

DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS

12-351-0101 thru 125

Lots 101 thru 121 +
Common Area

FOR

CRAIG ESTATES:
A CLUSTER SUBDIVISION

E 1529355 B 2527 P 488
SHERYL L. WHITE, DAVIS CNTY RECORDER
1999 JUL 1 1:51 PM FEE 79.00 DEP DJW
REC'D FOR CHENEY FINANCIAL SERVICES, INC

This declaration of covenants, conditions and restrictions hereinafter called "Declaration: is made and executed in Davis County, Utah, by Craig Development L.C. hereinafter called "Declarant".

ARTICLE I
GENERAL

- 1.1. Property. The Declarant are the owners of certain real property located in Davis County, Utah, and more particularly described as set forth in Exhibit "A."
- 1.2. Purposes of Declaration.
 - A. The Declarant are the owners of a Cluster Subdivision hereafter to be constructed upon the aforesaid premises. It is the desire and intention of Declarant to divide the project into individual residential lots and to sell and convey the same to various purchasers subject to the covenants, conditions and restrictions herein reserved to be kept and observed, and
 - B. Declarant desire and intend by filling this Declaration and a map of the aforesaid property to create a Cluster Subdivision on the property described in Exhibit "A," and to impose upon that property mutually beneficial restrictions under the general plan of improvement for the benefit of all of the lots and the owners thereof.
- 1.3. Declaration as Planned Cluster Subdivision. The Declarant hereby declare that all of their property described above is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into a Cluster Subdivision. The terms of this declaration shall be deemed to run with the land and shall be a burden and benefit to Declarant, their successors and assigns and any person hiring or owning an interest in the real property and improvement and their guarantees, successors, heirs, executors, administrators and assigns.

ARTICLE II DEFINITIONS

- 2.1. "Lot" means a single building lot as shown on the Map. (Exhibit "A")
- 2.2. "Residential Unit" means the fee simple interest and title in and to a building together with an undivided interest in the common areas.
- 2.3. "Owner" shall mean and refer to the recorded owner whether one or more persons or entities of a fee simple title to any Residential Unit which is a part of the properties, including contract sellers or contract purchasers if so determined by written contract between seller and purchaser, but excluding those having such interest merely as security for the performance of an obligation.
- 2.4. "Common Areas" means and includes the land described above, such improvements, buildings, or areas as provided for community, recreational, utility or for common use; and all other parts of such land and improvements thereon necessary or convenient to its existence and safety which are normally and reasonably in common use, including the air space above such land, all of which shall be owned as tenants in common by the owners of the separate lot, each owner of a lot having an undivided percentage of fractional interest in the common areas, as provided herein. Fixtures or appliances that exist separately to serve only one residence, such as air conditioning units, shall be maintained and repaired at the sole cost of the resident's owner for whose benefit the fixture or appliance exists.
- 2.5. "Projects" means all of the land and improvements initially submitted by this Declaration.
- 2.6. "Map," or "Record of Survey Map" means a plat consisting of 2 pages, showing a survey of the property and of all lots on the property submitted by this Declaration which consists of a horizontal and vertical declination of all such lots.
- 2.7. "Fractional Interest" means the proportionate interest of each lot owner's undivided interest in all common areas as shown on the map and exhibit "B" attached.
- 2.8. "Common Expenses" means 1) the expenses of administration, of repair and maintenance of the common areas associated with the project; 2) the expenses of maintenance and repair of any common parking grounds, landscaping, snow removal, signs and all other common areas located outside of any building constructed or to be constructed upon the property; 3) a reserve for repair, maintenance, property taxes and other charges including fire and other hazard insurance premiums, and 4) a liability insurance policy which policy, in addition to public liability, shall cover repair and construction work to all common area property, and the assets and property owned or to be maintained by the Association. Such common expenses shall be paid according to the Fractional Interest identified on Exhibit "B" and in amounts and at times determined reasonable and necessary by the Association for the best good and convenience of all owners. Maintenance and repair of the home shall not be a common expense.

