



W2199116

When Recorded, Return To:

Pineview Estates, LLC
Attn: Nathan Brockbank
6084 South 900 East
Salt Lake City, Utah 84121-1750

EN 2199116 PG 1 OF 39
DOUG CROFTS, WEBER COUNTY RECORDER
07-AUG-06 413 PM FEE \$119.00 DEP SEC
REC FOR: PINEVIEW ESTATES LLC

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

THE RESERVE AT CRIMSON RIDGE
CLUSTER SUBDIVISION Phase 1

ARTICLE 1

20-105-0001 To 0003
20-106-0001 To 0033

PLAN OF DEVELOPMENT

1.1 Property Initially Subject to the Declaration. This Declaration of *Cluster Subdivision Phase 1* Covenants, Conditions and Restrictions for the Reserve at Crimson Ridge (the "Declaration") is being recorded to establish a general plan for the development and use of that certain real property located in Weber County, Utah, more particularly described on Exhibit "A" hereto (hereinafter sometimes referred to as the "Project" or the "Property") in order to protect and enhance the value and desirability of the Project. Pineview Estates, LLC (the "Declarant") intends to develop the Project to consist, initially, of lots for single family use. The Project may be expanded pursuant to the provisions of Section 1.2. All of the property within the Project shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each person, for himself, herself or itself, and his, her or its heirs, personal representatives, successors, transferees and assigns, binds himself, herself or itself, and his, hers or its heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now and hereafter imposed by this Declaration. In addition, each such person by doing so acknowledges that this Declaration sets forth a general scheme for the development and use of the Property and evidences his, her or its intent that all the restrictions, conditions, covenants, rules and regulations contained in this Declaration shall run with the land and be binding on all subsequent and future owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the Association (as defined in Article 4 below) and all owners.

1.2 Annexation of Additional Property.

1.2.1 At any time on or before December 31, 2012, the Declarant shall have the right to annex and subject to this Declaration all or any portion of any additional real property (the "Additional Property") without the consent of any other owner or person (other than the person who owns the property to be annexed, if other than the Declarant). The annexation of all or any portion of the Additional Property shall be effected by the Declarant recording a written instrument setting forth the legal description of the Additional Property being annexed and stating that such portion of the Additional Property is annexed and subjected to this Declaration.

1.2.2 Additional Property may be annexed as a whole, at one time or in one or more portions at different times, or it may never be annexed, and there are no limitations upon the order of annexation or the boundaries thereof. Property annexed by the Declarant pursuant to Section 1.2 need not be contiguous with other property in the Project, and the exercise of the right of annexation as to any portion of the Additional Property shall not bar the further exercise of the right of annexation as to any other portion of the Additional Property. The Declarant makes no assurances as to which, if any, part of the Additional Property will be annexed.

1.3 Withdrawal of Property. At any time on or before December 31, 2012, the Declarant shall have the right to withdraw property from the Project without the consent of any other owner or person (other than the owner of such property, if other than the Declarant). The withdrawal of all or any portion of the Project shall be effected by the Declarant Recording a written instrument setting forth the legal description of the property being withdrawn. Upon the withdrawal of any property from the Project pursuant to this Section 1.3, such property shall no longer be subject to any of the covenants, conditions and restrictions set forth in this Declaration.

1.4 Disclaimer of Representations. The Declarant makes no representations or warranties whatsoever that: (a) the Project will be completed in accordance with the plans for the Project as they exist on the date of this Declaration is recorded; (b) any property subject to this Declaration will be committed to or developed for a particular use or for any use; (c) any property not now subject to this Declaration will be subjected to the provisions hereof; or (d) the use of any property subject to this Declaration will not be changed in the future. In addition, if any guardhouses are constructed within the Project, the Declarant makes no representations or warranties that a guard service will be provided or, if guard service is provided, that it will be provided during any particular hours or be continued in the future. Nothing contained in this Declaration and nothing which may be represented to a purchaser by real estate brokers or salesmen representing the Declarant shall be deemed to create any covenants or restrictions, implied or express, with respect to the use of any property subject to this Declaration or of any part of the Additional Property.

1.5 Guardhouses, Security Gates and Security Devices. Guardhouses, security gates (manned or unmanned) and/or other security devices designed to limit access and to provide more privacy for owners and/or occupants of the Project may be constructed, removed, modified or relocated from time to time within or adjacent to the Project. Each owner and occupant, and their families, guests and invitees, acknowledge that any such guardhouse, security gate or other security device may restrict or delay entry into, or access within, the Project by police, fire department, ambulances and other emergency vehicles or personnel. Each owner and occupant and their families, guests, permittees and invitees agree to assume the risk that any such guardhouse, security gate or other security device will restrict or delay entry into, or access within, the Project by police, fire department, ambulances or other emergency vehicles or personnel. Neither the Declarant, any Declarant affiliate or the Association nor any director, officer, agent or employee of the Declarant, any Declarant affiliate or the Association shall be liable to any owner or occupant or their families, guests or invitees for any claims or damages resulting, directly or indirectly, from the construction, existence or maintenance of any such guardhouse, security gate or other security device. All present and future owners of any residential building lot created in the Project (a "Lot") or any other portion of the Project (a "Parcel") or any portion of or interest in any Lot or Parcel, and all present and future occupants of any Lot or Parcel or any portion of any Lot or Parcel, are advised that, notwithstanding anything to the contrary: (a) shown or depicted on any site plan, site map, conceptual plan, development plan or other drawing, diagram, or map, however denominated, (b) contained, stated or depicted in any contract, recorded document, advertising material, promotional material, brochure or other document of any kind or type, or (c) contained, stated or set forth in any representations, promises or statement of any kind whatsoever, oral or written, by and attributed to any salesman, broker, or owner of a Lot or Parcel, or any officer, director, agent or representative of the Association, or any member of any committee of the Association (including, without limitation, the Architectural Review Committee, as defined below), or any officer, director, employee, agent or representative of Declarant, or any other person:

Any guardhouse, security gate or similar facility currently situated, or planned for construction, or hereafter constructed, across any street or roadway (a) may never be constructed, (b) if constructed may be removed at some future date or dates, (c) if constructed may be relocated at some future date or dates to a site which does not control or limit access to the Project or portions thereof, or (d) if constructed may be modified (including, without limitation, to change the same from a manned facility to an unmanned facility), in all such cases without any notice or liability to or consent of any owners or occupants of the Property or any portion thereof or interest in the Property. Declarant makes no representations regarding, and shall have no liability for, the adequacy or degree of security or protection provided by any guardhouse, security gate or facility constructed as part of the Project.

1.6 Sewer Services and Utilities. Sewer services for the Project may be provided pursuant to contract with the Pineview West Sewer District (the "Sewer District"), or any successor or assignee of the Sewer District, or any other accessible provider of sewer services selected by the Association. Due to the physical contours and

layout of the Project, certain Lots within the Project may require sewage ejector pumps or similar facilities to connect to the main sewer lines installed and maintained throughout the Project by the Sewer District. The Declarant and the Association shall have no obligation to provide, maintain or construct sewer, water or utility lines throughout the Project or to any Lot within the Project. All costs of connecting to, accessing and/or utilizing sewer or other utility services shall be borne by the owners of each Lot or Parcel.

1.7 Development Plan. Notwithstanding any other provision of this Declaration to the contrary, the Declarant, without obtaining the consent of any other owner or person, shall have the right to make changes or modifications to its development plan with respect to any property owned by the Declarant in any way which the Declarant desires including, but not limited to, changing the density of all or any portion of the property owned by the Declarant or changing the nature or extent of the uses to which such property may be devoted.

ARTICLE 2

LAND USES, PERMITTED USES AND RESTRICTIONS

2.1 Land Uses. The Property shall be used exclusively for single family detached residential homes, along with ancillary uses such as public or private pedestrian, bicycle and equestrian trails, or private parks or similar common area.

2.2 Architectural Control. The Association shall appoint a committee for the review and approval of all design and construction of improvements within the Project, including the construction of any home or residential improvement on any Lot. Said committee shall be referred to herein as the Architectural Review Committee. The Association has prepared certain guidelines for the construction of homes and other improvements on the Lots in the Project, referred to herein as the "Design Guidelines", in order to ensure proper continuity for the architectural elements and appearance of improvements within the Project. The Design Guidelines are contained in a separate document to be maintained by the Association, and may be amended from time to time by the Association. In the event of a conflict between the Design Guidelines and the Declaration, the relevant terms of the Declaration shall control. In addition to the requirements and standards of the Design Guidelines and other requirements of the Architectural Review Committee as adopted from time to time, any improvements in the Project shall be constructed and maintained as set forth below:

2.2.1 All improvements constructed within the Project shall be of new construction, and no intact buildings or other structures shall be moved from other locations to the Project (except for construction and sales trailers or similar facilities approved in advance by the Architectural Review Committee).

2.2.2 No devegetation, excavation, grading, planting or revegetation work shall be performed within the Project without the prior written approval of the Architectural Review Committee.

2.2.3 No Improvement shall be constructed, installed or removed within the Project without the prior written approval of the Architectural Review Committee.

2.2.4 No addition, alteration, repair, change or other work which in any way alters the exterior appearance (including but without limitation, the exterior color scheme) of any property within the Project, or any improvements located thereon, shall be made or done without the prior written approval of the Architectural Review Committee, nor shall any Lot be split, divided or further subdivided in any manner without the prior written approval of the Architectural Review Committee.

2.2.5 Any owner or other person desiring approval of the Architectural Review Committee for the construction, installation, addition, alteration, repair, change or replacement of any Improvement which would alter the exterior appearance of his, her or its Lot, Parcel or other portion of the Project, or any improvements located thereon, shall submit to the Architectural Review Committee a written request for approval specifying in detail the nature and extent of the construction, installation, addition, alteration, repair, change, replacement or other work which such owner desires to perform. Any owner requesting the approval of the Architectural Review Committee shall also submit to the Architectural Review Committee any additional information, plans and specifications which the Architectural Review Committee may reasonably request. In the event that the Architectural Review Committee fails to approve or disapprove an application for approval within forty-five (45) days after the application, together with all supporting information, plans and specifications required by the Architectural Review Committee Rules or reasonably requested by the Architectural Review Committee, have been submitted to it, approval will not be required and this Section will be deemed to have been complied with by the owner or other person who submitted such application for approval. Any such request for approval submitted to the Architectural Review Committee shall include a preliminary review of the design drawings, plans and specifications, and shall include the following:

- (a) A site plan showing all improvements proposed and on the Lot involved;
- (b) The layout of each level;
- (c) Plans showing all building elevations;
- (d) Proposed landscaping design with grading detail of the Lot and improvements;
- (e) Details of the types of materials to be used (i.e. stone, timbers, color scheme, etc.) and basic structure/ design of all improvements.

