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**DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS
AND RESTRICTIONS FOR
DEERWOOD FARMS SUBDIVISION
HOLLADAY, UTAH**

THIS DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR DEERWOOD FARMS SUBDIVISION (the "Declaration") is made and executed this 4th day of April 2013, by Deerwood Farms, LLC, a Utah limited liability company (the "Declarant").

RECITALS

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

DECLARATION

DECLARANT HEREBY DECLARES that all of the Lots within the Subdivision and any Additional Property hereafter made subject to this Declaration pursuant to the provisions of Section 2.5, shall be held, sold, conveyed, encumbered, leased, used, occupied and improved subject to the protective covenants, conditions, restrictions and equitable servitudes set forth in this Declaration, all of which are created for the mutual benefit of the Owners of the Lots. It is the intention of the Declarant in imposing these covenants, conditions and restrictions to create a generally uniform pattern of development, to protect and enhance the property values and aesthetic values of the Lots by eliminating inconsistent uses or improvements, all for the mutual protection and benefit of the Owners of the Lots. The covenants, conditions and restrictions are intended to, and shall in all cases run with the title of the land, and be binding upon the successors, assigns, heirs, lien holders, and any other person holding any interest in the Lots, and shall inure to the benefit of all other Lots in the Subdivision. The covenants, conditions and restrictions shall be binding upon the Declarant as well as its successors in interest, and may be enforced by the Declarant or by any Owner of a Lot within the Subdivision on the Property.

Notwithstanding the foregoing, no provisions of this Declaration shall prevent the Declarant from doing any of the following, which shall be deemed to be among Declarant's reserved rights in addition to such rights as may be described elsewhere in this Declaration: (1) installation and completion of the Subdivision Improvements; (2) use of any Lot owned by the Declarant as a model home, or for the placement of a temporary construction or sales office; (3) installation and maintenance of signs incidental to sales or construction which are in compliance with applicable City ordinances; (4) assignment of Declarant's rights under this Declaration in whole or in part to one or more builders intending to construct homes within the Subdivision; and (5) amendment of this Declaration and recordation of a Plat for future Phases of the Subdivision.

COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS:

ARTICLE I

DEFINITIONS

Unless the context clearly requires the application of a more general meaning, the following terms, when used in this Declaration, shall have the following meanings:

"Additional Property" means the land that may be added to the Subdivision in accordance with the provisions of Section 2.5.

"Amendment" means any amendment to this Declaration.

"Approved Contractor" shall mean a general contractor approved by Declarant or the Architectural Committee as provided herein.

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

"Architectural Design Standards" shall mean and refer to those guidelines and regulations created by the Declarant for the design and construction of Dwellings and other Improvements within the Subdivision.

"Association" shall mean Deerwood Farms Homeowners Association, whether incorporated or not, and as the context requires, the officers and directors of that Association.

"Building Pad" shall consist of either (i) the area designated upon the Plat where a Dwelling or other building may be located, or (ii) if no such area is designated upon the Plat, the area located within the Lot boundaries, reduced however, by all setbacks which are required by the terms of this Declaration or by appropriate governmental agencies.

"City" shall mean Holladay City, Utah, and its appropriate departments, officials, and boards.

"Common Areas and Facilities" shall mean the areas designated on the Plats as common areas, and shall include Private Roads, which areas shall be owned and maintained by the Association for the benefit of all Lots within the Subdivision.

"Compliance Procedures" has the meaning set forth in Section 3.1 below.

"Declarant" shall mean and refer to Deerwood Farms, LLC, a Utah limited liability company, and any successor in the ownership of Lots where ownership is conveyed in connection with a total or limited assignment and assumption of Declarant's rights and obligations under this Declaration.

"Declaration" shall mean this Declaration of Covenants, Conditions, Easements and Restrictions, together with any subsequent amendments or additions. The Subdivision Plat(s) for Deerwood Farms Subdivision, and the easements and other matters shown on any such Plat, are also incorporated into this Declaration by reference.

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

"Improvement" shall mean all structures and appurtenances of every type and kind, including but not limited to buildings, Dwellings, garages, storage buildings, walkways, retaining walls, sprinklers, pipes, driveways, fences, landscaping, pools, decks, stairs, poles, lighting, signs, satellite dishes or other antennas, and any mechanical equipment located on the exterior of any building.

"Lot" shall mean any numbered building Lot shown on any Plat of all or a portion of the Subdivision.

"Owner" shall mean the Person or Persons having title to any Lot. Owner shall mean the person holding fee simple title, including the Declarant, and buyers under any contract for deed, but shall exclude any person or entity holding title for purposes of securing performance of an obligation.

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

"Phases" mean the phases of the Subdivision. Declarant intends to record a Plat for each Phase, and to amend this Declaration concurrent with the recordation of the Plat for each Phase to ensure that all Lots in the Subdivision are subject to this Declaration.

"Plat" or "Plats" shall mean the official subdivision plat for each Phase of Deerwood Farms Subdivision as approved by Holladay City and Salt Lake County and recorded in the office of the Salt Lake County Recorder, as it may be amended from time to time.

"Private Roads" shall mean all of the undedicated roads and streets within the Subdivision as designated within the Plat, which shall be owned by Declarant and over which

Declarant grants an easement for ingress and egress for pedestrian and vehicular traffic and for utilities for the use, in common, of the Owners and their respective guests and invitees.

"Property" shall have the meaning set forth in the Recitals.

"Subdivision" shall mean Deerwood Farms Subdivision, and all Lots, Common Areas and Facilities and other property within the Subdivision as shown on the Plats for each Phase of the Subdivision and any Additional Property acquired by Declarant.

"Subdivision Improvements" shall mean all subdivision improvements to be installed outside of the boundaries of Lots or within easements as identified on the Plat that are necessary to provide (i) public road access and utility service to the Lots, (ii) the improvements within the Common Areas and Facilities, (iii) water features and landscaping, (iv) all other construction work required to comply with any conditions of the City or other governmental agencies to the approval of the Subdivision or any Plat thereof.

"Supplemental Declaration" has the meaning set forth in Section 2.5 below.

"Trustees" shall mean the duly elected and acting Board of Trustees of Deerwood Farms Homeowners Association, whether incorporated or not.

ARTICLE II

PROPERTY DESCRIPTION; PROPERTY RIGHTS

2. The Property which is and shall be held, transferred, sold, conveyed and occupied subject to the provisions of this Declaration consists of the real property situated in Salt Lake County, State of Utah and more particularly described on Exhibit A attached hereto and incorporated herein by reference.

2.1 Public Use of Private Roads. The Private Roads shall be made available for use by the public in accordance with their intended use. Any person using such Private Roads shall not have the status of an invitee or licensee to whom a duty of care is owed, and the Declarant, Association and the Owners assume no responsibility for or shall incur any liability for any injury to persons or property caused by the act or omission of the person or any other person who enters upon such areas.