- 2.9. "Association" means an association of lot owners bearing the name of this project. Its only members shall be owners of lots. A person who, for any reason, ceases to be such owner shall cease to be such member.
- 2.10. "Management Committee" means a committee of three person formed for the purpose of managing, maintaining, repairing and administering the property and all buildings and improvements and common areas on a part of the property; of assessing, collecting and applying common expenses, for enforcing this Declaration, for acting as attorney-in-fact or trustee for unit owners as hereafter set forth, and generally for administering the property.
- 2.11. "Managing Agent" means in independent individual, firm, partnership or corporation authorized to do business in the State of Utah, employed by the Management committee, to administer and operate the property and to carry out such other duties as the Management committee may direct, in furtherance of its purposes. Wherever in this Declaration a duty is imposed upon, or a right or privilege is reserved to, the association or the management committee, if such duty, right or privilege is delegated by the association or the Management committee to the managing Agent, the latter shall thereupon be deemed to have assumed such duty and shall be entitled to exercise such right or privilege.

ARTICLE III MAP

- 3.1. Map. Simultaneously with the recording of the Declaration, there shall be recorded a "Record of Survey Map" herein referred to as "the map" or "maps" in the office of the County Recorder, Davis County Utah. The Map shall be made by a registered Utah land Surveyor and shall depict and show the following: (1) a description of the surface of the land included within the project, including all angular and linear data along the exterior boundaries of the property; (2) the linear measurement and location, with references to the exterior boundaries thereon in sufficient detail to identify each lot, including its identifying number or symbol. Every lot shall be identified on the Map or any deed, the boundaries of each lot as constructed shall be conclusively presumed to be its actual boundaries. Declarants reserve the right to amend the Map from time to time to conform to the actual physical location of the constructed improvements to any changes, additions, modifications or alterations.

ARTICLE IV DIVISION OF PROPERTY INTO LOTS

- 4.1.66 Lots. The improvements located on the subject property are hereby divided into 67 lots, each consisting of one lot and an undivided interest in and to the common areas as shown on Exhibits "B." Each lot shall be identified on the Map by the number as shown on Exhibit "B."
- 4.2 Construction of Residential Dwellings. The Residential Dwellings are one story buildings which have been constructed principally of reinforced concrete, wood, brick and glass.
- 4.3. Use of Residential Dwellings. Each residential dwelling is designed to be used as a residence only. No business use shall be made in the project, except for home occupations

which will not involve customers or employees coming to the residential unit may be conducted in a residence upon the granting of written permission by the management committee.

- (1) There shall be no obstruction of the common areas by the owners, their tenants, guests or invitees without the prior written consent of the management committee. The Management committee may by rules and regulations prohibit or limit the use of the common areas as may be reasonably necessary for protecting the interests of all the owners or protecting the residences or the common areas.
- (2) Nothing shall be kept or stored on any part of the common areas without the prior written consent of the management committee, except as specifically provided for herein.
- (3) Nothing shall be altered on, constructed in or removed from the common areas except upon the prior written consent of the management committee.
- (4) Nothing shall be done or kept in any residence or in the common areas or any part thereof which would result in the cancellation of the insurance on the project or any part thereof or increase the rate of the insurance on the project or any part thereof over what the management committee would pay but for the activity, without the prior written consent of the management committee.
- (5) Nothing shall be done or kept in any residence or in the common areas or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any government body.
- (6) No damage to, or waste of, the common areas or any part thereof shall be committed by any owner or any invitee, guest, or tenant of any owner and each owner shall indemnify and hold the management committee and the other owners harmless against all loss resulting from any damage or waste caused by him or his invitees, guests and/or tenants.
- (7) No noxious, destructive or offensive activity shall be carried on in any residence or in the common areas of any part thereof, nor shall anything be done therein which may be or become an annoyance or nuisance to any other owner or to any person any time lawfully residing in the project.
- (8) Except as herein specifically provided, no sign or billboard of any kind shall be displayed to the public eye on any portion of the property or any residence, except for one sign for each unit of not more than eighteen inches (18") by twenty-four inches (24"), advertising the residence for sale or rent or except signs used by Declarants, their successor or assigns, to advertise the property during the construction and sales period.
- (9) No noxious or offensive trade or activity shall be carried on in any residence or any part of the property, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or which shall in any way interfere with the quiet enjoyment of each of the owners of his respective dwelling or which shall in any way increase the rate of insurance.
- (10) No Structure of a temporary character, trailer, basement, tent, shack, garage, barn or other building shall be used in connection with any unit at anytime as a residence, either temporary or permanently.
- (11) No trailer, camper, boat, truck larger than $\frac{3}{4}$ ton or similar equipment shall be permitted to remain upon the property within the project unless placed or maintained within a garage.
- (12) No animals, livestock, reptiles or poultry of any kind shall be kept, raised, or bred in or around any residence of the common area without permission of the management committee.
- (13) No rubbish, garbage, trash or other waste material shall be kept or permitted upon or around any residence or common area, except in sanitary containers located in