2.2.6 The approval by the Architectural Review Committee of any construction, installation, addition, alteration, repair, change, replacement or other work

pursuant to this Section shall not be deemed a waiver of the Architectural Review Committee's right to withhold approval of any similar construction, installation, addition, alteration, repair, change, replacement or other work subsequently submitted for approval.

2.2.7 Upon receipt of approval from the Architectural Review Committee for any construction, installation, addition, alteration, repair, change, replacement or other work, the owner or other person who has requested such approval shall proceed to perform, construct or make the installation, addition, alteration, repair, change or other work approved by the Architectural Review Committee as soon as practicable and shall diligently pursue such work so that it is completed as soon as reasonably practicable and within such time as may be prescribed by the Architectural Review Committee.

2.2.8 Any change, deletion or addition to the plans and specifications approved by the Architectural Review Committee must be approved in writing by the Architectural Review Committee.

2.2.9 The Architectural Review Committee shall have the right to charge a reasonable fee for reviewing requests for approval of any construction, installation, alteration, addition, repair, change, replacement or other work pursuant to this Section, which fee shall be payable at the time the application for approval is submitted to the Architectural Review Committee. Such fee, if established and charged by the Architectural Review Committee, shall be set at such reasonable level as the Architectural Review Committee may estimate will be necessary to defray the reasonable costs and expenses of the Architectural Review Committee in reviewing and evaluating any such request or application, and may include, if the Architectural Review Committee deems it reasonably necessary under the circumstances, an amount to cover the reasonable costs of professional consultation to the Architectural Review Committee by an architect or engineer.

2.2.10 The provisions of this Section do not apply to, and approval of the Architectural Review Committee shall not be required for, any construction, installation, addition, alteration, repair, change, replacement or other work by, or on behalf of the Declarant.

2.2.11 The approval required of the Architectural Review Committee pursuant to this Section shall be in addition to, and not in lieu of, any approvals or permits which may be required under any federal, state or local law, statute, ordinance, rule or regulation, or under any other Recorded instrument. The Architectural Review Committee may condition its approval of any application, plans or other items submitted to it on delivery to the Architectural Review Committee of evidence satisfactory to the Architectural Review Committee that the Owner or other Person seeking its approval has also made appropriate applications for (and prior to commencing work shall have obtained) any and all such other approvals or permits. The Architectural Review Committee shall cooperate reasonably with any other approving authorities or entities,

provided, however, that the Architectural Review Committee shall not be bound by any approvals, permits or other decisions of any other such approving authority or entity.

2.2.12 Prior to the commencement of any construction on a Lot, the owner thereof shall provide to the Association a cash or indemnity bond issued by a financial institution approved by the Association, in an amount not less than Seven Thousand and No/100 Dollars (\$7,000.00) (or such greater amount deemed necessary by the Association to secure repair of damage to the Common Area as set forth herein), to secure the Association against the cost of repairing or replacing any portion of the Common Area damaged in the course of the construction on said Lot, including, but not limited to damage to any roads, sidewalk, curb, gutter and landscaping in the vicinity of the Lot on which construction is being conducted. Said bond shall be retained by the Association until Six (6) months after construction on said Lot is complete and any damages to the Common Area are repaired to secure the payment of any expenses necessary to complete or maintain any such repairs. In the event that any such damages to the Common Area are not repaired adequately by said owner, or any maintenance to said repairs are necessary during said 6 month period, the Association may expend funds provided through said bond for that purpose, without further notice or hearing.

2.3 Temporary Occupancy and Temporary Buildings. No trailer, basement of any incomplete building, tent, shack, garage or barn, and no temporary buildings or structures of any kind, shall be used at any time for a residence, either temporary or permanent. Temporary buildings, trailers or other structures used during the construction of Improvements approved by the Architectural Review Committee shall be removed immediately after the completion of construction, and in no event shall any such buildings, trailers or other structures be maintained or kept on any property for a period in excess of twelve months without the prior written approval of the Architectural Review Committee.

2.4 Maintenance of Landscaping. Each owner of a Lot or Parcel shall properly maintain and keep properly cultivated, and free of trash, weeds and other unsightly material, all shrubs, trees, hedges, grass and plantings, of every kind (collectively, "Landscaping") located on: (a) his, her or its Lot or Parcel; (b) any public right-of-way or easement area which abuts or adjoins the owner's Lot or Parcel and which is located between the boundary line of his Lot or Parcel and the paved area of any street, sidewalk, bike-path or similar area (unless otherwise directed by the Association); and (c) any non-street public right-of-way or easement area adjacent to his Lot or Parcel (unless otherwise directed by the Association); provided, however, that such owner shall not be responsible for maintenance of any area over which: (i) the Association assumes the responsibility in writing; or (ii) Weber County, any applicable municipality or other governmental agency or entity having jurisdiction over such property assumes responsibility, for so long as Weber County or such other municipality or other governmental agency or entity assumes or has responsibility. For purposes of this Section 2.4, proper maintenance of Landscaping shall include, without limitation, removal and replacement of dead Landscaping, subject to the Architectural Review Committee Rules. Notwithstanding anything to the contrary herein, portions of a Lot or

Parcel may be maintained with natural ground cover and growth as permitted by the Architectural Review Committee.

2.5 Nuisances: Construction Activities. No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Lot, Parcel or other property, and no odors, loud noises or loud music shall be permitted to arise or emit therefrom, so as to render any such property or any portion thereof, or activity thereon, unsightly, offensive or detrimental to any other property in the vicinity thereof or to the occupants of such other property. No other nuisance shall be permitted to exist or operate upon or adjacent to any Lot, Parcel or other property so as to be offensive or detrimental to any other property in the vicinity thereof or to its occupants. Normal construction activities and parking in connection with the building of Improvements on a Lot, Parcel or other property shall not be considered a nuisance or otherwise prohibited by this Declaration, but during construction periods, Lots, Parcels and other property shall be kept in a neat and tidy condition, trash and debris shall not be permitted to accumulate, supplies of brick, block, lumber and other building materials shall be piled only in such areas as may be approved in writing by the Architectural Review Committee, and no loud music shall be permitted. In addition, any construction equipment and building materials stored or kept on any Lot, Parcel or other property during the construction of Improvements may be kept only in areas approved in writing by the Architectural Review Committee, which may also require screening of the storage areas. The Architectural Review Committee in its sole discretion shall have the right to determine the existence of any such nuisance. The provisions of this Section shall not apply to construction activities of the Declarant.

2.6 Diseases and Insects. No person shall permit any thing or condition to exist upon any Lot, Parcel or other property which shall induce, breed or harbor infectious diseases or noxious insects.

2.7 Repair of Building. No residence, building, structure or other Improvement on any Lot, Parcel or other property shall be permitted to fall into disrepair and each such residence, building, structure and other Improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished. In the event any residence, building, structure or other Improvement is damaged or destroyed, then, subject to the approvals required hereunder or by the Association or Architectural Review Committee, such residence, building, structure or other Improvement shall be immediately repaired or rebuilt or shall be demolished.

2.8 Antennas, Poles, Towers and Dishes. No television, radio, shortwave, microwave, satellite, flag or other antenna, pole, tower or dish shall be placed, constructed or maintained upon any Lot, Parcel or other part of the Project unless such antenna, pole, tower or dish is fully and attractively screened or concealed so as not to be visible from neighboring property, which means of screening or concealment shall be subject to the regulation and prior approval of the Architectural Review Committee. Notwithstanding the foregoing, the Architectural Review Committee may adopt a rule or regulation permitting an owner or occupant to install and maintain a flagpole upon the

owner's or occupant's Lot or Parcel, provided that the location and size of such flagpole (and the number and size of any flag(s) mounted thereon) may be regulated by the Architectural Review Committee and may, if so provided in such rule or regulation, be made subject to the prior approval thereof by the Architectural Review Committee. Nothing in this Section shall be deemed to prohibit the Declarant from installing and maintaining flagpoles on, at or adjacent to model homes within the Project. Poles to which basketball backboards, goals and related equipment are affixed shall be governed by the Design Guidelines and the Architectural Review Committee.

2.9 Mineral Exploration. No Lot, Parcel or other property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, grass, earth or any earth substance of any kind, except for the drilling, operation and maintenance of any testing, inspection or other water wells approved by the Declarant.

2.10 Trash Containers and Collection. No garbage or trash shall be placed or kept on any Lot, Parcel or other property except in sanitary, covered containers of a type, size and style which are approved by the Architectural Review Committee. In no event shall such containers be maintained so as to be visible from neighboring property except to make the same available for collection and then only for the shortest time reasonably necessary to effect such collection. All rubbish, trash and garbage shall be removed from Lots, Parcels and other property and shall not be allowed to accumulate thereon. No outdoor incinerators shall be maintained on any Lot, Parcel or other portion of the Project.

2.11 Clothes Drying Facilities. No outside clotheslines or other outside facilities for drying or airing clothes shall be erected, placed or maintained on any Lot, Parcel or other property so as to be visible from neighboring property.

2.12 Utility Service. No lines, wires or other devices for the communication or transmission of electric current or power, including telephone, television and radio signals, shall be erected, placed or maintained anywhere in or upon any Lot, Parcel or other property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved by the Architectural Review Committee. No provision of this Declaration shall be deemed to forbid the erection of temporary power and telephone structures for emergency purposes or incident to the construction of buildings or structures approved by the Architectural Review Committee. Notwithstanding the foregoing, utility meters and related panels and similar equipment may be placed on outside building walls exposed to view from a street in order to comply with any requirements, regulations, orders, conditions and specifications of any public, quasi-public or private utility or any governmental agency or body, provided that reasonable efforts shall be made to avoid placing any such meter, panel or other equipment on the outside front wall of a residence or other building facing the street running directly in front of such residence.

2.13 Overhead Encroachments. No tree, shrub or planting of any kind on any Lot, Parcel or other property shall be allowed to overhang or otherwise to encroach upon any sidewalk, street, bicycle path or pedestrian way from ground level to a height of eight (8) feet without the prior approval of the Architectural Review Committee.

2.14 Health, Safety and Welfare. In the event additional uses, activities or facilities are deemed by the Association to be a nuisance or to adversely affect the health, safety or welfare of owners, lessees and occupants, the Association may make rules restricting or regulating their presence in the Project as part of the Association Rules or may direct the Architectural Review Committee to make rules governing their presence on Lots, Parcels or other property as part of the Architectural Review Committee Rules.