2.2 Easement Concerning Common Areas and Facilities. Each Lot (and the Owner thereof) shall have appurtenant thereto a nonexclusive right and easement of use and enjoyment in and to the Common Areas and Facilities for their intended purposes. Such right and easement shall be appurtenant to and shall pass with title to each Lot (and subsequent Owners) and shall in no event be separated there from.

2.3 Utility Easements. Each Lot is subject to appurtenant easements for underground lines for utility purposes as depicted on the Plat. If any Owner utilizes such easement rights with respect to his Lot, he shall be responsible for the restoration to its former state of any portion of

the Common Areas and Facilities, which may have been disturbed or damaged as a result. No permanent structures may be constructed within the area of public utility easements designated on a Plat, and Owners shall refrain from taking any other action that would limit the use of the public easement areas for their intended purpose.

2.4 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 Areas and Facilities. There is also created an easement for ingress and egress for pedestrian and vehicular traffic over, through and across such public street 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 of the Lots and their guests, families, tenants and invitees. There is also hereby created an easement upon, across and over the Common Areas and Facilities for vehicular and pedestrian ingress and egress for police, fire, medical and other emergency vehicles and personnel.

2.5 Additional Property. Declarant may, from time to time, and without the consent of any Owners, expand the Property subject to this Declaration by the annexation of all or part of the lands constituting the Additional Property. No amendment to this Declaration will be required to effect such action. Subject to compliance with the conditions imposed by this section, the annexation of any such property shall become effective upon the recordation of a supplemental declaration ("Supplemental Declaration") which (a) is signed by the then owner(s) of such Additional Property as Declarant; (b) describes the property to be annexed; (c) declares that the annexed property is to be held, transferred, sold, conveyed, and occupied as part of the Property subject to this Declaration; and (d) sets forth such additional limitations, restrictions, easements, covenants and conditions, not inconsistent with those of this Declaration, as are applicable to the annexed land. When any such annexation becomes effective, the annexed land shall become part of the Property and the Subdivision and subject to the provisions of this Declaration and any amendment or supplement thereto. Declarant's right to annex land to the Project shall be subject to the holder of each mortgage, deed of trust or other security device affecting any part of the Additional Property being annexed into the Subdivision must consent, through appropriate instruments recorded in the Public Records to the recordation of the Supplemental Declaration and to the Plat to which such Supplemental Declaration relates.

2.6 No Obligation to Annex. Declarant has no obligation hereunder to annex any Additional Land to the Subdivision or to develop or preserve any portion of Additional Property in any particular way or according to any particular time schedule. No land other than the Property, as defined on the date hereof, and land annexed thereto in accordance with the terms of Section 2.5, shall be deemed to be subject to this Declaration, whether or not shown on any subdivision plat filed by Declarant or described or referred to in any documents executed or recorded by Declarant.

ARTICLE III

HOMEOWNER ASSOCIATION

3. To effectively enforce the covenants in this Declaration, the Declarant has created, or will create, a Utah non-profit corporation called Deerwood Farms Homeowners Association. The Association shall be comprised of the Owners of Lots within the Subdivision, and is established to perform the following functions and exercise the following rights and powers for the benefit of the Owners and the enforcement of the covenants set forth in this Declaration. Membership in the Association is deemed an appurtenance to the Lot, and is transferable only in conjunction with the transfer of the title to the Lot. The Association shall have and exercise, as necessary, the following powers:

3.1 Enforcement Powers. The Association shall have the power to enforce the covenants in this Declaration by actions in law or equity brought in its own name, the power to retain professional services needed for the enforcement of the covenants in this Declaration and to incur expenses for that purpose. The officers of the Association shall have the authority to compromise claims and litigation on behalf of the Association resulting from the enforcement of this Declaration. The Trustees of the Association shall have the exclusive right to initiate enforcement actions in the name of the Association; however, this shall not limit the individual rights of Owners to personally enforce the covenants of this Declaration in their own name. The Association may appear and represent the interests of the Subdivision at all public meetings concerning zoning, variances, or other matters of general application and interest to the Owners. Owners may appear individually. The Association is expressly authorized to implement a notification and fine system (the "Compliance Procedures") for violations of the covenants in this Declaration. In the event that the Association later amends such Compliance Procedures, the Association will distribute an updated version of such Compliance Procedures to each Owner. Notwithstanding the foregoing, an Owner's failure to receive a copy of the updated Compliance Procedures shall in no way constitute a defense to any fine or penalty that may be imposed by the Association in accordance with such Compliance Procedures.

3.2 Maintenance of the Private Roads. The Association shall be responsible for the maintenance of the Private Roads, and shall maintain those areas generally in their existing condition after completion of Subdivision Improvements. The Association shall have the authority to assess its members for the cost of maintaining the Private Roads. In addition, the Association shall enforce the restrictions of the easements and this Declaration applicable to the Private Roads, and shall assess Owners for the costs of such enforcement.

3.3 Use and Maintenance of the Common Areas and Facilities. Use of Common Areas and Facilities shall be governed by rules to be promulgated by the Association. The Association shall be responsible for the maintenance of the Common Areas and Facilities, and shall maintain those areas generally in their existing condition after completion of Subdivision Improvements. The Association shall have the authority to assess its members for the cost of maintaining the Common Areas and Facilities. In addition, the Association shall enforce the restrictions of the easements and this Declaration applicable to the Common Areas and Facilities, and shall assess Owners for the costs of such enforcement.

3.4 Other Maintenance. Until such time as public maintenance of roads and utility lines has been assumed by the City, if at all, the Association shall be responsible for any such maintenance, and shall have the power to make assessments against the Owners, including the Owners of Lots that have not been improved with a Dwelling, for purposes of providing this service.

3.5 Assessments. The Association has the power to levy assessments against each Lot as necessary to carry out these functions. All assessments will be equal on all Lots, whether vacant or improved; provided, however, that assessments shall not be imposed on any Lots held by the Declarant for sale until such time as the Declarant sells, transfers and conveys Lots to third-party buyers. Assessments will be made annually to meet the anticipated and recurring costs, expenses and other expenditures of the Association including, but not limited to, the costs of maintenance, acquisition, repair and replacement of the Common Areas and Facilities, and Private Roads, liability insurance, any water for irrigation of areas within the control of the Association not provided by the City, reimbursement of expenses incurred by the Trustees and Architectural Committee in performance of their obligations, the costs of complying with and enforcing rights under this Declaration, and working capital, capital improvements and contingency reserves. Notice of the assessment and the proposed amount of the annual assessment will be given in advance along with the notice of the annual meeting of the Association, provided that the amount of the proposed assessment may be increased or decreased at the meeting in which it is approved by the Owners. The Association may also levy special assessments to cover unanticipated expenses or shortfalls. No special assessment will be levied without approval of a majority of a quorum of the Owners in attendance in person or by proxy at a meeting called for that purpose. Annual assessments shall be paid in equal monthly installments, which shall be due and payable on the first day of each month. If a monthly installment is not paid within five (5) days of the date on which it is due, the Owner shall be required to pay a late fee of \$25. The schedule for payments and the late fee may be changed by the Board of Trustees.

