the Townhome Unit and the plaintiff in the foreclosure action shall be entitled to the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Management Committee or Manager shall have the power to bid on the Townhome Unit at foreclosure or other sale and to hold, lease, mortgage and convey the Townhome Unit. It is hereby agreed that Developer may bid and acquire Units in such foreclosure proceedings.

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(j) The Developer may establish a Capital Improvement Account and with the sale of each Unit add to this account. This account is to be restricted for capital improvements to the Development, the infrastructure, or the building within the Development. Examples of such capital improvement expenses are, but not limited to, sewer or water system repair or improvement, roofing, or exterior building repair. The fund will stay in the Bridgerland Meadows Homeowners Association, Inc. treasury after the Developer is no longer in control of the votes.

20. Eminent Domain. In the event that eminent domain proceedings are commenced against the Project or any portion thereof, the provisions of Section 57-8-32.5, Utah Code Annotated (1953, as amended from time to time), shall apply.

21. Maintenance.

(a) Each owner of a Unit at his own expense shall keep the interior of such Unit and its appliances, equipment and appurtenances in good order, condition and repair and in a clean and sanitary condition, and shall do all redecorating and painting which may at any time be necessary to maintain the good appearance of such Unit. Except to the extent that the Association is protected by insurance against such injury, the Unit Owner shall repair all injury or damages to the Unit or building or buildings caused by wear and age, the act, negligence or carelessness of the Unit Owner or that of any tenant or subtenant, or any member of the Unit Owner's family or of the family of any tenant or subtenant and all such repairs, redecorating and painting shall be of a quality and kind equal to the original work as determined and approved in writing by the Management Committee. In addition to decorating and keeping the interior of the Unit in good repair, the Unit Owner shall be responsible for the maintenance or replacement of any plumbing, fixtures, refrigerators, air conditioning and heating equipment, dishwashers, disposals, ranges, etc., that may be in or connected with the Unit, and the maintenance of each Unit's limited common court yard area except the fences surrounding such areas. Without the written permission of the Management Committee first had and obtained, a Unit Owner shall not make or permit to be made any structural alteration, in or to the Unit, built in garages or parking areas, or in or to the exterior of the buildings, and shall not paint, decorate or plant any portion of the exterior of the Unit or of the building in which the Unit is located including any Limited Common area.

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

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(c) Except as hereinafter provided, the Management Committee shall provide for such maintenance and operation of the Common Areas and Facilities and of the Limited Common Areas and Facilities as may be reasonably necessary to keep them clean, functional, attractive, and generally in good condition and repair. The Management Committee shall have no obligation regarding maintenance or care of Units.

(d) Any event or condition on a Townhome which is in the sole discretion of the Developer or Management Committee, creates an unsightly or blighting influence, shall be promptly corrected or removed, as the case may be, by the Owner, notwithstanding the fact that such event or condition may not be specifically described and/or prohibited in this Declaration.

22. Right of Entry. The Management Committee and its duly authorized agents shall have the right to enter any and all of the Units and the Limited Common Areas appurtenant thereto in case of an emergency originating in or threatening such Unit or any other party of the Project, whether or not the Unit Owner or occupant thereof is present at the time. The Committee and its duly authorized agents shall also have the right to enter into any and all of said Units and Limited Common Areas at all reasonable times as required for the purpose of making necessary repairs upon the Common Areas and Facilities of the Project or for the purpose of performing emergency installations, alterations or repairs to the mechanical, electrical devices or installations, or equipment and lines associated with the delivery of technology services as described above, located therein or thereon; provided, however, such emergency installations, alterations or repairs are necessary to prevent damage or threatened damage or interruption of services to other Units in the Project; and provided further, that the Unit Owner or occupant affected by such entry shall first be reasonably notified thereof if available and if time permits.

23. Administrative Rules and Regulations. The Management Committee shall have the power to adopt and establish by resolution, such building management and operational rules as it may deem necessary for the maintenance, operation, management and control of the Project. The Committee may, from time to time by resolution, alter, amend and repeal such rules. When a copy of any amendment or alteration or provision for repeal of any rule or rules has been furnished to the Unit Owners, such amendment, alteration or provision shall be taken to be a part of such rules. Unit Owners shall at all times obey such rules and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Unit Owners, tenants, subtenants or other occupants of the Units.