2.15 Model Homes. Any provisions of this Declaration which prohibit non-residential use of Lots and certain Parcels and regulate parking of vehicles shall not prohibit the construction and maintenance of model homes or other model residences of any kind (including, without limitation, any used in whole or in part as sales offices) (collectively, "Models") by persons engaged in the construction of residences in the Project or parking incidental to the visiting of such Models, so long as the construction, operation and maintenance of such Models and parking otherwise comply with all of the provisions of this Declaration. The Architectural Review Committee may also permit Lots and other areas to be used for parking in connection with the showing of Models. Any homes or other structures constructed as Models shall cease to be used as Models at any time the owner thereof is not actively engaged in the construction and sale of residences in the Project, and no home or other structure shall be used as a Model for the sale of homes or other structures not located in the Project. Neither the provisions of this Section nor the provisions of any other Section of this Declaration shall restrict or prohibit the right of the Declarant or a Declarant affiliate to construct, operate and maintain Models in the Project.

2.16 Incidental Uses. The Architectural Review Committee may approve uses of property within a particular land use which are incidental to the full enjoyment of the Owners and Occupants of the property within that land use. Such approval may be subject to such regulations, limitations and restrictions, including termination of the use, as the Architectural Review Committee may wish to impose, in its sole discretion, for the benefit of the Project as a whole.

2.17 Residential Use and Trades or Businesses. All Lots and Parcels shall be used, improved and devoted exclusively to residential use. No trade or business may be conducted on any Lot or Parcel or in or from any residence, except that the Owner or other Resident may conduct a business activity in a residence so long as: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the residence; (b) the business activity conforms to all applicable zoning ordinances or requirements; (c) the business activity does not involve the door-to-door solicitation of owners or other residences in the Project; (d) the use of the residence for trade or business shall in no way destroy or be incompatible with the residential character of the residence or the surrounding neighborhood; (e) the trade or business shall be

conducted only inside the residence or inside an accessory building or garage, and shall not involve the viewing, purchase or taking delivery of goods or merchandise at, to, from or in any residence; (f) the trade or business shall be conducted by the occupant of the residence; (g) no more than twenty percent (20%) of the total floor area of the residence shall be used for trade or business; (h) the residence used for trade or business shall not be used as a storage facility for a business conducted elsewhere; (i) the volume of vehicular or pedestrian traffic or parking generated by such trade or business shall not result in congestion or be in excess of what is customary in a residential neighborhood; (j) a trade or business shall not utilize flammable liquids or hazardous materials in quantities not customary to a residential use; and (k) a trade or business shall not utilize large vehicles not customary to a residential use. The terms "business" and "trade" as used in this Section shall be construed to have ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation or other form of consideration, regardless of whether: (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required for such activity. The leasing of a residence by the owner thereof shall not be considered a trade or business within the meaning of this Section; provided, however, that any lease or rental agreement shall have a term of at least thirty (30) days and no Lot, Parcel, or residence may be leased or rented for less than thirty (30) consecutive days at a time. This Section shall not apply to the activities of the Declarant within the Project.

2.18 Animals. No animal, livestock, poultry or fowl of any kind, other than a reasonable number of house pets, shall be maintained on or in any Lot or Parcel and then only if they are kept or raised thereon solely as domestic pets and not for commercial purposes. No house pets shall be permitted to make an unreasonable amount of noise or create a nuisance. No structure for the care, housing or confinement of any pet shall be Visible From Neighboring Property. Notwithstanding the foregoing, no pets may be kept on or in any Lot or Parcel which, in the opinion of the Association, result in an annoyance to other Owners or Occupants in the vicinity. All pets shall be leashed when not on property owned by the pet's owner or on which the pet's owner is a Resident or guest, and persons walking any pet shall promptly and properly remove and dispose of the pet's waste. Notwithstanding anything herein to the contrary, if Additional Property is annexed to the Project, Declarant shall have the unilateral right to create more liberal rules regarding pets and other animals permitted on the Lots of such Additional Property, including, without limitation, the right to keep and use horses.

2.19 Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Lot or Parcel, except: (a) such machinery as is usual and customary in connection with the use, maintenance or construction (during the period of construction) of a building, appurtenant structures or other Improvements; and (b) that which Declarant or the Association may permit or require for the development, operation and maintenance of the Project.

2.20 Signs. No signs whatsoever (including, but not limited to commercial, political, "for sale," "for rent" and similar signs) which are visible from neighboring property shall be erected or maintained on any Lot or Parcel except the following, all of which must conform to the terms and conditions of the Design Guidelines:

2.20.1 Signs required by legal proceedings.

2.20.2 Residence identification signs provided the size, color, content and location of such signs have been approved in writing by the Architectural Review Committee.

2.20.3 Signs of developers approved from time to time by the Architectural Review Committee as to number, size, color, design, message content, location and type.

2.20.4 Such construction job identification signs and subdivision signs which are in conformance with the requirements of government agencies having jurisdiction over the property and which have been approved in writing by the Architectural Review Committee as to number, size, color, design, message content and location.

2.21 Required Approvals for Further Property Restrictions.

2.21.1 All proposed site plans and subdivision plats for any Lot or Parcel, or any portion thereof, must be approved in writing by the Architectural Review Committee prior to recordation thereof or commencement of construction on the applicable Lot or Parcel. No Lot, or portion thereof, shall be further subdivided, no lot lines or boundaries may be modified, and no portion less than all of any such Lot, or any easement or other interest therein, shall be conveyed or transferred by any owner without the prior written approval of the Architectural Review Committee

2.21.2 No further covenants, conditions, restrictions, or easements shall be recorded against any Lot or Parcel, or portion thereof, without the prior written approval of the Architectural Review Committee.

2.21.3 No application for rezoning, variances or use permits, or for waivers of or modifications to existing variances, use permits, zoning stipulations or similar restrictions, shall be filed with any governmental authority or agency without the prior written approval of the Architectural Review Committee, and then only if such proposed zoning, variance or use, or waiver or modification, is in compliance with this Declaration.

2.21.4 No subdivision plat, easement, declaration of further covenants, conditions, restrictions or easements or other instrument which is to be recorded and which is required by this Section 2.21 to be approved by the Architectural Review Committee shall be effective unless the required approval is evidenced on such

instrument by the signature of an authorized representative of the Architectural Review Committee.

2.21.5 No site plan, subdivision plat, or further covenants, conditions, restrictions or easements, and no application for rezoning, variances or use permits shall be submitted to any governmental authority or agency unless the same has first been approved in writing by the Architectural Review Committee as provided in this Section 2.21; further, no changes or modifications shall be made in any such documents, instruments or applications once the same have been approved by the Architectural Review Committee hereunder.

2.21.6 Notwithstanding the foregoing, neither the Declarant nor any Declarant affiliate shall be required to seek or obtain any of the approvals or consents otherwise required under this Section 2.21 as to any Lot or Parcel, or any portion of either, of which the Declarant or any Declarant affiliate is the owner.

2.22 Vehicles. In general, all Vehicles (as defined below) must be parked, kept, maintained, stored, constructed, reconstructed or repaired only within a fully-enclosed garage approved by the Architectural Review Committee pursuant to Section 2.2, or in other areas on a Lot or Parcel approved in writing by the Architectural Review Committee (which approval may be conditioned upon the plating or construction of landscaping or other screening approved by the Architectural Review Committee). For purposes of this Section, the term "Vehicles" includes cars, trucks and vans of all sizes, motorcycles, motorbikes, mopeds, mini-bikes, motor scooters, all-terrain vehicles, off-road vehicles, motor homes, recreational vehicles, trailers, travel trailers, tent trailers, camper shells, detached campers, boats, boat trailers, mobile homes, or other similar machinery or equipment, whether motorized or not, whether wheeled or not and whether or not in operating condition. Notwithstanding the foregoing: (a) up to one car, van or truck having a capacity of one ton or less may occasionally be parked on driveways or other improved parking areas on a Lot or Parcel so long as the same are in operating condition and are regularly used for transportation of passengers; (b) additional cars, vans or trucks having a capacity of one ton or less may be parked from time to time on driveways or other improved parking areas on a Lot or Parcel to accommodate visitors or guests of the owner or occupant of that Lot or Parcel (provided that the Architectural Review Committee may adopt rules or regulations relating to the number or frequency of guest or visitor vehicle parking, if it determines, in its discretion, that such rules or regulations are necessary); (c) service, repair or delivery vehicles may be parked on a Lot or Parcel, but only for the period reasonably required to effect the needed service, repair or delivery; and (d) a temporary construction trailer may be placed and maintained on a Lot or Parcel in connection with construction of Improvements on that Lot or Parcel, but only is that temporary construction trailer, its location on the Lot or Parcel and the period which it will be permitted to remain on the Lot or Parcel are approved in writing by the Architectural Review Committee. Except for emergency repairs, no Vehicles shall be repaired, constructed or reconstructed on the Property except within a fully-enclosed garage. No Vehicle shall be parked on any roadway or street within or adjacent to the

Property, except for temporary parking (not exceeding 24 hours) of Vehicles of an owner's or occupant's guests.

2.23 Towing of Vehicles. The Association has the right, without notice, to have any Vehicle which is parked, kept, maintained, constructed, reconstructed or repaired in violation of this Declaration towed away at the sole cost and expense of the owner of the Vehicle. Any expense incurred by the Association in connection with the towing of any Vehicle must be paid to the Association upon demand by the owner of the Vehicle. If the Vehicle is owned by an owner or occupant, any amounts payable to the Association will be secured by the Assessment Lien against the owner's or occupant's Lot, and the Association may enforce collection of those amounts in the same manner provided for in this Declaration for the collection of Assessments.

2.24 Snow Removal and Maintenance The Association shall be responsible for removal of snow and maintenance on all private streets and roads within the Project. Each owner shall be responsible for removal of snow from the driveway and sidewalks on such owner's Lot. If an owner elects to hire a contractor to perform some or all of such owner's snow removal duties under this Section, such owner must use the contractor then used by the Association for snow removal, so as to reduce the number of snow removal vehicles within the Project and thereby promote coordination and safety within the Project.

2.25 Variances. The Architectural Review Committee may, at its option and in extenuating circumstances, grant variances from the restrictions set forth in this Article 2 if the Architectural Review Committee determines in its discretion that: (a) a restriction would create an unreasonable hardship or burden on an owner or occupant or a change of circumstances since the recordation of this Declaration had rendered such restriction obsolete; and (b) the activity permitted under the variance will not have any substantial adverse effect on Owners and Occupants and is consistent with the high quality of life intended for resident of the Project.