3.6 Assessments Constitute Lien: Mortgagee Protection. Any validly imposed assessment by the Association shall constitute a lien against the Lots in the Subdivision. The lien for an unpaid assessment shall be effective upon recordation in the office of the Salt Lake County Recorder of a written Notice of Lien by the Association. Unpaid assessments will bear interest from the date such assessments are due until paid in full at the greater of (i) eighteen percent (18%) per annum and (ii) the lawful judgment rate under applicable state law. The Association shall have the right to foreclose on that lien under the procedures available for the foreclosure of trust deeds in the State of Utah when any assessment remains unpaid for a period of more than sixty (60) days from the date the assessment was levied. Alternatively, if the lien is not foreclosed upon, it may be renewed from year to year by recording a new Notice of Lien, together with accumulated interest. The lien of the Association against any Lot shall have priority from the date that the first Notice of Lien on a specific Lot is recorded in the office of the Salt Lake County Recorder, and is subordinate to any previously recorded liens or encumbrances filed against that Lot, specifically including any purchase money mortgage or trust deed. Notwithstanding the lien rights of the Association, the obligation to pay assessments is a personal obligation of the Owner of each Lot, and the Association may proceed to collect against

the Owner, or the prior Owner of any Lot (in the event of a sale) without any obligation to first take recourse against the Lot and improvements to which the lien has attached. No mortgagee or beneficiary under a Trust Deed who takes title by foreclosure or non-judicial sale, or accepts a deed in lieu of foreclosure or non-judicial sale, shall be held liable for the unpaid assessments of the Owner whose Lot was acquired by the mortgagee or beneficiary under a Trust Deed.

3.7 Initial Assessment. Concurrent with each Owner's purchase of a Lot from Declarant, Owners shall be required to pay to Declarant a one-time initial assessment in the amount of \$50,000, to cover the anticipated costs, expenses and other expenditures of Declarant in providing the installation and completion of the Subdivision Improvements.

3.8 Statement of Account. Any Owner may request the Association to provide a statement of his account to any lender or prospective buyer of that Lot showing the assessments to be paid in full, or the amount of any past due assessments. The buyer or lender for whom such a statement was prepared will be entitled to rely on its accuracy, and will not be held liable for any amounts not shown on the statement.

3.9 Indemnity of Association Trustees and Officers. The Association will indemnify the officers, agents and Trustees of the Association against any and all claims arising against them personally which are a result of the good faith exercise of the powers, duties and responsibilities of their office under this Declaration.

3.10 Election. Unless otherwise provided in the Bylaws of the Association, in the elections for members of the Board of Trustees, or any other matter which is presented to the Association, each Owner, including the Declarant, shall be entitled to cast one (1) vote for each Lot he or she owns. In the case of a Lot with multiple Owners, the Owners will agree among themselves how the vote applicable to that Lot will be cast, and if no agreement can be reached, no vote will be received from that Lot. Any of the multiple Owners appearing at the meeting in person or by proxy is deemed to be acting with proper authority for all of the other Owners of that Lot unless the other Owners are also present or have filed written objections to that Owner's representation of the other Owners of the Lot in question.

3.11 Notice of Election; Notice of Meeting. Unless otherwise provided in the Bylaws of the Association, notice of any meeting for the election of members to the Board of Trustees or for any other purpose shall be sent to the Owners at their last known address (which may be determined from the most recent property tax assessment if no other address is known). Notice will be mailed not less than 10 days, or more than 60 days in advance of the meeting. Any notice will state the purpose of the meeting, and the time, date and place of meeting. At any such meeting, a quorum will exist if the Owners of 51% of the Lots are present in person or by written proxy, and notice was properly given. Those present at the meeting may vote to continue the meeting to any date within 30 days. Notice of the continued meeting will be given by mail, and at the subsequent continued meeting, a quorum will consist of those members present. The Chairman of the Board of Trustees will give notice of any meetings, and will chair meetings of the Owners.

3.12 Special Meeting. When circumstances warrant, a special meeting of the Owners may be called as provided in the Bylaws. No business may be conducted at a special meeting without a full quorum of the Owners of 51% of the Lots being present in person or by written proxy.

3.13 Number of Trustees; Term of Office. Unless otherwise provided in the Bylaws of the Association, there shall be three (3) members of the Board of Trustees, who will serve for terms of three (3) years, or until their successors have been elected. At such time as the first Board of Trustees is named by election from among the Members, the Trustees will draw lots to divide themselves into terms of one, two and three years. Members of the Board of Trustees may serve consecutive terms. Declarant shall have the right to appoint the initial members of the Board of Trustees. At the time 50% of the Lots in all Phases are sold to persons other than the Declarant, one (1) Trustee will be elected by the Members. At the time that all Lots in all Phases are sold to persons other than the Declarant, or such earlier time as may be determined by the Declarant in its sole discretion, the two (2) Trustees appointed by the Declarant shall resign, and replacement Trustees will be elected by the Members.

ARTICLE IV

ARCHITECTURAL COMMITTEE

4. It is the intention and purpose of these covenants, conditions and restrictions to impose architectural standards on the Improvements to any Lot of a type and nature that result in improvements which are architecturally compatible in terms of Lot coverage, proportion, materials, colors, and general appearance, while at the same time allowing for diversity in style and design appropriate for a rural setting. To accomplish this goal, the Declarant hereby establishes the Architectural Committee, which is empowered to oversee and enforce the Architectural Design Standards set forth in this Declaration.

4.1 Architectural Committee Created. The Architectural Committee will consist of three (3) members, at least two of whom shall be members of the Board of Trustees of the Association. The initial Architectural Committee will consist of three (3) people appointed by the Declarant, who do not need to be Owners. At the time 50% of the Lots in all Phases are sold to persons other than the Declarant, one (1) member of the Committee will be elected from the Board of Trustees, other than a representative of the Declarant. At the time that all Lots in all Phases are sold to persons other than the Declarant, all of the members of the Architectural Committee will be elected by the Owners.