24. Obligation to Comply with Declaration, Bylaws, Articles, Rules and Regulations. Each Unit Owner, tenant, subtenant or other occupant of a Unit shall comply with the provisions of the Act, this Declaration, the Bylaws, and the rules and regulations, all agreements and determinations lawfully made and/or entered into by the Management Committee or the Unit Owners, when acting in accordance with their authority; and failure to comply with any of the provisions thereof shall be grounds for an action by the Management Committee or other aggrieved party for injunctive relief or to recover any loss or damage resulting therefrom.

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25. Indemnification of Management Committee. Each member of the Management Committee shall be indemnified and held harmless by the Association of Unit Owners against all costs, expenses and liabilities whatsoever, including, without limitation, attorney's fees reasonably incurred by him in connection with any proceeding to which he may become involved by reason of his being or having been a member of said Committee; provided, however, the foregoing indemnification shall not apply if the loss, expense or liability involved resulted from the willful misconduct gross negligence or other intentional act of the member.

26. Amendment. This Declaration and/or the Map may be amended upon the affirmative vote or approval and consent of not less than 67%. Any amendment so authorized shall be accomplished by recordation of an instrument executed by the Management Committee. In said instrument the Committee shall certify that the vote or consent required by this Section has occurred.

27. Consent in Lieu of Vote. In any case in, which the Act or this Declaration requires the vote of a stated percentage of the Project's undivided ownership interest for authorization or approval of a transaction, such requirement may be fully satisfied by obtaining with or without a meeting, consents in writing or via email to such transaction from Unit Owners who collectively hold at least such stated percentage of undivided ownership interest. The following additional provisions shall govern any application of this section:

(a) All necessary consents must be obtained prior to the expiration of ninety (90) days after the first consent is given by any Owner,

(b) Any change in ownership of a Unit which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose.

28. Severability. The invalidity of any one or more phrases, sentences, subparagraphs, paragraphs, 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 instrument should be invalid or should operate to render this instrument invalid, this instrument 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.

29. Declarant's Rights Assignable. 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.

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30. Lease of Units. With the exception of a lender in possession of a Unit following a default of a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his unit to have, possess or control its Unit except as provided in paragraphs 6(c) and 8(b). No Unit Owner may lease less than the entire unit, except a garage may be leased to another Unit Owner. A lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Bylaws of the Homeowners Association attached as an exhibit, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing and a copy of such lease shall be delivered to the Management Committee five (5) days prior to occupancy by the tenant. The Unit Owner shall notify the Management Committee of the names of the lessee of the Unit. In the event of a lease of a Unit, only the tenant and not the Unit Owner shall have the right to the use of the Common Areas and Facilities while the Unit is leased. In the event insurance costs covered by paragraph 17 are increased due to the percentage of rentals, then those Unit owners shall pay their portion of the increased costs of insurance charged.

31. Legal Description of a Unit. Every conveyance or contract for the sale of a Unit and every other instrument affecting title to a Unit may describe that Unit by the number shown on the Map

with the appropriate reference to the Map and to this Declaration, as each shall appear in the official records of Cache County, Utah, and in substantially the following form:

Unit _____ in Building _____ as
shown in the Record of Survey Map for Bridgerland Meadows Townhomes P.U.D.
appearing in the Records of the County Recorder of Cache County, Utah, recorded on
_____ 2005, Recording No. _____.

This conveyance is subject to the provisions of the recorded Declaration of said
Townhome P.U.D. Project.

Such description will be construed to describe the Unit, together with the appurtenant undivided interest in the Common Areas, and to incorporate all the rights incident to Ownership of a Unit and all the limitations on such ownership as described in this Declaration.

32. Expansion of the Project.

(a) Reservation of Option to Expand. Declarant hereby reserves the option to expand the Project to include additional Units in the Project. This option to expand may be exercised from time to time, at different times and in any order, without limitation, provided however, the option shall expire ten (10) years from the effective date of the Declaration, unless sooner terminated by Declarant's recorded Waiver of such option; there being no other circumstances which will cause the option to expire prior to said ten (10) years. Such right may be exercised without first obtaining the consent or vote of Unit Owners and shall be limited only as herein specifically provided. The total number of Units in the Project, as expanded shall not exceed six hundred (600) units.