2.26 Change of Use of Common Area. Upon: (a) adoption of a resolution by the Association that in the Association's opinion the then present use of a designated part of the any common area of the Project, as shown on the recorded subdivision plat for the Project (the "Common Area") is no longer in the best interests of the owners; and (b) the approval of such resolution by the members of the Association casting more than fifty percent (50%) of the votes entitled to be cast by Association members who are present in person or by proxy at a meeting duly called for such purpose and who are entitled to use such Common Area under the terms of this Declaration, the Association shall have the power and right to change the use thereof (and in connection therewith, construct, reconstruct, alter or change the building, structures and improvements thereon in any manner deemed necessary by the Association to accommodate the new use), provided such new use shall meet with any current subdivision zoning regulations restricting or limiting the use of the Common Area. This Section 2.26 shall not apply to, or be deemed to limit in any way, the right and power of the Association pursuant to Section 3.1.1(a) to grant easements over, under or through portions of the Common Area, or to dedicate

portions of the Common Area, to public, quasi-public or private utility companies, municipalities or other governmental agencies or entities, in connection with or at the time of development of property within or adjacent to the Project, where required or requested by any municipality or other governmental agency or entity, or any public, quasi-public or private utility company.

2.27 Drainage. No residence, structure, building, landscaping, fence, wall or other Improvement shall be constructed, installed, placed or maintained in any manner that would obstruct, interfere with or change the direction or flow of water in accordance with the drainage plans for the Project, or any part thereof, or for any Lot or Parcel as shown on the drainage plans on file with the county or municipality in which the Project is located.

2.28 Garages and Driveways. The interior of all garages shall be maintained in a neat, clean and sightly condition. Garages shall be used only for parking vehicles and storage, and shall not be used or converted for living or recreational activities. Garage doors shall be kept closed at all times except to the limited extent reasonably necessary to permit entry or exit of vehicles or persons.

2.29 Rooftop HVAC Equipment Prohibited. No heating, ventilating, air conditioning or evaporative cooling units or appurtenant equipment may be mounted, installed or maintained on the roof of any building so as to be visible from neighboring property.

2.30 Solar Collecting Panels or Devices. The Declarant recognizes the benefits to be gained by permitting the use of solar energy as an alternative source of electrical power for residential use. At the same time, the Declarant desires to promote and preserve the attractive appearance of the Project and the Improvements thereon, thereby protecting the value generally of the Project and the various portions thereof, and of the various owners' respective investments therein. Therefore, subject to prior approval of the plans therefore by the Architectural Review Committee, solar collecting panels and other solar devices may be placed, constructed or maintained upon any Lot within the Project so long as such solar panels and devices are placed, constructed and maintained in such location(s) and with such means of screening or concealment as the Architectural Review Committee may reasonably deem appropriate to limit, to the extent possible, the visual impact of such solar collecting panels and devices when viewed from any street or from any other property (whether within or outside the Project).

2.31 Basketball Goals or Play Structures. A single basketball goal, backboard or similar structure or device may be placed on each Lot, but no swing sets or other play structures shall be placed or constructed on any Lot without the prior written approval of Architectural Review Committee (including, without limitation, approval as to appearance and location).

2.32 Tanks. No tanks of any kind (including tanks for the storage of fuel) shall be erected, placed or maintained on any Lot or Parcel unless such tanks are buried

underground. Nothing herein shall be deemed to prohibit use or storage upon any Lot or Parcel of an aboveground propane or similar fuel tank with a capacity of ten (10) gallons or less used in connection with a normal residential gas barbecue, grill or fireplace or a spa or "hot tub," so long as any such tank either: (a) has a capacity of ten (10) gallons or less; or (b) is appropriately stored, used and/or screened, in accordance with the Architectural Review Committee Rules or as otherwise approved by the Architectural Review Committee, so as not to be Visible From Neighboring Property.

2.33 Exterior Lighting. Exterior lighting shall be permitted on a Lot or Parcel only in accordance with the Design Guidelines and as approved by the Architectural Review Committee.

2.34 Declarant's Exemption. Nothing contained in this Declaration shall be construed to prevent the construction, installation or maintenance by the Declarant, any Declarant affiliate or any agents or contractors thereof, during the period of development, construction and sales on the Project, of Improvements, landscaping or signs deemed necessary or convenient by the Declarant, in its sole discretion, to the development or sake if property within the Project.

ARTICLE 3

EASEMENTS

3.1 Owners' Easements of Enjoyment.

3.1.1 Subject to the rights and easements granted to the Declarant in Section 3.4, each owner, and each occupant of such owner's Lot or Parcel, shall have a non-exclusive right and easement of enjoyment in, to and over the Common Area, which right and easement shall be appurtenant to and shall pass with the title to each Lot and Parcel, subject to the provisions of this Declaration including, without limitation, the following:

(a) Except as otherwise provided in this Declaration, no dedication, transfer, mortgage or encumbrance of all or any portion of the Common Area shall be effective unless approved by Owners representing two-thirds (2/3) of the votes in each class of Association members. Notwithstanding the preceding sentence or any other provision of this Declaration to the contrary, the Association shall have the right, without the consent of the owners or any other person (except Declarant, whose consent shall be required so long as Declarant owns any part of the Property or of the Additional Property), to dedicate portions of the Common Area to the public, or grant easements over, under or through portions of the Common Area to the public, to any municipal or other governmental agency or entity, or to any public, quasi-public or private utility company, for use as right-of-way, for utilities, for public landscape purposes and the like, as may be required or requested by any municipal or other governmental agency or entity having jurisdiction, or by a public, quasi-public or private utility company, in connection

(b) The Association shall have the right to regulate the use of the Common Area through rules and regulations adopted from time to time by the Association (the "Association Rules") (which may include, without limitation, the adoption and implementation of a reservation system for such portions of the Common Area, or Improvements or amenities thereon, as the Association deems appropriate) and to prohibit access to such portions of the Common Area, such as landscaped right-of-ways, not intended for use by the owners, their lessees or other occupants.

(c) The Declarant and the Association shall each have the right to grant easements or licenses for the construction of Improvements on the Common Area, and the Declarant and the Association shall each have the right to grant ingress and egress easements over the streets and roads in the Project to persons who are not members of the Association.

(d) The Declarant and the Association shall each have the right to convey certain portions of the Common Area to Owners of adjoining Lots or Parcels in connection with the correction or adjustment of any boundary between Common Area and any one or more adjoining Lots or Parcels; provided, however, that neither the Association nor the Declarant shall have the right to transfer or convey any portion of the Common Area upon which is situated any recreational facility unless approved by a vote of the Association Members pursuant to Subsection 3.1.1(a).

3.1.2 The Association shall have the right to limit the number of guests and invitees who may use the recreational facilities located on the Common Area at any one time and may restrict the use of the recreational facilities by guests and invitees to certain specified times.

3.2 Utility Easement. There is hereby created an easement upon, across, over and under the Common Area, Lots, Parcels and other property for reasonable ingress, egress, installation, replacement, repair or maintenance of all utilities, including, but not limited to, gas, water (including wells), sewer, telephone, cable television and electricity. By virtue of this easement, it shall be expressly permissible for the Declarant, the Association, and/or the providing utility company to install and maintain the necessary equipment on the Common Area, Lots, Parcels and other property but no sewers, electrical lines, water lines or other utility or service lines may be installed or located on the Common Area, Lots, Parcels and other property except as initially designed, approved and/or constructed by the Declarant or as approved by the Association (and, in the case of a Lot or Parcel, by the Owner of such Lot or Parcel). If any utility company requests that a more specific easement be granted in its favor in substitution for the blanket easement hereby established with respect to the Common Area, the Association shall have the power and authority, without the need for any consent by the Owners or any other Person, to grant the more specific easement on such terms and conditions as the Association deems necessary.

3.3 Easements for Ingress and Egress. There are hereby created easements for ingress and egress for pedestrian traffic over, through and across sidewalks, paths, walks and lanes that from time to time may exist upon the Common Area. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such driveways and parking areas as from time to time may be paved and intended for such purposes. Such easements shall run in favor of and be for the benefit of the owners and occupants of the Lots and Parcels and their guests, families, tenants and invitees. Further, certain pathways or trails around and/or through the Property may be developed and maintained from time to time as part of hiking and/or bicycling trail systems serving the public in addition to owners and occupants; in such instances, members of the public shall also have the right to use such trails for the purposes for which they are developed and maintained, subject to reasonable, non-discriminatory rules and regulations as the Association may adopt from time to time and subject to applicable requirements and regulations of any governmental body or agency having jurisdiction. There is also hereby created an easement upon, across and over the Common Area and all private streets, private roadways, private driveways and private parking areas within the Project for vehicular and pedestrian ingress and egress for police, fire, medical and other emergency vehicles and personnel. The Association shall have the right to relocate and/or reconfigure any and all such easements from time to time as it sees fit without the consent of any owners, but subject to any necessary governmental approvals.

3.4 Declarant's Use and Easements.

3.4.1 The Declarant shall have the right and an easement (which, at its discretion, it may delegate to and/or share with one or more Developers, upon and subject to such terms and conditions as the Declarant may deem appropriate) to maintain sales or leasing offices, management offices and models throughout the Project and to maintain one or more advertising signs on the Common Area with respect to the sales of Lots, Parcels or other property in the Project or within any of the Additional Property. The Declarant reserves the right (which, in its discretion, it may delegate to and/or share with one or more developers, upon and subject to such terms and conditions as the Declarant may deem appropriate) to place models, management offices and sales and leasing office on any Lots, Parcels or other property owned by the Declarant (or by such developer(s), as applicable and on any portion of the Common Area in such number, of such size and in such locations as the Declarant deems appropriate.

3.4.2 So long as the Declarant is marketing Lots, Parcels or other portions of the Property or the Additional Property, the Declarant shall have the right to restrict the use of the parking spaces on the Common Area. Such right shall include reserving such spaces for use by prospective Purchasers, Declarant's employees and others engaged in sales, leasing, maintenance, construction or management activities.

3.4.3 The Declarant shall have the right and an easement on and over the Common Area to construct all Improvements the Declarant may deem necessary and to use the Common Area and any Lots, Parcels and other property owned by the Declarant for construction or renovation related purposes including the storage of tools, machinery,

equipment, building materials, appliances, supplies and fixtures, and the performance of work respecting the Project and property adjacent to the Project.

3.4.4 The Declarant shall have the right and an easement upon, over and through the Common Area as may be reasonably necessary for the purpose of exercising the rights granted to or reserved by the Declarant in this Declaration.

3.5 Easement in Favor of Association. The Lots, Parcels and Common Area are hereby made subject to the following easements in favor of the Association and its directors, officers, agents, employees and independent contractors:

3.5.1 For inspection during reasonable hours of the Lots, Parcels and Common Area in order to verify the performance by owners or other persons of all items of maintenance and repair for which they are responsible;

3.5.2 For inspection, maintenance, repair and replacement of portions of the Common Area accessible only from such Lots or Parcels;

3.5.3 For correction of emergency conditions on one or more Lots or Parcels or on portions of the Common Area accessible only from such Lots or Parcels;

3.5.4 For the purpose of enabling the Association, the Association, the Architectural Review Committee or any other committees appointed by the Association to exercise and discharge during reasonable hours their respective rights, powers and duties;

3.5.5 For inspection during reasonable hours of the Lots and Parcels in order to verify that the owners and occupants, and their guests, tenants and invitees, are complying with the provisions of this Declaration, and the rules and regulations promulgated or approved by the Association.