4.2 Approval by Committee Required. No Improvements of any kind, including without limitation the construction of any Dwelling, garage, out-building, parking area, driveway, tennis court, sport court, walkway, or other hard surfaced area in excess of 100 square feet, swimming pools, outdoor hot tubs or spas, fences, walls, curbs, poles, trampolines, satellite dishes or antenna, solar panels, or any other permanent structure may be constructed, erected, or installed in the Subdivision without the prior consent of the Architectural Committee. No excavation, grading, filling, draining, landscaping, or installation or removal of existing vegetation with an estimated cost of greater than \$500 shall be made without the advance written

consent of the Architectural Committee. Approval of the Architectural Committee will be sought in the following manner:

(a) Plans Submitted. Plans for the construction of any new Dwelling must be submitted to the Architectural Committee for review. It is recommended that a preliminary plan be submitted before the expense of final construction drawings is incurred. The plan must be in sufficient detail to show the location on the Lot of the exterior walls of the Dwelling and all other structures to be built with it; detailed drawings of all elevations of all buildings showing locations of windows, doors, roof pitches, decks and other exterior elements; a list of exterior siding and roofing materials and/or a sample, including color samples; and a landscape plan showing the location of landscaped areas, fences (including fence design), driveways, walkways, patios, decks and other hard surfaced or irrigated areas and the areas to be disturbed by construction and the means of restoring those areas. In the case of an addition or modification of an existing Dwelling, the Architectural Committee may waive any of the foregoing it feels are unnecessary to its review of the remodel or addition. All plans and specifications shall be consistent with the Architectural Design Guidelines.

(b) Review Fee. The applicant may be required to pay a review fee to the Architectural Committee in an amount necessary to cover the costs of review and the administration of the program in an amount to be established from time to time by the Architectural Committee. The initial review fee, which may be adjusted from time to time by the Architectural Committee in its sole discretion, shall be \$150 for each new Dwelling; \$50 for each addition or remodel; or \$25 for construction that makes no structural changes. In addition, the Architectural Committee may assess a fee for the professional review of the plans in accordance with the provisions of Section 4.4 below. No fee will be accepted until the President of the Architectural Committee considers the submission complete.

(c) Review. Within fifteen (15) days from receipt of a complete submission, the Architectural Committee will review plans and make an initial determination whether or not the plans comply with the conditions imposed by the Declaration. If they do not, the plans will be rejected. If they are in compliance, the Architectural Committee will approve the plans. The Architectural Committee may also approve the plans subject to specific modifications or conditions. Owners may desire to submit preliminary plans for review. The Architectural Committee will review preliminary plans, without fee, and make its comments known to the Owner; provided, however, that no preliminary approval is to be considered a final approval, and no final approval will be granted on less than a complete submission. Upon approval, the Architectural Committee and the Owner will each sign a copy of the plans, which shall be left with the Architectural Committee. No construction that is not in strict compliance with the plans approved will be permitted.

(d) Written Record. The Architectural Committee will maintain a written record of its actions, and maintain in its files a copy of all plans approved or rejected for a period of five (5) years. The Architectural Committee will also provide evidence of this approval for the City if requested by the Owner.

(e) Failure to Act. If the Architectural Committee has not approved or rejected any submission within forty-five (45) days after payment of the review fee and submission of complete plans, the submission is deemed to have been approved.

4.3 Variances. Variances to the Architectural Design Guidelines or design standards contained in this Declaration may be granted when strict application would create an unforeseen or unreasonable hardship to the Owner of any Lot. During the period in which Declarant controls the Architectural Committee, the Architectural Committee shall have the authority to grant variances without approval of the Owners. After Declarant has turned control of the Architectural Committee over to the Association, no variance of any kind may be granted without the consent of at least 50% of the Owners in the Subdivision at a meeting called for that purpose. The Architectural Committee, or the Owners as a whole, cannot grant any variance that has the effect of modifying applicable City zoning or building code regulations. The burden of obtaining a variance is entirely on the applicant, including the costs of notice.

4.4 Costs of Professional Review. The Architectural Committee may engage the services of an architect, or civil or structural engineer to assist in its review of any proposed Improvements on a case by-case basis or may elect to require the review of a design professional for every application. All costs of such additional review will be paid by the applicant; provided, however, that no architect or engineer will be hired without advance notice to the applicant of the intention to hire a review architect or engineer and the estimated cost of that review. The costs of such review must be paid by the applicant prior to the commencement of any review. If the applicant does not withdraw the proposal within five (5) days after receipt of that notice, he is deemed to have consented to the Architectural Committee retaining such professional assistance. Whenever the Architectural Committee retains outside professional services in its review, the reviewing architect or engineer is acting only in an advisory capacity, and the applicant, for himself and his successors and assigns, waives any and all claims against the Architectural Committee in the event that advice from, or conditions imposed by, the reviewing professional prove ineffective, unnecessary, or inappropriate to the circumstances.

4.5 General Design Review. The Architectural Committee will use its best efforts to provide a consistent pattern of development, and consistent application of the standards of the Architectural Design Guidelines and of this Declaration. These standards are, of necessity, general in nature, and it is the Architectural Committee's responsibility to apply them in a manner that results in a high quality, attractive, and well-designed community. In deciding whether to approve or disapprove plans and specifications submitted to it, the Architectural Committee shall use its best judgment to insure that all Improvements on Lots within the Subdivision conform to and harmonize with the Architectural Design Guidelines, existing surroundings and structures, and that such proposed Improvements enhance the value and aesthetics of the Subdivision.

4.6 Declarant, Trustees and Committee not Liable. The Declarant, the Trustees, and the Architectural Committee and its members shall not be liable to the applicant for any damages, or to the Owners of any Lots within the Subdivision for their actions, inactions, or approval or disapproval of any set of plans submitted to the Architectural Committee for review. In the absence of bad faith or malicious actions, the Owners shall have no claims against the

Declarant, the Association, the Trustees or Architectural Committee as a result of the performance or failure to perform the duties created by this Declaration. Each Owner has the right to enforce these covenants against every other Owner.

4.7 Limitations on Review. The Architectural Committee's review is limited to those matters expressly granted in this Declaration. The Architectural Committee shall have no authority over the enforcement of building codes, zoning ordinances, or other statutes, laws, or ordinances affecting the development or improvement of real property and shall have no liability to any Owner whose plans were approved in a manner that included any such violation. Corrections or changes in plans to bring them into conformity with applicable codes must be approved by the Architectural Committee prior to construction.

4.8 Approval of Contractor. In order to provide better assurances that the provisions of this Declaration will be carried out during the construction and improvement of Lots, Declarant has reserved the right to approve the identity of those individuals and/or companies who may act as a general contractor on behalf of an Owner in the construction of a Dwelling or other Improvements to be located upon a Lot within the Subdivision, all in accordance with the terms herein contained. Declarant may delegate the right to approve such general contractors on a lot-by-lot basis to the Architectural Committee. The Declarant, or, if applicable, the Architectural Committee, shall maintain a list of Approved Contractors. In order to obtain status as an Approved Contractor, a general contractor shall be required to submit a portfolio and provide all information requested by the Declarant. Each Owner covenants and agrees by accepting title to a Lot, that such Owner shall use only an Approved Contractor as Owner's contractor for the construction of a Dwelling and related Improvements upon a Lot located within the Subdivision.

4.9 Holladay City Approval. The powers and approvals of the Architectural Committee shall be subject to the powers and approvals of Holladay City and/or Salt Lake County.