(b) Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by written notice to the Management Committee of intent to supplement or expand served within ten (10) years hereafter and the filing for record by Declarant in the office of the County Recorder of Cache County, Utah, no later than ten (10) years and six (6) months from the date this Declaration is recorded, a Supplement or Supplements to this Declaration containing a legal description of the site or sites for new Units, together with supplemental Map or Maps containing the same information with respect to the new Units as was required on the Map with respect to the Phase One Units. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

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(c) Expansion of Definitions. In the event of such expansion the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Project as so expanded e.g., "Property" shall mean the real property initially submitted under the Declaration, plus any Additional Property added to the Project by a Supplemental Declaration or by Supplemental Declarations, and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of Units after such expansion

shall be effective to transfer rights in the Project, as expanded by use of the form of description with additional references to the Supplemental Declaration and the Supplemental Map. The recordation in the office of the Cache County Recorder of a Supplemental Map incident to any expansion shall operate automatically to grant, transfer, and convey to then Owners of Units in the Project as it existed before such expansion the respective undivided interests in the new Common Areas added to the Project as a result of such expansion. Such recordation shall also operate to vest in any then mortgagee of any Unit in the Project as it existed, interest so acquired by the Owner of the Unit encumbering the new Common Areas added to the Project as a result of such expansion.

(d) Declaration Operative on New Units. The new Units shall be subject to all the terms and conditions of this declaration and therein shall be subject to town home ownership with all the incidents pertaining thereto as specified herein, upon recording the Supplemental Map and Supplemental declaration in the said office of the Cache County Recorder.

(a) Right of Declarant to Adjust Ownership Interest in Common Areas. Each deed of a Unit shall be deemed to irrevocably reserve to the Declarant the power to appoint to Unit Owners, from time to time, the percentages in the Common Areas set forth in Supplemental of Amended Declaration. The proportionate interest of each Unit Owner in the Common Areas after any expansion of the Project shall be an undivided interest of the Project as expanded. A power coupled with an interest is hereby granted to the Declarant, its successors and assigns, as attorney-in-fact to modify percentages of the Common Areas in accordance with Supplemental or Amended Declarations recorded pursuant hereto and each deed of a Unit in the Project shall be deemed a grant of such power to the Declarant. Various provisions of this Declaration and deeds and mortgages of the Units may contain clauses designed to accomplish a modification of the Common Areas. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid modification of the Common Areas can be accomplished. Notwithstanding anything to the contrary herein, no change in the percentage of undivided interest in the Common Areas maybe effected more than ten (10) years after the effective date of the Phase One Declaration except pursuant to Amendment as provided in Paragraph 25.

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Accordingly, upon the recordation of a Supplemental Declaration and Supplemental Map incident to any expansion, the revised schedule of undivided interests in the Common Areas contained therein shall automatically become effective for all purposes and shall fully supersede any similar schedule which was contained in any declaration associated with any prior phase. In the event the provisions of the separate instruments relating to the Project conflict irreconcilably, the terms of that instrument which was recorded most recently shall control.

(f) Other Provisions Concerning Expansion. If the Project is expanded as hereinbefore contained, then it is further provided that:

(1) All or any part of the Additional Land may be added to the Project without any limitations whatsoever, save and except that all additional Units created must be restricted to multi family residential housing limited to one family per dwelling unit.

(2) Portions of the Additional Land may be added to the Project at different times without any limitations.

(3) Declarant shall have the right without further conveyance or documentation to build roads and access ways to the Additional Property through the easement areas as shown on the Map. The Association of Unit Owners shall not allow anything to be built upon or interfere with said easement areas.

(4) No assurances are made concerning:

(a) The locations of any improvements that may be made on any portion of the Additional Land that may be added to the Project.

(b) Type, kind or nature of improvements which may be created on any portion of the Additional Land, except that the common facilities, other than community center building and recreational areas, will be comparable to the Phase One facilities on a per Unit basis and will be of a similar quality of materials and construction to Phase One and will be substantially completed prior to annexation.