ARTICLE 4

THE ASSOCIATION; ORGANIZATION; ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

4.1 Formation of Association. The Association shall be a nonprofit Utah corporation charged with the duties and vested with the powers prescribed by law and set forth in this Declaration. In the event of any conflict or inconsistency between this Declaration and any Articles of Incorporation or Bylaws (respectively referred to herein as the "Articles" and "Bylaws") adopted by the Association, Association Rules or Architectural Review Committee Rules, this Declaration shall control.

4.2 Governing Board and Officers. The affairs of the Association shall be conducted by the Governing Board (the "Board") and such officers as the Board may elect or appoint in accordance with the Articles and the Bylaws. Unless this Declaration,

the Articles or the Bylaws (collectively referred to herein as the "Project Documents") specifically require the vote or written consent of the members of the Association (the "Association Members"), approvals or actions to be given or taken by the Association shall be valid if given or taken by the Board. The Board may appoint various committees at its discretion. The Board may also appoint or engage a manager to be responsible for the day-to-day operation of the Association and the Common Area. The Board shall determine the compensation to be paid to any such manager.

4.3 Association Rules. The Board may, from time to time, and subject to the provisions of this Declaration, adopt, amend and repeal rules and regulations pertaining to: (a) the management, operation and use of the Common Area including, but not limited to, any recreational facilities situated upon the Common Area; (b) traffic and parking restrictions including speed limits on private streets within the Project; (c) minimum standards for any maintenance of Common Areas, Lots and Parcels within the Project; or (d) any other subject within the jurisdiction of the Association. In the event of any conflict or inconsistency between the provisions of this Declaration and the Association Rules, the provisions of this Declaration shall prevail.

4.4 Personal Liability. No member of the Board, the Architectural Review Committee or any other committee of the Association, no officer of the Association and no manager or other employee of the Association shall be personally liable to any Association Member, or to any other Person including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error or negligence of the Association, the Board or any member thereof, the Architectural Review Committee or any member thereof, the manager, any representative or employee of the Association, any officer of the Association or any member of any other committee of the Association; provided, however, the limitations set forth in this Section shall not apply to any person who has engaged in intentional misconduct.

4.5 Implied Rights. The Association may exercise any right or privilege given to the Association expressly by the Project Documents and every other right or privilege reasonably to be implied from the existence of any right or privilege given to the Association by the Project Documents or reasonably necessary to effectuate any such right or privilege.

4.6 Membership in the Association. Every owner of a Lot in the Project shall be an Association Member, and the Declarant shall be an Association Member so long as it owns any part of the Project or of the Additional Property (unless and until the Declarant expressly relinquishes in writing its status as an Association Member). There shall be one (1) Association Membership for each Lot, which Association Membership shall be held jointly by all owners of that Lot, respectively, if any Lot has more than one owner.

4.7 Votes in the Association.

4.7.1 There shall be one (1) vote to each Lot.

4.7.2 The Period of Declarant Control shall continue from the filing of this Declaration until such time as the Declarant and any affiliates of the Declarant own in the aggregate less than Thirty Percent (30.00%) of the Lots in the Project, or until the Declarant notifies the Association that it intends to terminate the Period of Declarant Control. Until the expiration or termination of the Period of Declarant Control: (a) the Association shall be deemed to have two classes of Association Members, Class A and Class B; (b) the Declarant shall be the Class B Association member, and all votes held by the Declarant shall be Class B votes; (c) all Owners other than the Declarant shall be Class A Association Members, and all votes held by such Owners shall be Class A votes. Following the expiration or termination of the Period of Declarant Control, the Association shall be deemed to have a single class of Association Members and votes. During the Period of Declarant Control, all matters coming before the Association for vote shall be decided by the vote of the Declarant as the sole Class B Association Member. Following the Period of Declarant Control, all Class B Association Memberships and all Class B votes shall cease to exist, and any issue put to a vote at a duly called meeting of Association Members at which a quorum is present shall be decided by a simple majority of all votes represented in person or by valid proxy at such meeting.

4.8 Voting Procedures. A change in the ownership of a Lot or parcel shall be effective for voting purposes from the time the deed or other instrument effecting such change is recorded; the Board shall thereafter be given written notice of such change and provided satisfactory evidence thereof. The vote for each Lot or Parcel must be cast as a unit, and fractional votes shall not be allowed. In the event that a Lot or Parcel is owned by more than one person and such owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Association Member casts a vote representing a certain Lot or Parcel, it will thereafter be conclusively presumed for all purposes that he, she or it was acting with the authority and consent of all other owners of the same Lot or Parcel unless objection thereto is made at the time the vote is cast. In the event more than one owner attempts to cast a vote or votes for a particular Lot or Parcel, the vote or votes for that Lot or Parcel shall be deemed void and shall not be counted.

4.9 Transfer of Association Membership. The rights and obligations of any Association Member other than the Declarant shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon transfer of ownership of an owner's Lot or Parcel, and then only to the transferee of ownership of the Lot or Parcel. A transfer of ownership of a Lot or Parcel may be effected by deed, intestate succession, testamentary disposition, foreclosure or other such legal process as is now in effect or as may hereafter be established under or pursuant to applicable law. Any attempt to make a prohibited transfer of Association membership shall be void. Any transfer of ownership of a Lot or Parcel to the new owner thereof. Each purchaser of a Lot or Parcel shall notify the Association of his, her or its purchase of a Lot or Parcel. The Association may require the purchaser of a Lot or Parcel to pay to the Association a transfer fee in an amount to be set by the Board, and the transfer fee shall be secured by the Assessment Lien.

ARTICLE 5

COVENANT FOR ASSESSMENTS AND CREATION OF LIEN

5.1 Creation of Lien and Personal Obligations of Assessments. The Declarant, for each Lot and Parcel, hereby covenants and agrees, and each owner of a Lot or Parcel, other than the Declarant, by becoming the owner of a Lot or Parcel, is deemed to covenant and agree to pay to the Association all fees assessed in accordance with this Declaration (the "Assessments"). All Assessments shall be established and collected as provided in this Declaration. The Assessments, together with interest, late charges and all costs, including, but not limited to, reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect Assessments, whether or not a suit is filed, shall be a charge on the Lot or Parcel and shall be a continuing lien (sometimes referred to herein as the "Assessment Lien") upon the Lot or Parcel against which each such Assessment is made. Each Assessment, together with interest and all costs, including, but not limited to, reasonable attorney's fees, incurred by the Association in collecting or attempting to collect delinquent Assessments, whether or not a suit is filed, shall also be the personal obligation of each person who was an owner of the Lot or Parcel at the time when the Assessment became due. The personal obligation for delinquent Assessments shall not pass to the successors in title of the Owner unless expressly assumed by them (unless title is transferred to one or more such successors for purposes of avoiding payment of any Assessment or is transferred to a person controlling, controlled by or under common control with the owner transferring title), but the lien created by this Declaration against the applicable Lot shall continue to secure payment of such delinquent Assessment (including, but not limited to, any and all interests and late charges) until the same are fully paid.

5.2 Annual Assessment.

5.2.1 In order to provide for the operation and management of the Association and to provide funds for the Association to pay all Common Expenses and to perform its duties and obligations under the Project Documents, including, without limitation, the establishment of reasonable reserves for replacements, maintenance and contingencies, the Board, for each Assessment Period beginning with the fiscal year ending December 31, 2006, shall assess an Annual Assessment against each Lot and Parcel.

5.2.2 Beginning with the 2007 Assessment Period, the Board shall give notice of the Annual Assessment to each owner at least thirty (30) days prior to the beginning of each Assessment Period, but the failure to give prior notice shall not affect the validity of the Annual Assessment established by the Board nor relieve any Owner from its obligation to pay the Annual Assessment. If the Board determines during any Assessment Period that the funds budgeted for that Assessment are, or will become, inadequate to meet all Common Expenses for any reason, including, without limitation, nonpayment of Assessments by Association members, it may increase the Annual

Assessment for that Assessment Period and the revised Annual Assessment shall commence on the date designated by the Board (provided, however, that the total Annual Assessment Period shall not exceed the maximum amount determined pursuant to Section 5.3.

5.3 Rate of Assessment.

5.3.1 The amount of the Annual Assessment against each Lot or Parcel shall be determined as follows:

(a) The term "Association Membership Assessment" shall mean the assessment allocated to each Lot in the Project, and shall be: (i) for the fiscal year ending December 31, 2006, Three Thousand Six Hundred Dollars (\$3,600.00); (ii) for each subsequent fiscal year the amount equal to the total budget of the Association for the applicable Assessment Period divided by the total number of Association Memberships in the Association (subject to Subsection 5.3.1 (b) below).

(b) Except for Lots and Parcels owned by the Declarant which are exempt from assessment under paragraph (c) of this Subsection 5.3.1, each Lot and Parcel shall be assessed an annual Association Membership Assessment (the "Annual Assessment"). Notwithstanding any provision of this Declaration to the contrary, beginning with the fiscal year ending December 31, 2006, the Association Membership Assessment provided for herein shall not for any fiscal year of the Association exceed the Maximum Association Membership Assessment, as determined in accordance with this paragraph (b). For the fiscal year ending December 31, 2007, the Maximum Association Membership Assessment shall be Three Thousand Six Hundred Dollars (\$3,600.00). Thereafter, unless a greater increase is approved by the affirmative vote of two-thirds (2/3) of Members duly called for such purpose, the Maximum Association Membership Assessment for any fiscal year (the "New Year") shall be equal to the maximum Association Membership Assessment for the immediately preceding fiscal year (the "Prior Year") increased at a rate equal to the greater of: (i) the percentage increase in the CPI from the Base Month to the Index Month (as each of these terms is defined below); or Ten Percent (10.00%). Nothing herein shall obligate the Board to establish, in any fiscal year, a budget which results in Association Membership Assessments, as calculated pursuant to paragraph (a) above, to be in the full amount of the Maximum Association Membership Assessment for such fiscal year, and the election by the Board not to establish a budget which would result in the Association Membership Assessment, as calculated pursuant to paragraph (a) above, to be in the full amount of the Maximum Association Membership Assessment for any fiscal year shall not prevent the Board from establishing a budget in subsequent fiscal years such that the Association Membership Assessment for such subsequent fiscal year, as calculated pursuant to paragraph (a) above, is in the full amount of the Maximum Association Membership Assessment for such subsequent fiscal year (as determined in accordance with this paragraph (b)). For purposes hereof: (x) the term "CPI" means the Consumer Price Index - All Urban Consumers - All Items (1982-1984 Average = 100 Base) published by the Bureau of Labor Statistics of the U.S. Department of Labor (or its successor governmental agency),

or, if such index is no longer published by said Bureau or successor agency, in the index most similar in composition to such index; (y) the term "Index Month" means the month of July immediately prior to the beginning of the New Year; and (z) the term "Base Month" means the month of July immediately prior to the beginning of the Prior Year; provided, however, that if the Board changes the Assessment Period pursuant to Section 5.5, the Board shall have the right to change the calendar month used for purposes of clauses (y) and (z) (so long as the same calendar month in successive years is used for both clauses).