ARTICLE V

USE RESTRICTIONS ON ALL LOTS

5. The following restrictions on use apply to all Lots within the Subdivision:

5.1 Zoning Regulations. The lawfully enacted zoning regulations of Holladay City, and any building, fire, and health codes are in full force and effect in the Subdivision, and no Lot may be occupied in a manner that is in violation of any such statute, law, or ordinance.

5.2 No Mining Uses. The property within the Subdivision shall be used for residential purposes only, and no mining, drilling, prospecting, mineral exploration or quarrying activity will be permitted at any time.

5.3 Limited Business or Commercial Uses. No portion of the Subdivision may be used for any commercial business use; provided, however, that nothing in this provision is

intended to prevent any Owner from maintaining a home office for personal use or a home-based business such as a one-chair beauty salon that does not generate a significant amount of traffic or require more than one employee who is not a member of the Owner's immediate family. An Owner must obtain a business license from the City and observe all rules and regulations imposed by the City and/or the Association in order to operate a home-based business.

5.4 Restrictions on Signs. The Subdivision may be identified on one or more signs to be permanently maintained by the Association at the Subdivision entrance. No signs will be permitted on any Lot or within the Subdivision, except for traffic control signs placed by the City or at the direction of the Association, temporary signs warning of some immediate danger, or signs not in excess of six square feet identifying the contractor and/or architect of any Dwelling unit while it is under construction, Signs indicating the Lot is for sale may be placed in accordance with City sign regulations, and no such sign may exceed three square feet. The Declarant may erect a sign at the entrance to the Subdivision announcing the availability of Lots and giving sales information. No permanent signs stating the address or the name of the Owner of the Lot may be installed without the advance consent of the Architectural Committee.

5.5 Completion Required Before Occupancy. No Dwelling may be occupied prior to its completion and the issuance of a certificate of occupancy by the City. In addition, the Architectural Committee may bar occupation of a Dwelling if garage doors or other exterior features have not been completed.

5.6 Dwelling to be Constructed First. No garage, storage unit, or other out-building may be constructed prior to the construction of the Dwelling on the Lot.

5.7 Animals. The following types of animals are prohibited on the Lots: large animals or farm animals such as cows, pigs/hogs, horses, goats, sheep, chicken, pheasants or similar fowl. Ordinary household pets are permitted.

5.8 Underground Utilities. All gas, electrical, telephone, television, and any other utility lines in the Subdivision are to be underground, including lines within any Lot which service installations entirely within that Lot.

5.9 Service Yards. There shall be no clothes lines, storage yards, or storage yards. No mechanical equipment may be maintained outside of garages.

5.10 Maintenance of Property. All Lots, and the Improvements on them, shall be maintained in a clean, sanitary, attractive and marketable condition at all times. No Owner shall permit his Lot or the Improvements on it to fall into disrepair.

5.11 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried out on any Lot, including the creation of loud or offensive noises or odors that detract from the reasonable enjoyment of nearby Lots.

5.12 No Hazardous Activity. No activity may be conducted on any Lot that is, or would be considered by a reasonable person to be unreasonably dangerous or hazardous, or

which would cause the cancellation of a conventional homeowner's insurance policy. This includes, without limitation, the storage of caustic, toxic, flammable, explosive or hazardous materials in excess of those reasonable and customary for household uses, the discharge of firearms or fireworks, and setting open fires (other than properly supervised and contained barbecues or fires within a properly installed fire pit).

5.13 No Unsightliness. No unsightliness is permitted on any Lot. This shall include, without limitation, (i) the open storage of any building materials (except during the construction of any Dwelling or addition); (ii) open storage or parking of farm or construction equipment, trucks larger than pick-up trucks or inoperable motor vehicles; (iii) outdoor parking of boats, trailers, motor homes, camper shells, campers or other types of recreational vehicles or equipment for longer than a two-day period (i.e., one day before or after use for loading or unloading and cleaning); (iv) accumulations of lawn or tree clippings or trimmings, except as stored in tight containers in an enclosure such as a garage; (v) accumulations of construction debris or waste; (vi) storage or maintenance of household refuse or garbage except as stored in tight containers in an enclosure such as a garage; (vii) the placement of lawn or garden furniture in areas visible to public streets except during the season of use or under covered decks or patios; and (viii) the storage or accumulation of any other material, vehicle, or equipment on the Lot in a manner that it is visible from any other Lot or any public street. Failure to observe the restrictions of this Section 5.13 may result in the imposition of fines or other penalties under the Compliance Procedures. All boats, trailers, motor homes and other recreational vehicles shall be stored in enclosed garages within the Building Pad.

5.14 No Annoying Lights. Any outdoor lighting shall be subject to approval by the Architectural Committee, and no outdoor lighting shall be permitted except for lighting that is designed to aim downward and limit the field of light to the confines of the Lot on which it is installed. This shall not apply to street lighting maintained by the City. Lighted tennis or sports courts are permitted, provided that the Owner does not operate such lights after 12:00 a.m.

5.15 No Annoying Sounds. No speakers or other noise making devices may be used or maintained on any Lot which create noise that might reasonably be expected to be unreasonably or annoyingly loud from adjoining Lots, except for security or fire alarms.

5.16 Sewer Connection Required. All Lots are served by sanitary sewer service, and no cesspools, septic tanks, or other types of waste disposal systems are permitted on any Lot. All Dwellings must be connected to the sanitary sewer system.

5.17 Fuel Storage. All fuel, oil, gasoline, propane, or other fuel storage tanks must be placed indoors or screened from view of other Lots or public streets. Dwellings shall be heated with natural gas, solar, or electric heat.

5.18 Drainage. No Owner shall alter the direction of natural drainage from his Lot, nor shall any Owner permit accelerated storm run-off to leave his Lot without first using reasonable means to dissipate the flow energy.

5.19 Vehicles Restricted to Roads. No motor vehicle will be operated on the Subdivision except on improved roads and driveways. No snowmobiles or motorcycles will be operated on any Lot except for ingress and egress or while loading the equipment for lawful transport on public streets.

5.20 Kennels. No kennel or dog run may be placed closer than fifty (50) feet to any Dwelling other than that of the Owner of the kennel. No wire fencing shall be allowed which is unscreened from the view of adjoining Lots.

5.21 No Transient Lodging Uses. The Lots are to be used for residential housing purposes only, and shall not be rented in whole or in part for transient lodging purposes, boarding house, "bed and breakfast," or other uses for providing accommodations to travelers. No lease of any Dwelling on a Lot shall be for a period of less than thirty (30) days. No Dwelling on a Lot shall be subjected to time interval ownership. Owner shall provide any renter a copy of this Declaration and shall ensure such renter's compliance therewith. In the event that a renter fails to comply with the terms of this Declaration, the Association may seek redress from the Owner.