(c) Whether any Units created on any portion of the Additional Land will be substantially identical to those within the Initial Project except that Units will be of a similar quality of materials and construction as the Units in Phase One.

(d) Type size, or maximum number of limited Common Areas which may be created with or in any portion of the Additional Land added to the Project.

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(5) Notwithstanding anything to the contrary which may be contained herein, this Declaration is not intended, and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (i) the submission of any portion of the Additional Land to the provisions of the Act as land under this Declaration; (ii) the creation, construction, or addition to the Project of any additional property; (iii) the carrying out in any particular way or within any particular time of any development which may be undertaken except as herein mentioned; or (iv) the taking of any particular action with respect to the Additional Land, the Project, or any Land.

33. Gender. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply

either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

34. Invalidity. The invalidity of any provisions of this Declaration or any portion thereof, shall not be deemed to impair or affect in any manner the validity, enforceability, effect of the remainder of this Declaration; and, in such event, all of the other provisions, this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

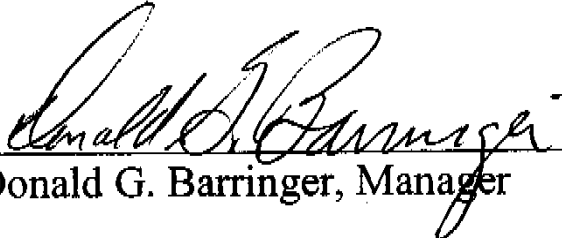
35. Waivers. No provision contained in the Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations which may occur.

36. Topical Headings. The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

37. Effective Date. This Declaration shall take effect upon recording.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 31st day of MARCH, 2005

BRIDGERLAND MEADOWS LLC , a Utah Limited Liability Company


Donald G. Barringer, Manager


Bruce A. Birky, Manager

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STATE OF UTAH)

:SS.

County of Cache)

On this 31st day of March, 2005, personally appeared before me Donald G. Barringer, the signer of the within instrument, who duly acknowledged to me that he is the authorized manager of Bridgerland Meadows, LLC, a Utah limited liability company and that for and on behalf of, and with authorization of said entity he executed the same.

Don G. Barringer

Notary Public

Residing at: Logan, UT

STATE OF UTAH)

:SS.

County of Cache)

On this 31st day of March, 2005, personally appeared before me Bruce A. Birky, the signer of the within instrument, who duly acknowledged to me that he is the authorized manager of Bridgerland Meadows, LLC, a Utah limited liability company and that for and on behalf of, and with authorization of said entity he executed the same.

Don G. Barringer

Notary Public

Residing at: Logan, UT

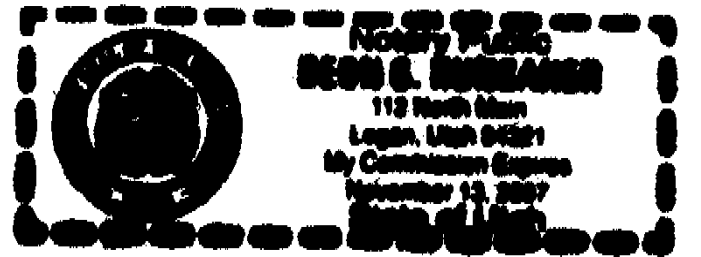


EXHIBIT "A"