(c) Notwithstanding any other provision of this Declaration to the contrary, no Annual Assessment shall be levied against Lots or Parcels owned by the Declarant. During the Period of Declarant Control, the Declarant shall subsidize the Association for the amount by which (i) the cost of operating and administering the Association and maintaining reasonable reserves for maintenance, replacement and repairs and for contingencies exceeds (ii) the total amount of Assessments levied against Lots and Parcels owned by Owners other than the Declarant. The subsidy required of Declarant under this paragraph (c) may be in the form of cash or in the form of "in-kind" contributions of goods and services, or in any combination of the foregoing, and any subsidies made by Declarant in the form of "in-kind" contributions of goods or services shall be valued at the fair market value of the goods or services contributed. Declarant shall make payments or contributions in respect of its subsidy obligations under this paragraph (c) at such times as the Board may reasonably request from time to time (but shall not be required to make such payments or contributions more often than monthly); at the end of each fiscal year of the Association, either: (1) Declarant shall pay or contribute to the Association such additional funds, goods or services (or any combination thereof) as may be necessary, when added to all other funds, goods and services paid or contributed by Declarant during such fiscal year, to satisfy in full Declarant's subsidy obligations under this paragraph (c) for such fiscal year; or (2) the Association shall pay to Declarant or credit against Declarant's subsidy obligation for the immediately following fiscal year, as Declarant may elect, the amount, if any, by which the total of all payments or contributions paid or made by Declarant such fiscal year exceeded the total subsidy obligation of Declarant for such fiscal year under this paragraph (c).

5.3.2 For purposes of this Section, construction of a residence shall be deemed to commence on the earlier of: (a) the date on which the excavation of the basement or foundation is completed; or (b) the date on which a building permit for the residence or other building is issued by the controlling governmental agency. For purposes of this Section, a residence shall be deemed completed when, in the opinion of the Board, it is ready for occupancy.

5.3.3 If the rate of assessment for any Lot or Parcel changes during the Assessment Period pursuant to the provisions of Subsection 5.3.1, the Annual Assessment to such Lot or Parcel shall be prorated between the applicable rates based upon the number of days in the Assessment Period that the Lot or Parcel was assessed under each rate.

5.4 Special Assessments. The Association may levy against each Lot and Parcel, in any Assessment Period, a Special Assessment for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of Improvements upon the Common Area, including fixtures and personal property related thereto, provided that any Special Assessment shall have the assent of two-thirds (2/3) of the votes entitled to be cast by Association Members who are voting in person or by proxy at a meeting duly called for such purpose.

5.5 Assessment Period. The period for which the Annual Assessments and Parcel Assessments are to be levied (the "Assessment Period") shall be the calendar year. The Board in its sole discretion from time to time may change the Assessment Period.

5.6 Rules Regarding Billing and Collection Procedures. Assessments shall be collected on a monthly basis or such other basis as may be selected by the Board. The Board shall have the right to adopt rules and regulations setting forth procedures for the purpose of making Assessments and for billing and collection of the Assessments provided that the procedures are not inconsistent with the provisions of this Declaration. The failure of the association to send a bill to a Association Member shall not relieve any Association member of his liability for any Assessment or charge under this Declaration, but the assessment Lien therefore shall not be foreclosed or otherwise enforced until the Association member has been given not less than thirty (30) days written notice prior to such foreclosure or enforcement that the Assessment or any installment thereof is or will be due and of the amount owing. Such notice may be given at any time prior to or after delinquency of such payment. The Association shall be under no duty to refund any payments received by it even though the ownership of a Lot or Parcel changes during an Assessment Period; successor owners of Lots or Parcels shall be given credit for repayments, on a prorated basis, made by prior owners.

5.7 Effect of Nonpayment of Assessments; Remedies of the Association.

5.7.1 Any Assessment, or any installment of an Assessment, not paid within thirty (30) days after the Assessment, or the installation of the Assessment, first became due shall bear interest from the due date at the rate established from time to time by the Board. In addition, the Board may establish a late fee to be charged to any owner who has not paid any Assessment, or any installment of an Assessment, within thirty (30) days after such payment was due.

5.7.2 The Association shall have a lien on each Lot and Parcel for all assessments levied against the Lot or Parcel and for all other fees and charges payable to the Association by the owner of the Lot or Parcel pursuant to this Declaration. Recording of this Declaration constitutes record notice and perfection of the Assessment Lien. The Association may, at its option, record a notice of lien setting forth the name of the delinquent owner as shown in the records of the Association, the legal description or street address of the Lot or Parcel against which the notice of lien is recorded and the

amount claimed to be past due as of the date of the recording of the notice, including interests, lien recordings fees and reasonable attorneys' fees.

5.7.3 The Assessment Lien shall have priority over all liens or claims except for tax liens for real property taxes and assessments in favor of any municipal or other governmental body or assessment district.

5.7.4 The Association shall not be obligated to release any recorded notice of lien until all delinquent Assessments, interest, lien fees, reasonable attorneys' fees, court costs, collection costs and all other sums payable to the Association by the owner of the Lot or Parcel have been paid in full.

5.7.5 The Association shall the right, at its option, to enforce collection of any delinquent Assessments together with interest, lien fees, reasonable attorneys' fees and any other sums due to the Association in any manner allowed by law including, but not limited to: (a) bringing an action at law against the owner personally obligated to pay the delinquent Assessments and such action may be brought without waiving the Assessment Lien securing the delinquent Assessments; or (b) bringing an action at law for the foreclosure of the Association's interest in the Lot or Parcel under the Assessment Lien, causing said Lot or Parcel to be sold to satisfy the Assessment Lien.

5.8 Evidence of Payment of Assessments. Upon receipt of a written request by a Association Member or any other Person, the Association, within a reasonable period of time thereafter, shall issue to such Association member or other person a written certificate stating: (a) that all Assessments, interest and other fees and charges have been paid with respect to any specified Lot or Parcel as of the date of such certificate; or (b) if all Assessments have not been paid, the amount of such Assessments, interest, fees and charges due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be exclusive and binding with respect to any matters therein stated as against any bona fide Purchaser of, or lender on, the Lot or Parcel in question.

5.9 Purposes for Which Association's Funds May be Used. The Association shall apply all funds and property collected and received by it (including the Assessments, fees, loan proceeds, surplus funds and all funds and property received by it from any other source) for the common good and benefit of the Project and the Owners and Occupants by devoting said funds and property, among other things, to the acquisition, construction, alteration, maintenance, provision and operation, by any manner or method whatsoever, of any and all land, properties, improvements, facilities, services, projects, programs, studies and systems, within or without the Project, which may be necessary, desirable or beneficial to the general common interests of the Project, the Owners and the Occupants, and to the establishment and funding of reasonable reserves for replacements and contingencies.

5.10 Surplus Funds. The Association shall not be obligated to spend in any year all the Assessments and other sums received by it in such year, and may carry forward as surplus any balances remaining. The Association shall not be obligated to reduce the amount of the Annual Assessment in the succeeding year if a surplus exists from the prior year, and the Association may carry forward from year to year such surplus as the Board in its discretion may determine to be desirable for the greater financial security of the Association and the accomplishment of its purposes.

5.11 Transfer Fee. Each Purchaser of a Lot or parcel shall pay to the Association immediately upon becoming the Owner of the Lot or Parcel a transfer fee in such amount as is established from time to time by the Board.

5.12 Notice and Quorum for Meetings to Consider Special Assessments and Certain Increases in Annual Assessments. Notwithstanding any other provision hereof or of the Articles, Bylaws or Association Rules, written notice of any meeting called for the purpose of: (a) approving the establishment of any Special Assessment, as required by Section 5.4 hereof; or (b) approving any increase in the Maximum Association Membership Assessment greater than that permitted by Section 5.3.1 (b), shall be sent to all Association members not less than thirty (30) days nor more than sixty (60) days prior to the date of said meeting.

ARTICLE 6

MAINTENANCE

6.1 Common Area and Public Right of Way.

6.1.1 The Association, or its duly delegated representative, shall manage, maintain, repair and replace the Common Area and all Improvements located thereon (subject to Section 6.1.3), except the Association shall not be obligated to maintain areas which any governmental entity or any utility company is maintaining or obligated to maintain.

6.1.2 The Board shall be the sole judge as to the appropriate maintenance of all Common Area and other properties maintained by the Association. Any cooperative action necessary or appropriate for the proper maintenance and upkeep of said properties shall be taken by the Board or by its duly delegated representative.

6.1.3 The Board may cause the Association to contract to provide maintenance service to owners of Lots and Parcels having such responsibilities in exchange for the payment of such fees as the Association and owner may agree upon.

6.2 Lots and Parcels. Each owner of a Lot or Parcel other than the Declarant shall be responsible for maintaining, repairing or replacing his, her or its Lot or Parcel, and all buildings, landscaping and other Improvements situated thereon, except for any portion of the Lot or Parcel which is Common Area. All buildings, landscaping and other

Improvements shall at all times be kept in good condition and repair. Landscaping shall be maintained as required by Section 2.4. All Lots and Parcels upon which no residence or other Improvements have been conducted shall be maintained in an attractive manner and in accordance with all rules, regulations and guidelines that may be adapted for vacant lots by the Board or the Architectural Review Committee.

6.3 Installation of Landscaping. Each owner of a Lot other than the Declarant shall install (if not already installed) grass, trees, plants and other landscaping improvements (together with an irrigation system sufficient to adequately water any grass, trees, plants and other landscaping improvements), on that portion of the Lot deemed necessary to support the Improvements thereon as determined by the Architectural Review Committee, not later than the last day of September next occurring after the date on which a certificate of occupancy is issued with respect to a residence on that Lot. The Architectural Review Committee shall have the right to require minimum landscaping requirements, such as, without limitation, specifying the minimum number of trees that must be planted on a Lot or Parcel. All landscaping must be installed in accordance with plans approved in writing by the Architectural Review Committee. If landscaping and an irrigation system are not installed on a Lot in the manner and by the applicable date provided for in this Section, the Association shall have the right, but not the obligation, to enter upon such Lot to install such landscaping improvements as the Association deems appropriate (together with an irrigation system sufficient to adequately water the same), and the cost of any such installation shall be paid to the Association by the owner of the Lot, upon demand from the Association. Any amounts payable by an owner to the Association pursuant to this Section shall be secured by the Assessment Lien, and the Association may enforce collection of such amounts in the same manner and to the same extent as provided elsewhere in this Declaration for the collection and enforcement of Assessments. Notwithstanding anything to the contrary herein, portions of a Lot may be maintained with natural ground cover and growth as permitted by the Architectural Review Committee.