5.22 No Re-Subdivision. No Lot may be re-subdivided.

5.23 Combination of Lots.

(a) Authority to Combine Lots. Subject to the provisions of this Declaration and the limitations set forth in this Section, any Owner may combine two or more adjoining Lots within the Subdivision.

(b) Dwelling Placement. The square footage of the living area in the Dwelling on the combined Lots should be concentrated at the center of the combined Lots, and should not be placed entirely, or predominately, on one of the Lots.

(c) Combination Deemed Permanent. The combination of Lots is deemed to be permanent and the Lots may not be independently sold once construction has commenced on the Improvements for the combined Lot. The Owner of any Lots that have been combined will execute and deliver to the Architectural *Committee* a notice in recordable form, containing the name of the Owner and the legal description of the Lots combined, which Notice will state that the two Lots have been combined and cannot subsequently be subdivided. The Architectural Committee shall record this Notice with the Salt Lake County Recorder upon the commencement of construction of the Dwelling on the combined Lots. The Owner shall pay the costs associated with recordation of the Notice.

5.24 Parking. There shall be no parking of vehicles on streets within the Subdivision. Violators may be towed by the Association at their own expense.

5.25 Exception for Declarant. Notwithstanding the restrictions contained in this Article V and Article VI, for the seven (7) years following the date on which this Declaration is filed for record in the office of the Salt Lake County Recorder, or seven (7) years following the date on

which an Amendment is filed for record in the office of the Salt Lake County Recorder, Declarant shall have the right to use any Lot or Dwelling owned by it on the Property or in any subsequent Phase in furtherance of any construction, marketing, sales, management, promotional, or other activities designed to accomplish or facilitate improvement and/or sale of all Lots owned by the Declarant.

ARTICLE VI

ARCHITECTURAL RESTRICTIONS ON IMPROVEMENTS

6. All Improvements on any Lot shall be subject to the following restrictions and architectural design standards:

6.1 Number of Dwellings. Only one Dwelling may be constructed on any Lot. No other storage building, outbuilding or habitable structure may be permitted on any Lot without the prior written approval of the Architectural Committee.

6.2 Dwelling Setback and Placement. All portions of the Dwelling are to be within the Building Pad (i.e., the minimum front, rear and side yard setbacks as shown on the Plat) or as required by Holladay City.

6.3 Antennas; Solar Equipment. All antennas must be enclosed within the Dwelling. Any satellite dishes in excess of 24 inches in diameter must be located and screened in a manner approved in advance by the Architectural Committee so that they are not directly visible from adjoining Lots. Solar panels will be permitted only with the consent of the Architectural Committee, and if permitted at all, must lie flat against the roof and may not differ in pitch or color from the roof surface on which they are mounted.

6.4 No Used or Temporary Structures. No previously erected, used, or temporary structure, mobile home, trailer house, or any other non-permanent structure may be installed or maintained on any Lot.

6.5 Balconies and Decks. The area under any deck shall not be used for storage of equipment, firewood, building material, or similar material.

6.6 Fire Sprinklers. Dwellings may be equipped with an automatic fire sprinkler system in accordance with the ordinances of Holladay City and/or Salt Lake County or, in the absence of an ordinance, not provided.

6.7 Garage Doors. All garage doors shall be installed prior to occupancy and may maintain the likeness and appearance of wood or other materials approved by the Architectural Committee. All garage doors shall be of earth tone colors to complement the exterior colors selected.

6.8 Paving. Driveways and other paved areas, including their location, are part of the design review process and are subject to review and approval by the Architectural Committee.

Driveway and other flat paved areas generally may be composed of concrete, exposed aggregate concrete, stamped concrete, quarry tile, brick or paving blocks. Gravel driveways are not permitted. Asphalt driveways are permitted only in side yards for outbuildings.

6.9 Pools, Spas, Fountains, Gamecourts, Etc. Pools, spas, fountains, gamecourts, children's play sets, etc. shall be approved by the Architectural Committee and shall be located to avoid impacting adjacent properties with light or sound. No gamecourt shall be located in front or side yards. Pool heaters and pumps must be screened from view and sound insulated from neighboring houses. Nothing herein shall be construed as permitting the construction of skateboard areas and/or ramps, which structures shall be prohibited.

6.10 Mailboxes. Each Owner shall install and maintain a brick or rock mailbox at a location approved by the United States Postal Service, and in a design approved by the Architectural Committee.

6.11 Mechanical Equipment. All air conditioning, heating equipment, and soft water tanks must be screened from view and insulated for sound attenuation. Air conditioning units are not permitted on roofs or through windows unless screened from view and approved by the Architectural Committee. Swamp coolers are not permitted.

6.12 Metal Awnings. Metal awnings, metal "lean-tos", or metal patio covers shall not be permitted on any Lot.

ARTICLE VII

CONSTRUCTION COVENANTS

7. In order to minimize the inconvenience to adjoining Owners during periods of construction within the Subdivision, the following construction regulations shall be enforced. These regulations shall be made a part of the construction contract between the Owner and the builder of each Dwelling or other Improvements on a Lot. The Owner shall be bound by these regulations, and violations committed by the builder or its employees, sub-contractors or others shall be deemed a violation by the Owner for which Owner is liable.

7.1 Pre-Construction Conference. Prior to the commencement of construction, the Owner and builder will meet with the Architectural Committee to review these regulations and coordinate the construction activities within the Subdivision. At the conference, or prior to the Architectural Committee granting its approval, the Owner or builder must supply a construction site plan showing the location of material storage areas, the portable toilet, any construction office or trailer, and the trash dumpster. This plan must be approved by the Architectural Committee prior to the commencement of construction.

7.2 Portable Office or Trailer. Any builder who desires to bring a portable office or trailer on to a Lot shall first apply for and receive written approval from the Architectural Committee. The Architectural Committee will work closely with the builder and Owner to determine the best possible location for the portable office. The portable office will be located in

a location approved by the Architectural Committee and within the Owner's Lot. The temporary office may not be installed prior to the commencement of construction, and must be removed upon the first to occur of (1) the issuance of a Certificate of Occupancy, (2) the termination, expiration, or cancellation of the Building Permit, (3) the suspension of construction activities for a period of sixty (60) days, or (4) one (1) year after the commencement of construction. The temporary office cannot be used to house any workers or to provide overnight accommodations for Owner or any individual(s) working on the Dwelling or the Lot.

7.3 Construction Debris Removal. The builder must comply with City ordinances requiring the placement and maintenance of a trash container or dumpster on the Lot. The builder shall collect trash as it is generated during construction, and deposit construction trash, packing material, unusable scraps, and other debris in a suitable container protected from the wind and regularly serviced. No trash may be burned, buried, or otherwise disposed of within the Subdivision. Concrete trucks must be cleaned out on the Owner's Lot, and not elsewhere within the Subdivision. Declarant will strictly enforce this provision. Any violation of this provision shall result in the imposition of a fine in the amount equal to the greater of (i) \$100 per infraction or (ii) Declarant's actual cost to cure the builder's infraction. The amount of the fine shall double with each subsequent violation of this provision. Declarant can issue a stop work order, if all fines are not paid within five (5) days of notice.