- appropriate areas, and no odor shall be permitted to arise therefrom so as to render the properties or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity or its occupants.
- (14) There shall be no exterior fires whatsoever except barbecue fires contained in receptacle therefor.
 - (15) No clothing or household fabrics shall be hung, dried or aired in such a way in the property as to be visible from the units.
 - (16) No lumber, grass, shrub or tree clippings or plant waste, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on any portion of the property except within an enclosed structure or appropriately screened from view.
 - (17) No fence, hedge, wall or other dividing instrumentality shall be constructed, planted or maintained except those that are approved in writing by the management committee.
 - (18) No exterior radio or television antennas shall be placed anywhere on the property without the prior written permission of the management committee.
 - (19) No owner shall perform, or allow to be performed, any work, repairs or maintenance on the general common areas without the prior written consent of the management committee.

ARTICLE V DESCRIPTION OF LOTS

- 5.1. Description of Lots. Any option, contract, deed, lease, mortgage, deed of trust, will or similar instrument, may legally describe a lot by its identifying lot number, followed by the name of this project with further reference to the recorded Map thereof and the recorded Declaration. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect not only the lot, but also the general common elements and the limited common elements appurtenant thereto to the exclusion of all third parties not lawfully entitled to the use of the same.
- 5.2. Single Indivisible Lots. Each lot, and the appurtenant undivided interest in the common areas, shall together comprise a lot, shall be inseparable, and may be conveyed, leased, devised or encumbered only as a lot.

ARTICLE VI DUTIES OF MANAGEMENT COMMITTEE

- 6.1. Management Committee. Except as herein provided, the project shall be managed, operated and maintained by a management committee as agent for the lot owners. The management committee shall also be the governing body of the Association. The management committee shall, in connection with its exercise of any of the power granted to it, constitute a legal entity capable of dealing in the name of the committee, including entering and executing contracts and other documents, and the power to sue and be sued in its own name.
- 6.2. Composition of Management Committee.
- (1) The management committee shall be composed of three persons, who shall be elected by the vote of the owners at the annual meeting. At the first annual meeting of the owners, two committee members shall be elected to a term of two years and the

remaining member shall be elected for a term of one year. Thereafter, each member of the management committee shall be elected for a term of two years, so that either one or two committee members are elected each year.

- (2) At the first meeting of the management committee following any annual meeting of the owners, the members of the management committee shall appoint officers from among the members of the management committee. The offices shall be president, vice-president and secretary/treasurer. The officers of the management committee shall also be the officers of the association.
- (3) The president of the management committee shall preside over all meetings of the management committee and shall have the powers generally associated with the chief executive officer or chief operating officer of a corporation, including the power to execute contract on behalf of the management committee and the association and the power to represent the management committee and the association as necessary.
- (4) The vice-president of the management committee shall assist the president of the management committee and shall act under the direction of the president. The vice-president shall also act in the place of the president whenever the president is unable to carry out the duties of that office.
- (5) The secretary/treasurer shall be responsible for the records of the management committee and the association and shall also be responsible for keeping the books of the management committee and the association. The secretary/treasurer shall keep the minutes of the meetings of the management committee and the association and shall be given charge of all funds of the management committee and the association. The secretary/treasurer shall pay all the bills of the management committee and the association and shall deposit the funds of the management committee and the association as directed by the management committee.

6.3. Election of Management Committee. Persons wishing to be on the management committee must be lot owners and must submit their names to the secretary/treasurer of the management committee at least 10 days prior to the annual meeting and indicate which seat they are running for. In addition, candidates for the management committee elected at the first meeting of the lot owners must indicate whether they wish to be elected for a one-year term or a two-year term. Prior to the meeting, the secretary/treasurer of the management committee shall prepare ballots listing the candidates for each seat. The owners shall vote for one candidate for each seat, then return the ballots to the secretary/treasurer, who shall tally the votes and announce the names of those who have been elected to the management committee.

6.4. Powers of the Management Committee. The management committee shall have, and is hereby granted the following authority and powers:

- (1) The authority without the vote or consent of the unit owners or of any other person(s) to grant or create on such terms as it deems advisable, utility and similar easements over, under, across and through the common areas;
- (2) The authority to execute and record, on behalf of all lot owners, any amendments to this Declaration or the map which have been approved by the vote or consent necessary to authorize the amendments.
- (3) The power to sue and be sued.
- (4) The authority to enter into contracts relating to the common areas and other matters over which the committee has jurisdiction, so long as any vote or consent of the owners necessitated by the subject matter of the agreement has been obtained.
- (5) The power and authority to convey or transfer any interest in real property, so long as the vote or consent necessary under the circumstances has been obtained.