6.4 Assessment of Certain Costs of Maintenance and Repair. In the event that the need for maintenance or repair of the Common Area or any other area maintained by the Association is caused through the willful or negligent act of any Association Member, his family, tenants, guests, permittees or invitees, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Association Member and the Association Member's Lot or Parcel is subject and shall be secured by the Assessment Lien. Any charges or fees to be paid by the owner of a Lot or Parcel pursuant to this Section in connection with a contract entered into by the Association with an owner for the performance of an owner's maintenance responsibilities shall also become a part of such Assessment and shall be secured by the Assessment Lien.

6.5 Improper Maintenance and Use of Lots and Parcels. In the event any portion of any Lot or Parcel is so maintained as to present a public or private nuisance, or as to substantially detract from the appearance or quality of the surrounding Lots and Parcels or other areas of the Project which are substantially affected thereby or related thereto, or in the event any portion of a Lot or Parcel is being used in a manner which

violates this Declaration, or in the event the Owner of any Lot or Parcel is failing to perform any of its obligations under the Project Documents, the Board may make a finding to such effect, specifying the particular condition or conditions which exist, and pursuant thereto give notice thereof to the offending Owner that unless corrective action is taken within fourteen (14) days, the Board may cause such action to be taken at said Owner's cost. If at the expiration of said 14-day period the requisite corrective action has not been taken, the Board shall be authorized and empowered to cause such corrective action as it deems appropriate to be taken and the cost thereof shall be added to and become a part of the Assessment to which the offending Owner and the Owner's Lot or Parcels subject and shall be secured by the Assessment Lien.

6.6 Walls and Fences. Walls and fences on a Lot shall be prohibited unless expressly authorized by the Architectural Review Committee. In the event that any walls or fences are allowed to be constructed on a Lot, they shall be maintained, repaired and replaced by the Owner of such Lot.

ARTICLE 7

INSURANCE

7.1 Scope of Coverage. Commencing not later than the time of the first conveyance of a Lot or Parcel to a Purchaser, the Association shall maintain, to the extent reasonably available, the following insurance coverage:

7.1.1 Property insurance on the Common Area insuring against all risk of direct physical loss, insured against in an amount equal to the maximum insurable replacement value of the Common Area, as determined by the Board; provided, however, that the total amount of insurance shall not be less than one hundred percent (100%) of the current replacement cost of the insured property (less reasonable deductibles), exclusive of the land, excavations, foundations and other items normally excluded from a property policy;

7.1.2 Comprehensive general liability insurance, including medical payments insurance, in an amount determined by the Board, but not less than \$1,000,000. Such insurance shall cover all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Area and other portions of the Project which the Association is obligated to maintain under this Declaration, and shall also include hired automobile and non-owned automobile coverage's with cost liability endorsements to cover liabilities of the Owners as a group to an owner;

7.1.3 Workmen's compensation insurance to the extent necessary to meet the requirements of applicable law;

7.1.4 Such other insurance as the Board shall determine from time to time to be appropriate to protect the Association or the Lot owners;

7.1.5 Each insurance policy purchased by the Association shall, to the extent reasonably available, contain the following provisions:

(a) The insurer issuing the policy shall have no rights of subrogation with respect to claims against the Association or its agents, servants or employees, or with respect to claims against owners or occupants;

(b) No act or omission by any owner, unless acting within the scope of his authority on behalf of the Association, will void the policy or adversely affect the recovery on the policy;

(c) The coverage afforded by such policy shall not be brought into contribution or proration with any insurance which may be purchased by owners, their occupants or mortgagees;

(d) A "severability of interest" endorsement which shall preclude the insurer from denying the claim of an owner or occupant because of the negligent acts of the Association or other owners or occupants;

(e) Statement naming the Association as the insured;

(f) For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify any mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy;

7.2 Certificates of Insurance. An insurer which has issued an insurance policy under this Section shall issue a certificate or memorandum of insurance to the Association and, upon request, to any owner or mortgagee. Any insurance obtained pursuant to this Article shall not be cancelled until thirty (30) days after notice of the proposed cancellation has been mailed to the Association and to each owner and mortgagee to whom certificates of insurance have been issued.

7.3 Payment of Premiums. The premiums for any insurance obtained by the Association pursuant to this Declaration shall be included in the budget of the Association and shall be paid by the Association.

7.4 Payment of Insurance Proceeds. With respect to any loss to the Common Area covered by property insurance obtained by the Association, the loss shall be adjusted with the Association, and the insurance proceeds shall be payable to the Association and not to any mortgagee. Subject to the provisions of Section 7.5, the proceeds shall be disbursed for the repair or restoration of the damage to the Common Area.

7.5 Repair and Replacement of Damaged or Destroyed Property. Any portion of the Common Area which is damaged or destroyed shall be repaired or replaced promptly by the Association unless (a) repair or replacement would be illegal under any state or local health or safety statute or ordinance, or (b) Owners representing at least eighty percent (80%) of the total votes in the Association vote not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves shall be paid by the Association. If the entire Common Area is not repaired or replaced, insurance proceeds attributable to the damaged Common Area shall be used to restore the damaged area to a condition which is not in violation of any state or local health or safety statute or ordinance and the remainder of the proceeds shall either: (i) be retained by the Association as an additional capital reserve; or (ii) be used for payment of operating expenses of the Association if such action is approved by the affirmative vote or written consent, or any combination thereof, of Association members representing more than fifty percent (50%) of the votes in the Association.

ARTICLE 9

GENERAL PROVISIONS

8.1 Enforcement. The Association or any of a Lot in the Project shall have the right to enforce the Project Documents.

8.2 Term: Method of Termination. Unless terminated in accordance with this Section, this Declaration (as amended from time to time pursuant to the provisions of this Declaration, if applicable) shall continue in full force and effect for a term of twenty (20) years from the date this Declaration is Recorded, after which time this Declaration shall be automatically extended for successive periods of ten (10) years each. This Declaration may be terminated at any time if such termination is approved by the affirmative vote or written consent, or any combination thereof, of Association Members holding ninety percent (90%) or more of the votes in the Association. If the necessary votes and consents are obtained, the Board shall cause to be recorded a Certificate of Termination, duly signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the Association, with their signatures acknowledged. Thereupon this Declaration shall have no further force and effect, and the Association shall be dissolved pursuant to applicable law.

8.3 Amendments.

8.3.1 Subject to Subsection 8.3.6 of this Declaration, and except for amendments made pursuant to Subsections 8.3.2, 8.3.3 and 8.3.4 of this Declaration, this Declaration may only be amended by the written approval or the affirmative vote, or any combination thereof, of Association Members holding not less than sixty-seven percent (67%) of the votes in the Association.

8.3.2 Either the Board or the Declarant may amend this Declaration, without obtaining the approval or consent of any owner, mortgagee or other person, in

order to conform this Declaration to the requirements or guidelines of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the Veterans Administration or any federal, state or local governmental agency whose approval of the Project or the Project Documents is required by law or requested by the Declarant.

8.3.3 So long as the Declarant or any Declarant affiliate owns any Lot, Parcel or other portion of the Property, the Declarant may amend this Declaration without the consent or approval of any Owner or other Person.

8.3.4 So long as the Declarant or any Declarant Affiliate owns any Lot, Parcel or other portion of the Property, or any portion of the Additional Property, no amendment to this Declaration shall be effective unless approved by the Declarant (or unless the Declarant expressly waives in writing its right to approve such amendments).

8.3.5 Any amendment approved pursuant to Subsection 8.3.1 of this Declaration or by the Board pursuant to Subsection 8.3.2 of this Declaration shall be signed by the President or Vice President of the Association and shall be recorded. Any such amendment shall certify that the amendment has been approved as required by this Section. Any amendment made by the Declarant pursuant to Subsections 8.3.2 or 8.3.3 of this Declaration shall be executed by the Declarant and shall be recorded.

8.4 Interpretations. Except for judicial construction, the Association shall have the exclusive right to construe and interpret the provisions of this Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Association's construction of the provisions hereof shall be final, conclusive and binding as to all Persons and property benefited or bound by this Declaration.

8.5 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

8.6 Change of Circumstances. Except as otherwise expressly provided in this Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Declaration.

8.7 Rules and Regulations. In addition to the right to adopt rules and regulations on the matters expressly mentioned in this Declaration, the Association shall have the right to adopt, as part of the Association Rules, additional rules and regulation with respect to any other aspects of the Association's rights, activities and duties, provided said additional rules and regulations are not inconsistent with the provisions of other Project Documents.

8.8 Laws, Ordinances and Regulations.

8.8.1 The covenants, conditions and restrictions set forth in this Declaration and the provisions requiring owners and other persons to obtain the approval of the Board or the Architectural Review Committee with respect to certain actions are independent of the obligation of the owners and other persons to comply with all applicable laws, ordinances and regulations, and compliance with this Declaration shall not relieve an owner or any other person from the obligation also to comply with all applicable law, ordinances and regulations.

8.8.2 Any violation of any state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Property is hereby declared to be in violation of this Declaration and subject to any or all of the enforcement proceedings set forth herein.

8.9 References to this Declaration in Deeds. Deeds to and instruments affecting any Lot or Parcel or any other part of the Project may contain the covenants, conditions and restrictions herein set forth by reference to this Declaration; but regardless of whether any such reference is made in any deed or instrument, each and all of the provisions of this Declaration shall be binding upon the grantee-owner or other person through any instrument and his, her or its heirs, executors, administrators, successors and assigns.

8.10 Gender and Number. Wherever the context of this Declaration so requires, any word used in the masculine, feminine or neuter genders shall include each of the other genders, words in the singular shall include the plural, and words in the plural shall include the singular.

8.11 Captions and Title: Section References: Exhibits. All captions, titles or headings of the Articles and Sections in this Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the meaning or intent thereof. References in this Declaration to numbered Articles, Sections or Subsections, or to lettered Exhibits, shall be deemed to be references to those paragraphs or Exhibits so numbered or lettered in this Declaration, unless the context otherwise requires. Any Exhibits referred to in this Declaration are hereby incorporated herein by reference and fully made a part hereof.