7.4 Construction Area Appearance. The Lot must be maintained in a reasonably organized and neat condition at all times during the construction of a Dwelling or other Improvements. Once the Dwelling is enclosed, materials shall be stored inside, and out of sight, whenever practical and possible.

7.5 Sanitary Facilities. The builder is responsible for the installation and maintenance of an approved portable toilet facility during construction. The portable toilet must be located on the Lot at a location approved by the Architectural Committee, and removed from the site at such time as the permanent plumbing system is operational.

7.6 Construction Parking and Vehicles. Construction crews must park their vehicles on the Lot on which they are working or in a manner that does not restrict the free flow of traffic within the Subdivision.

7.7 Construction Sign. During periods of actual construction on the Dwelling, the Owner or builder may install a sign not to exceed six square feet in area identifying the Lot and the builder with the prior written consent of the Architectural Committee. The sign must also comply with any signage ordinances enacted by City after the date of this Declaration. The sign must be removed upon completion or abandonment of construction.

7.8 Hours of Work. The builder will be permitted to work such hours as builder may designate, unless otherwise restricted by Holladay City ordinances. The builder is responsible for controlling noise emanating from the site.

7.9 Soil Conservation, Dust. At all times when the surface of the Lot is disturbed by construction activity, and re-vegetation has not been completed, the builder shall practice

reasonable dust, sedimentation and erosion control measures as described in the USDA Soil Conservation Service Guidelines.

7.10 Removal of Mud. The builder is responsible for cleaning up and removing mud from the construction site that is deposited on the Roads of the Subdivision. The builder's failure to regulate this matter will result in the imposition of a fine in the amount equal to the greater of (i) \$100 per infraction or (ii) Declarant's actual cost to cure the builder's infraction. The amount of the fines shall double with each subsequent violation of this provision. Declarant can issue a stop work order, if all fines are not paid within five (5) days of notice.

7.11 Duration of Construction. No construction shall be undertaken without a Building Permit and all other necessary permits from the City, Salt Lake County, and any other governmental or quasi-governmental entity having jurisdiction over construction on the site. No materials, tools, temporary offices or portable toilets, excavation or construction equipment, or similar materials or equipment may be delivered to this site prior to the issuance of the Building Permit. It is the obligation of the Owner to proceed With construction with all reasonable speed once construction has commenced, and in any event, all exterior surfaces of a Dwelling or any other building shall be substantially complete within a period of one (1) year following commencement of construction. The front, side and back yards of each Lot shall be landscaped within a period of ten (10) months following completion or occupancy of a Dwelling; provided, however, that if completion or occupancy of a Dwelling occurs during winter and such weather conditions preclude the installation of landscaping, such landscaping shall be completed no later than July 1 following such winter.

ARTICLE VIII

LANDSCAPE STANDARDS

8. The use and Improvement of each Lot is subject to the following landscape standards:

8.1 Landscaping Required. The front, back and side yards shall be landscaped within a period of ten (10) months following completion or occupancy of a Dwelling; provided, however, that if completion or occupancy of a Dwelling occurs during winter and such weather conditions preclude the installation of landscaping, such landscaping shall be completed no later than July 1 following such winter. The Owner may plant lawns and gardens, plant shrubbery, trees or other ornamental plantings or replace natural species.

8.2 Sprinkler Systems. Permanent underground sprinkler systems are required within any lawn area to provide irrigation during revegetation and beyond. Outside of any lawn areas, sprinkler systems may be used as necessary to establish healthy growth of plants which may not require long term irrigation. Sprinkler systems must have a cleaning filter installed, a back flow preventer and such other features required by relevant City ordinances.

8.3 Fences. Fencing of Lots along the Lot line shall be permitted in the Subdivision only as allowed by the Association. No chain link or other wire fencing is permitted. The Architectural Committee shall maintain approved fence designs and elevations for use by

Owners as part of the design guidelines adopted by the Architectural Committee. No fencing shall occur in the front yard area of any home.

8.4 Driveway Access. Individual driveway accesses to each Lot must be approved by the Architectural Committee as part of the site plan of the Lot. Driveways shall be wide enough to permit three cars to be parked side by side in front of the garage entrance.

ARTICLE IX

OWNERS' MAINTENANCE OBLIGATIONS

9. It is the obligation of each Owner to maintain his or her Lot at all times in order to preserve and enhance the enjoyment of the Subdivision:

9.1 Duty to Maintain. It is the obligation of the Owner of each Lot to maintain his Lot and the Improvements to the Lot in a good state of repair and in an attractive, safe, and healthy condition.

9.2 Repairs by Association. In the event that an Owner permits his Lot or Improvements to fall into a state of disrepair that is dangerous, unsafe, unsanitary, or unsightly or fails to comply with any other covenant or restriction in violation of this Declaration, the Association may give written notice to the Owner describing the condition complained of and demanding that the Owner correct the condition within thirty (30) days. If the Owner fails to take corrective action, the Association shall have the right, but not the obligation, to enter upon the offending Owner's Lot and take corrective action to abate the condition. All costs of abatement shall be charged to the Owner, who agrees to promptly pay the reasonable costs of any work performed under this provision. In addition, each Owner hereby grants to the Association a lien on the Lot and any Improvements to secure repayment of any sums advanced pursuant to this Section, which lien may be foreclosed at any time by the Association in the manner prescribed in Utah for the foreclosure of trust deeds. Alternatively, without requiring foreclosure, the Association may seek collection of sums advanced directly from the Owner of the Lot in question. Unpaid amounts will bear interest from the date advanced at the greater of (i) eighteen percent (18%) per annum and (ii) the lawful judgment rate under applicable state law.

9.3 Alterations of Exterior Appearance. The Owners will maintain their Lots and Improvements in substantially the same condition and appearance as that approved by the Architectural Committee. No subsequent exterior alterations, improvements or remodeling, whether structural or changes in landscaping, paint color or siding or trim materials will be made without the advance consent of the Architectural Committee.

9.4 Repair Following Damage. In the event of casualty loss or damage to the Improvements, the Owner will be entitled to reconstruct the Improvements as they existed prior to the damage or loss without review by the Architectural Committee; provided, however, that alterations or deviations from the originally approved plans will require review. Nothing in this Declaration is intended to prevent an Owner who has suffered property damage or loss from taking temporary measures to secure the property and prevent further damage, or to prevent

injury or dangerous conditions following loss or damage, before reconstruction begins. Such temporary measures may be taken without the consent or approval of the Architectural Committee, provided that any such measures must be of a temporary nature, and repair or reconstruction must begin as soon as circumstances will permit. No damaged structure will be permitted to remain on any Lot for more than ninety (90) days without repairs commencing, and any damaged structure which does remain un-repaired after ninety (90) days following the occurrence of damage is deemed a nuisance which may be abated by the Association.