- (6) The power to purchase or otherwise acquire, accept title to and own any interest in real property, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.
- (7) The power to add any interest in real property obtained pursuant to paragraph (6) above to the project, so long as such action has been authorized by any vote or consent which is necessary under the circumstances.
- (8) The authority to promulgate such reasonable rules, regulations and procedures as may be necessary or desirable to aid the committee in carrying out its functions or to insure that the project is maintained and used in a manner consistent with the interests of the owners.
- (9) The Power and authority to perform any other acts and to enter into any other transactions which may be reasonably necessary for the management committee to perform its functions as agent of the owners.

- 6.5. Determination of Common Expenses. In addition to the foregoing, the management committee shall have the duty of determining by estimate or otherwise the amount of common expenses necessary to properly maintain, repair and administer the project property. At the time of the first conveyance of each lot and from time to time thereafter, it shall notify the owner or owners of each lot of the amount of the estimated annual assessment and shall collect common expenses according to the percentage of ownership of the common areas as set forth in Exhibit "B." Payment of common expenses shall also provide the basis upon which the number of votes shall be determined. After assessment of the common expenses, each lot owner shall pay one-twelfth (1/12) of the amount thereof each month, or a pro-rata proportion for a period beginning after the first day of a month.
- 6.6. Common Expenses. Common expenses shall include but not be limited to expenses set forth in Section 2.9. Costs for sewer, water, electrical service, natural gas, air conditioning and other utilities which are not separately assessed, metered or otherwise separately allocated to a residence shall be common expenses.
- 6.7. Utilities Serving Common Areas. Costs for sewer and water mains, electrical lines and other matters serving common areas shall be charged to each owner on the basis of the Fractional Interest. The amounts may be determined by estimate, and changed from time to time as actual bills or experience may require. Each lot owner shall pay for all utilities applicable to its individual lot, directly and not through the Association, when the utilities are separately metered and thus allow for separate billing in accordance with actual usage.
- 6.8. Additional Common Expenses. In the event a residence continuously uses additional common utilities that are paid for as part of the common expenses, above and beyond those utilities and services normally incurred by other lot owners, these additional services or expenses shall be paid for by the lot owner when the utilities are separately metered or when the services can be specifically identified and thus allow for separate billing in accordance with actual usage.
- 6.9. Reserves. The management committee shall maintain and establish a reserve of such funds for maintenance, taxes, repair, replacement, administration, management services (if necessary), insurance premiums and other matters deemed by the management committee appropriate for reserves. Reserves may be established and maintained for

appropriate periods including multiple year reserves for repair or replacement of parking lots, fixtures and equipment and heating, ventilation and air conditioning equipment.

- 6.10. Special Assessments. The management committee shall have authority to make special assessments in addition to the annual assessments described above whenever the management committee determines that such an assessment is necessary to prevent insolvency of the Association, to make emergency repairs to the common areas or for any other purpose.
- 6.11. Original Management Committee. The Declarants shall have the authority to appoint the members of the management committee until such a time as fifty percent (50%) of the lots have been transferred to buyers or three years have passed since the execution of this Declaration, whichever occurs first. The original members of the management committee shall be:

Howard W. Cheney

Joshua R. Cheney

Kemp W. Sanders

When fifty percent (50%) of the lots have been transferred to buyers or three years have passed since the execution of this Declaration, the Declarants shall notify all of the lot owners of that fact. The notice shall also give the date, time and place of the first annual meetings, the lot owners shall elect three members of the management committee, take over management of the project from the Declarants and shall take up any other business contained in the notice of the meeting.

- 6.12 Annual Meetings.
- (1) After the transfer of management to the management committee as set forth herein, the management committee shall call annual meetings of the lot owners for the purpose of electing a management committee and conducting such other business as the management committee shall deem appropriate. The annual meeting shall be held as close as practicable to the anniversary of the first annual meeting called by the Declarants. The annual meeting may be held at any place in Davis County that the management committee shall designate in writing.
 - (2) The management committee shall send out notices of the meeting at least ten days prior to the holding meeting. The notice shall set forth the date, time and place of the meeting and describe all of the business which will be conducted at the meeting. This notice shall be sent to each lot owner at the address of the lot(s) the owner owns. Notices shall also be posted on the property.
 - (3) At the date, time and place set forth in the notice, fifty-one percent (51%) of the lot owners shall constitute a quorum to conduct the business of the meeting. In the event that a quorum is not present at the date, time and place set forth in the notice, those present shall have authority to adjourn the meeting and set another date, time and place for the continuation of the meeting, which shall be within seven (7) days of the date and time set out in the notice. Those present at the continuation meeting shall constitute a quorum for the conduct of all business set out in the original notice.