BRIDGERLAND MEADOWS PHASE I

A PART OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 12 NORTH, RANGE 1 EAST OF THE SALT LAKE MERIDIAN, ALSO PART OF LOTS 1, 2, 3, AND 8, BLOCK 6, PLAT "D", LOGAN FARM SURVEY, ALSO A PART OF PARCELS 04-081-0021 & 04-081-0018, FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1; THENCE NORTH 00°35'58" EAST 370.97 FEET; THENCE NORTH 89°37'31" WEST 16.50 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT ALSO BEING IN THE WEST R/W LINE OF 400 WEST STREET; THENCE NORTH 88°45'58" WEST 677.69 FEET; THENCE NORTH 01°14'24" EAST 241.66 FEET TO A CURVE TO THE RIGHT HAVING A RADIUS OF 230.00 FEET; THENCE ALONG SAID ARC 91.73 FEET (NOTE: CHORD BEARS N12°39'55"E 91.12 FEET); THENCE NORTH 24°05'26" EAST 61.38 FEET TO A CURVE TO THE LEFT HAVING A RADIUS OF 17.00 FEET; THENCE ALONG SAID ARC 33.56 FEET (NOTE: CHORD BEARS N32°28'15"W 28.37 FEET); THENCE NORTH 00°57'51" EAST 60.00 FEET; THENCE SOUTH 89°02'18" EAST 10.82 FEET TO A CURVE TO THE LEFT HAVING A RADIUS OF 17.00 FEET; THENCE ALONG SAID ARC 15.46 FEET (NOTE: CHORD BEARS N64°54'55"E 14.93 FEET) TO A CURVE TO THE RIGHT HAVING A RADIUS OF 59.50 FEET; THENCE ALONG SAID ARC 38.75 FEET (NOTE: CHORD BEARS N57°31'34"E 38.07 FEET) TO A CURVE TO THE LEFT HAVING A RADIUS OF 17.00 FEET; THENCE ALONG SAID ARC 15.46 FEET (NOTE: CHORD BEARS N50°08'14"E 14.93 FEET); THENCE NORTH 24°05'26" EAST 10.82 FEET; THENCE SOUTH 65°54'34" EAST 60.00 FEET TO A POINT ON A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 17.00 FEET; THENCE ALONG SAID ARC 33.57 FEET (NOTE: CHORD BEARS S32°28'26"E 28.37 FEET); THENCE SOUTH 89°02'18" EAST 7.41 FEET TO A CURVE TO THE LEFT HAVING A RADIUS OF 20.00 FEET; THENCE ALONG SAID ARC 17.00 FEET (NOTE: CHORD BEARS N66°36'41"E 16.49 FEET) TO A CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET; THENCE ALONG SAID ARC 25.50 FEET (NOTE: CHORD BEARS N66°36'41"E 24.74 FEET); THENCE SOUTH 89°02'18" EAST 105.01 FEET TO A CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET; THENCE ALONG SAID ARC 25.50 FEET (NOTE: CHORD BEARS S64°41'18"E 24.74 FEET) TO A CURVE TO THE LEFT HAVING A RADIUS OF 20.00 FEET; THENCE ALONG SAID ARC 17.00 FEET (NOTE: CHORD BEARS S64°41'18"E 16.49 FEET); THENCE SOUTH 89°02'18" EAST 311.49 FEET; THENCE NORTH 46°04'25" EAST 14.17 FEET TO A POINT IN THE WEST R/W LINE OF 400 WEST STREET; THENCE ALONG SAID R/W LINE SOUTH 01°11'08" WEST 484.24 FEET TO THE POINT OF BEGINNING.

CONTAINING 7.37 ACRES MORE OR LESS, 74 UNITS

EXHIBIT "B"

A PART OF THE SOUTHWEST QUARTER OF SECTION 21, TOWNSHIP 12 NORTH, RANGE 1 EAST OF THE SALT LAKE MERIDIAN, ALSO PART OF LOTS 1, 2, 3, AND 8, BLOCK 6, PLAT "D", LOGAN FARM SURVEY, ALSO A PART OF PARCELS 04-081-0016, 04-081-0021, 04-081-0018, FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 1; THENCE ALONG THE EAST LINE OF SAID BLOCK 6, NORTH 00°35'58" EAST 370.97 FEET; THENCE NORTH 89°37'31" WEST 16.50 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT ALSO BEING IN THE NEW WEST R/W LINE OF 400 WEST STREET; THENCE NORTH 89°37'31" WEST 1187.55 FEET TO THE EAST LINE OF THE OREGON SHORT LINE RAILROAD RIGHT OF WAY (R/W); THENCE ALONG SAID R/W NORTH 01°53'30" EAST 962.68 FEET; THENCE ALONG THE NORTH LINE OF LOTS 3 AND 8 SOUTH 89°44'21" EAST 1161.26 FEET TO THE NEW WEST R/W LINE OF 400 WEST STREET; THENCE ALONG SAID R/W LINE SOUTH 00°19'35" WEST 964.65 FEET TO THE POINT OF BEGINNING.

CONTAINING 25.98 ACRES MORE OR LESS