ARTICLE X

GENERAL PROVISIONS

10. The covenants, conditions, easements and restrictions contained in this Declaration may be enforced as follows:

10.1 Violation Deemed a Nuisance. Any violation of these Covenants which is permitted to remain on the property is deemed a nuisance, and is subject to abatement by the Association or by any other Owner.

10.2 Remedies.

(a) Any single or continuing violation of the covenants contained in this Declaration may be enjoined in an action brought by the Declarant (for so long as the Declarant is the Owner of any Lot), by any other Owner, or by the Association in its own name. In any action brought to enforce these covenants, the prevailing party shall be entitled to recover as part of its judgment the reasonable costs of enforcement, including attorney's fees and court costs.

(b) Nothing in this Declaration shall be construed as limiting the rights and remedies that may exist at common law or under applicable federal, state or local laws and ordinances for the abatement of nuisances, health and safety, or other matters. These covenants are to be construed as being in addition to those remedies available at law.

(c) The remedies available under this Declaration and at law or equity generally are not to be considered as exclusive, but rather as cumulative.

(d) The failure to take enforcement action shall not be construed as a waiver of the covenants contained in this Declaration in the future or against other similar violations.

10.3 Severability. Each of the Covenants contained in this Declaration shall be independent of the others, and in the event that anyone is found to be invalid, unenforceable, or illegal by a court of competent jurisdiction, the remaining covenants shall remain in full force and effect.

10.4 Limited Liability. Neither the Association, the Trustees, or the Architectural Committee or its individual members, nor any other Owner shall have personal liability to any other Owner for actions or inactions taken under these covenants, provided that any such actions

or inactions are the result of the good faith exercise of their judgment or authority, under this Declaration.

10.5 Amendment. At any time while this Declaration is in effect, the Owners of 67% of the Lots of all Phases then incorporated into the Subdivision, including Declarant, may amend the provisions of this Declaration. Any amendment must be in writing and be approved by 67% of the Owners at the time of the amendment at a special meeting held for such purpose. The Owners may vote for an amendment to this Declaration in person or by proxy. No such amendment will be binding upon the holder of any mortgage or trust deed unless such holder joins in the amendment.

10.6 Constructive Notice. Every person who owns, occupies, or acquires any right, title or interest in any Lot in the Subdivision is conclusively deemed to have notice of this Declaration and its contents, and to have consented to the application and enforcement of each of the covenants, conditions and restrictions against his Lot, whether or not there is any reference to this Declaration in the instrument by which he acquires his interest in any Lot. Each Owner shall use his or her best efforts to deliver a copy of this Declaration and the Bylaws of the Association to any purchaser of such Owner's Lot.

10.7 Notices. All notices under this Declaration are deemed effective 72 hours after mailing, whether delivery is proved or not, provided that any mailed notice must have postage pre-paid and be sent to the last known address of the party to receive notice. Notices delivered by hand are effective upon delivery.

10.8 Consent in Lieu of Voting. In any case in which this Declaration requires for authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied or obtained, with or without a meeting, when consents in writing to such transaction from Owners entitled to cast at least the stated percentage of all votes outstanding are obtained. The following additional provisions shall govern any application of this Section:

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

(b) The total number of votes required for authorization or approval under this Section shall be determined as of the date on which the last consent is signed.

(c) Unless the consent of all Owners of a Lot are secured, the consent of the Owners of such Lot shall not be effective.

10.9 Liberal Interpretation. The provisions of this Declaration shall be interpreted liberally to further the goal of creating a uniform plan for the development and maintenance of the Subdivision. Paragraph headings are inserted for convenience only and shall not be considered in interpretation of the provisions. Singular will include plural, and gender is intended to include masculine, feminine and neuter as well.

10.10 Declarant's Rights Assignable. All or any portion of the rights of Declarant under this Declaration or in any way relating to the Property may be assigned by the Declarant at any time without the prior written consent of the Association, any Owner or any other individual or entity.

10.11 Association Insurance. The Association shall obtain and maintain liability and other insurance of the types and in the amounts set forth in the Bylaws.

10.12 Duration. This Declaration shall be effective upon the date of recordation in the office of the Salt Lake County Recorder, and, as amended from time to time, shall continue in full force and effect for a term of fifty (50) years from the date this Declaration is recorded. From and after such date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by 80% of the Owners at an election held for such purpose or otherwise approved in writing within six (6) months prior to the expiration of the initial effective period hereof or any ten-year extension. If the necessary votes and consents are obtained, the Association shall cause to be recorded a certificate of termination, duly signed by the President or Vice President and attested by the Secretary of the Association, with their signatures acknowledged. Thereupon these covenants shall have no further force and effect, and the Association shall be dissolved pursuant to the terms set forth in its Articles.

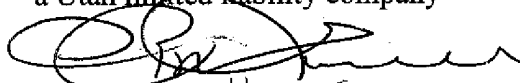
10.13 Not a cooperative. The Deerwood Farms Subdivision and the Deerwood Farms Homeowners Association is not a cooperative.

10.14 Appointment of Trustee. Jeffrey E. Matson, an active member of the Utah State Bar, shall be appointed as trustee pursuant to Utah Code Ann. § 57-8a-212(1)(j). Declarant hereby conveys and warrants pursuant to Utah Code Ann. §§ 57-1-20 and 57-8a-402 to Jeffrey E. Matson, with power of sale, the Property and all Improvements to the Property for the purpose of security payment of assessments under the terms of this Declaration.

[END]

IN WITNESS WHEREOF, the Declarant executes this Declaration of Covenants, Conditions and Restrictions as of the date first above written.

Deerwood Farms, LLC,
a Utah limited liability company



By: Ronald C. Gunnell

Name: _____

Title: Manager

State of Utah)
 :SS
County of Salt Lake)

The foregoing instrument was acknowledged before me on the 4th day of April 2013, by Ronald C. Gunnell, the Manager of Deerwood Farms, LLC, a Utah limited liability company.



Notary Public
Residing

My Commission Expires

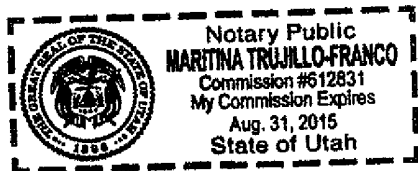


EXHIBIT A

DEERWOOD FARMS SUBDIVISION

Legal Description

All of Lots 1 through 9, inclusive, of that certain subdivision map entitled "Deerwood Farms Subdivision, Phase 2," recorded February 14, 2013 as Entry No. 11577691 in Book 2013P beginning on Page 0028 in the Official Records of Salt Lake County, Utah.