- (4) The business of the meeting shall be conducted in the order set out in the original notice.

ARTICLE VII LIEN FOR NONPAYMENT OF COMMON EXPENSES

- 7.1 Obligation for Payment. It shall be the duty of the owner of each lot to pay the owner's proportionate share of the common expenses allocated or assessed to such lot monthly or at such times as may be determined by the management committee.
- 7.2 Lien of Association. If any lot owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof shall constitute a lien on the interest of such owner as set forth in the deed of conveyance to him, together with his interest in common areas, and upon the recording of notice thereof by the management committee in the office of the Davis County Recorder, such lien shall be constituted. Upon such lot owner's interest of property prior to all other liens and encumbrances, recorded or unrecorded, except only (a) taxes and special assessment liens on the lot in favor of any assessing entity, and special district; and (b) encumbrances on the interest of the lot owner recorded prior to the date such notice is recorded, which by law would be a lien prior to subsequently recorded encumbrances.
- 7.3 Lien for Association and Owners. The lien provided for in this article shall be in favor of the Association and shall be for the benefit of all other lot owners, and may be foreclosed by an action brought in the name of the Association in a like manner as a mortgage of real property.
- 7.4 Enforcement of Lien. The lien for nonpayment of common expenses may be enforced by sale or foreclosure of the lot owner's interest by the Association. The sale or foreclosure shall be conducted at the election of the Management committee, in the same manner as foreclosures in deeds of trust or mortgages or in any other manner permitted by law.
- 7.5 Action for Expenses. The Management committee may bring a civil action to recover a money judgement for unpaid common expenses. Any such action is maintainable without foreclosing or waiving the lien securing the obligation.
- 7.6 Attorneys Fees. In any action brought to enforce payment of common expenses, to enforce any lien for unpaid common expenses, or to enforce any provision of the Declaration or Bylaws, the prevailing party in the action is entitled to recover its cost of court and reasonable attorneys' fees.
- 7.7 Rental and Expenses in Case of Foreclosure. In the event of a foreclosure of the lien securing payment of common expenses, the owner shall pay a reasonable rental for the residence. The owner shall also be required to pay the Association all monthly assessments for the lot during the period of foreclosure, and the Association shall be entitled to a Receiver to collect the same. The Management committee acting on behalf of the lot owners, shall have the power to bid in the interest of the foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The Association may subrogate its rights to such a lien, as may be necessary or expedient to an insurance company which will continue to give total coverage in spite of nonpayment of such defaulting owner's portion of the premium.

- 7.8 Joint Liability of Transferor and Transferee. The Grantee of a lot shall be jointly and severally liable with the Grantor for all unpaid assessments against the Grantor for Grantor's proportionate share of the common expenses up to the time of the grant or conveyance. Grantee may recover from the Grantor the amounts paid by the Grantee therefor; unless said liability is limited by the contents of a Certificate issued to the Grantee, or is avoided by the non-issuance of such Certificate within the ten day period set forth in section 7.9 of this Declaration.
- 7.9 Certificate of Assessments. Upon payment of a reasonable fee not to exceed Ten (\$10.00) Dollars and upon the written request of any owner, mortgagee, prospective grantee or prospective mortgagee, of a lot, the Management committee shall issue a written Certificate setting for the amount of unpaid common expenses, if any, with respect to the subject lot, the amount of the current monthly assessment and the date upon which such assessment becomes due; and credit for advance payments or for prepaid items (including, but not limited to, insurance premiums). Such Certificate shall be conclusive upon the Association and the management committee in favor of all persons who rely thereon in good faith. Unless such request for a Certificate of Assessments be complied within ten (10) days of the receipt of the request, then (a) in the case of a request by a mortgagee or prospective mortgagee, all unpaid common expenses which become due prior to the date of making such request shall be subordinate to the lien of said mortgagee or prospective mortgagee, or (b) in the case of a request by a prospective grantee, he shall not be liable for, nor shall the unit conveyed be liable for, any unpaid assessment or common expenses. The provisions contained in this paragraph shall not apply upon the initial transfer of the units by Declarants.