8.12 Notices. If notice of any action or proposed action by the Board or any committee or of any meeting is required by applicable law, the Project Documents or resolution of the Board to be given to any owner, lessee or resident them, unless otherwise specified in the Project Documents or in the resolution of the Board, or unless otherwise required by law, such notice requirements shall be deemed satisfied if notice of such action, proposed action or meeting is: (a) sent by United States mail to the last known mailing address of the owner, lessee or resident (as applicable), as shown in the records of the Association; or (b) if no such mailing address is reflected on the records of the Association, then sent by United States mail to the mailing address of the Lot or Parcel (as applicable) if, at the time, there is a residence situated thereon; or (c) if there is no

such mailing address reflected in the records of the Association and there is then no residence situated on the applicable Lot or Parcel, then sent or given in whatever reasonable manner the Board may elect, which may include, without limitation, publishing the same in any newspaper in general circulation within Weber County, Utah. This Section shall not be construed to require that any notice be given if not otherwise required and shall not prohibit satisfaction of any notice requirement in any other reasonable and appropriate manner.

8.13 Indemnification. The Association shall indemnify each and every trustee and officer of the Association, each and every member of the Architectural Review Committee, and each and every member of any committee appointed by the Board (including, for purposes of this Section, former officers and directors of the Association, former members of the Architectural Review Committee, and former members of committees appointed by the Board) (collectively, "Association Officials" and individually an "Association Official") against any and all expenses, including attorneys' fees, reasonably incurred by or imposed upon an Association Official in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the Board serving at the time of such settlement) to which he or she may be a party by reason of being or having been an Association Official, unless the liability for such expenses arises out of his or her own intentional misconduct. No Association Official shall have any personal liability with respect to any contract or other commitment made by them or action taken by them, in good faith, on behalf of the Association (except indirectly to the extent that such Association official may also be an Association member of the Association and therefore subject to Assessments hereunder to fund a liability of the Association), and the Association shall indemnify and forever hold each such Association Official free and harmless from and against any and all liability to others on account of any such contract, commitment or action. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any Association Official may be entitled. If the Board deems it appropriate, in its sole discretion, the Association may advance funds to or for the benefit of any Association Official who may be entitled to indemnification hereunder to enable such Association Official to meet on-going costs and expenses of defending himself or herself in any action or proceeding brought against such Association Official by reason of his or her being, or having been, an Association Official. In the event it is ultimately determined that an Association Official to whom, or for whose benefit, funds were advanced pursuant to the preceding sentence does not qualify for indemnification pursuant to this Section 8.13 or otherwise under the Articles, Bylaws or applicable law, such Association Official shall promptly upon demand repay to the Association the total of such funds by advanced by the Association to him or her, or for his or her benefit, with interest (should the Board so elect) at a rate not to exceed ten percent (10%) per annum from the date(s) advanced until paid.

8.14 No Partition. No person acquiring any interest in the Property or any part hereof shall have a right to, nor shall any person seek, any judicial partition of the Common Area, nor shall any Owner sell, convey, transfer, assign, hypothecate or otherwise alienate all or any of such Owner's interest in the Common Area or any funds

or other assets of the Association except in connection with the sale, conveyance or hypothecation of such Owner's Lot or Parcel (and only appurtenant thereto), or except as otherwise permitted herein. This Section shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring or disposing of title to real property which may or may not be subject to this Declaration.

8.16 Property Held in Trust. Except as otherwise expressly provided in this Declaration, any and all portions of the Property (and of the Additional Property) which are now or hereafter held in a subdivision or similar trusts or trusts (or similar means of holding title to property), the beneficiary of which trust(s) is the Declarant or a Declarant Affiliate, shall be deemed for all purposes under this Declaration to be owned by the Declarant or such Declarant affiliate, as applicable, and shall be treated for all purposes under this Declaration in the same manner as if such property were owned in fee by the Declarant or such Declarant affiliate, as applicable. No conveyance, assignment or other transfer of any right, title or interest in or to any of such property by the Declarant or any such Declarant affiliate to any such trust (or the trustee thereof) or to the Declarant or any such Declarant affiliate by any such trust (or the trustee thereof) shall be deemed for purposes of this Declaration to be a sale of such property or any right, title or interest therein.

8.17 Number of Days. In computing the number of days for purposes of any provision of the Project Documents, all days shall be counted including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or legal holiday.

8.18 Notice of Violation. The Association shall have the right to record a written notice of a violation by any owner or occupant of any restriction or provision of the Project Documents. The notice shall be executed and acknowledged by an officer of the Association and shall contain substantially the following information: (a) the name of the owner or occupant; (b) the legal description of the Lot or Parcel against which the notice is being recorded; (c) a brief description of the nature of the violation; (d) a statement that the notice is being recorded by the Association pursuant to this Declaration; and (e) a statement of the specific steps which must be taken by the owner or occupant to cure the violation. Recordation of a notice of violation shall serve as a notice to the owner or occupant, and to any subsequent purchaser of the Lot or Parcel, that there is such a violation. If, after recordation of such notice, it is determined by the Association that the violation referred to in the notice does not exist or that the violation referred to in the notice has been cured, the Association shall record notice of compliance which shall state the legal description of the Lot or Parcel against which the notice of violation was recorded, the recording data of the notice of violation, and shall state that the violation referred to in the notice by the Association to record a notice of violation shall not constitute a waiver of any existing violation or evidence that no violation exists.

8.19 Disclaimer of Representations. Notwithstanding anything to the contrary herein, neither the Declarant nor any Declarant affiliate makes any warranties or

representations whatsoever that the plans presently envisioned for the complete development of the Project can or will be carried out, or that any real property now owned or hereafter acquired by the Declarant or by any Declarant affiliate is or will be subjected to this Declaration, or that any such real property (whether or not it has been subjected to this Declaration) is or will be committed to or developed for a particular use (or any) use, or that if such real property is once used for a particular use, such use will continue in effect. While neither the Declarant nor any Declarant affiliate believes that any of the restrictive covenants contained in this Declaration is or may be invalid or unenforceable for any reason or to any extent, neither the Declarant nor any Declarant affiliate makes any warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any owner acquiring a Lot or Parcel in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and by accepting a deed to the Lot or Parcel agree to hold the Declarant and Declarant affiliates harmless therefrom.

8.20 Amendments Affecting Declarant Rights. Notwithstanding any other provision of this Declaration to the contrary, no provision of this Declaration (including, but not limited to, this Section) which grants to or confers upon the Declarant or upon any Declarant affiliate any rights, privileges, easements, benefits or exemptions (except for rights, privileges, easements, benefits, or exemptions granted to or conferred upon Owners generally) shall be modified, amended or revoked in any way, so long as the Declarant, any Declarant affiliate or a trustee for the benefit of the Declarant or any Declarant affiliate owns any portion of the Property, without the express written consent of the Declarant.

8.21 Bulk Service Agreements.

8.21.1 The Board, acting on behalf of the Association, shall have the right, power and authority to enter into one or more Bulk Service Agreements with one or more Bulk Service Providers (each of which terms is defined below), for such term(s), at such rate(s) and on such other terms and conditions as the Board deems appropriate, all with the primary goal of providing to owners and occupants of Lots, Parcels or both within the Property, or within one or more portions thereof, cable television, community satellite television, high speed Internet, concierge or other personal service: (a) which might not otherwise be generally available to such owners and occupants; (b) at rates or charges lower than might otherwise generally be charge to owner and occupants for the same or similar services; (c) otherwise on terms and conditions which the Board believes to be in the best interests of owners and occupants generally; or (d) any combination of the foregoing.

8.21.2 If all Lots and Parcels within the Property are to be serve by a particular Bulk Service Agreement, the Board shall have the option either to: (a) include the Association's costs under such Bulk Service Agreement in the budget for each applicable fiscal year and thereby include such costs in the Annual Assessments for each such applicable year; or (b) separately bill to each owner his, her or its proportionate share of the Association's costs under such Bulk Service Agreement (as reasonably

determined by the Board and with such frequency as may be determined by the Board, but no more often than monthly) (provided that such "separate billing" may be made as one or more separate line item on billings or invoices from the Association to the affected owner(s) for Assessments or other charges). If not all Lots or Parcels within the Property will be served by a particular Bulk Service Agreement the Board shall have only the billing option described in clause (b) above.

8.21.3 The Declarant, for each Lot and Parcel, hereby covenants and agrees, and each owner other than the Declarant, by becoming the owner of a Lot or Parcel, is deemed to covenant and agree, to pay all amounts levied or charged against or to him, her or it (or his, her and its Lot or Parcel) by the Board pursuant to this Section 8.21, and all such amounts: (a) shall be deemed to be part of the Assessments against the Lots or Parcels against or to which they are levied or charged (or against or to those Owners they are levied or charged); (b) with interest, late charges and all costs, including but, not limited to, reasonable attorneys' fees, incurred by the Association in collecting or attempting to collect delinquent amounts, shall be secured by the lien for Assessments established by this Declaration; and (c) as with other Assessments, shall also be the personal obligation of each Person who was an owner of the Lot or Parcel at the time such amount became due (which personal obligation for delinquent amounts shall not pass to the successors in title of the owner unless expressly assumed by them unless title is transferred to one or more such successors for purposes of avoiding payment of such amounts or other Assessments is transferred to a Person controlling, controlled by or under common control with the owner transferring title.

8.21.4 No owner of a Lot or Parcel covered by a Bulk Service Agreement shall be entitled to avoid or withhold payment of amounts charged by the Board to such owner's Lot or Parcel under this Section 8.21, whether on the basis that such owner does not use, accept or otherwise benefit from the services provided under such Bulk Service Agreement, or otherwise. However, the Board shall have the right, at its option, to exempt from payment of such amounts any Lot or Parcel upon which no Residence or other building has been completed.

8.21.5 "Bulk Provider" means a private, public or quasi-public utility or other company which provides, or proposes to provide, cable television, community satellite television, high speed Internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services, to owners, residents, Lots or Parcels within the Property, or within one or more portions thereof, pursuant to a "Bulk Service Agreement" (as defined below).

8.21.6 "Bulk Service Agreement" means an agreement between the Association and a Bulk Provider pursuant to which the Bulk Provider would provide cable television, communication or security services, or concierge or other personal services, to owners, residents, Lots or Parcels within the Property, or within one or more portions thereof.

IN WITNESS WHEREOF, Declarant has executed this instrument as of the date first set forth above.

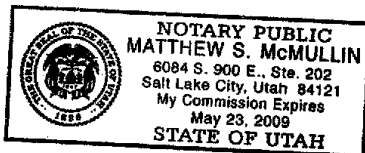
Pineview Estates, LLC.,
a Utah Limited Liability Company,

By: [Signature]

Its: Manager

State of Utah }
County of ~~Weber~~ Salt Lake } ss.

The foregoing instrument was acknowledged before me this 21st day of July 2006, by Roger D. Brockbank, a Manager of Pineview Estates, LLC, a Utah Limited Liability Company, through authority of its Operating Agreement, and acknowledged that said entity executed the same..



[Signature]
Notary Public

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EXHIBIT A

DESCRIPTION OF THE PROPERTY