ARTICLE VIII SIGNS

- 8.1 Building Identification. One or more outdoor signs will be maintained as common areas. These signs shall identify the project. The Management committee shall determine the location, size, type and appearance of signs.

ARTICLE IX MORTGAGES AND EFFECT OF FORECLOSURE

- 9.1. Mortgages. Any owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage shall be one that has first and paramount priority under applicable law. Any such junior mortgages shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for common expenses, and other obligations created by this Declaration.
- 9.2. Foreclosure. In the event any person shall acquire or be entitled to the issuance of a tax deed, trustee's deed, sheriff's deed or other deed or conveyance, the interest so acquired shall be subject to all the provisions of this Declaration, the Map, or any restrictions or exceptions affecting such interest then in force.

ARTICLE X INSURANCE

- 10.1. Insurance. The management committee shall have the authority to and shall obtain insurance for the property on all common areas, etc., for liability and against loss or damage by fire and such other hazards as are generally covered in the area under standard extended coverage provisions for at least the full insurable replacement costs of any common buildings, and may include coverage against vandalism and other risks. The insurance shall be carried with a domestic insurance company determined to be acceptable by the Association. The insurance shall name the Association as the insured and shall protect the interests of each owner and mortgagee.
- 10.2. Additional Insurance. The management committee shall also obtain liability insurance for the project in an amount not less than \$500,000.00 per occurrence. This insurance shall provide coverage for injuries to persons and property and such other protection as is normally obtained by similar projects in the area.
- 10.3. Lot Owner's Insurance. A lot owner shall obtain property and casualty insurance on its own residence including additional property, liability and/or other insurance the owner may desire. Payment for the premiums therefor and renewal thereof shall be the sole responsibility of such owner and not the Association. Any such additional insurance obtained by an individual owner must not interfere with the ability of the Association for such insurance to be raised.

ARTICLE XI DISPOSITION OF PROPERTY

- 11.1. Insufficient Insurance for Reconstruction. In the event the insurance proceeds are insufficient to reconstruct any common building, damage to or destruction of the building shall be repaired and restored by the Association using proceeds of insurance, if any on the building for that purpose. The lot owners shall be liable for assessment for any deficiency. If three-fourths or more of the building is destroyed or substantially damaged and if the lot owners, by a vote of at least three-fourths of the lot owners, do not voluntarily, within one hundred days after such destruction or damage, make provision for reconstruction, the Association shall record with the Davis County Recorder a notice setting forth the fact that the owners have failed to make provision for reconstruction. Upon the recording of the notice:
- 1) the property shall be deemed to be owned by the owners as tenants in common;
 - 2) the percentage of each lot owner's undivided interest in the common elements shall be the percentage of that owner's interest in the property;

ARTICLE XII POWER OF ATTORNEY

- 12.1. Irrevocable Power of Attorney. This Declaration does hereby make mandatory the irrevocable appointment of the management committee as attorney-in-fact to deal with the property upon its destruction or obsolescence.
- 12.2. Appointment of Management Committee. Title to any lot is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarants or from any owner shall constitute appointment of the attorney-in-fact herein provided. As attorney-in-fact, the management committee, by its president and secretary/treasurer, shall have full and complete authorization, right and power to make, execute and deliver to itself or a third person any contract, deed or any other instrument with respect to the interest of a lot owner which are necessary and appropriate to exercise the powers herein granted.

ARTICLE XIII EASEMENTS

- 13.1. Easement for Minor Encroachments. The owners of the respective lots agree that if any portion of the common areas and facilities encroaches upon the lot, or if any portion of a lot encroaches upon the general common areas, or upon an adjoining lot or lots, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event a structure is partially or totally destroyed, and then rebuilt, the owners of the lots therein agree that minor encroachment of parts of the common areas and facilities due to construction shall be permitted and that valid easement for said encroachment and the maintenance thereof shall exist. None of such encroachments or easements shall be considered or determined to be encumbrances either on the general common areas or on the lots.
- 13.2. Easement for Utilities. There is hereby created a blanket easement upon, across, over and under the above-described premises for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across, and under the roofs and exterior walls of said lots. Notwithstanding anything to the contrary contained in the paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on said premises except as initially programmed and approved by Declarants or thereafter approved by Declarants or the Association's Management Committee. This easement shall in no way affect any other recorded easement on said premises.
- 13.3. Easement for Association. An easement is also reserved in, on and over each unit to permit the Management committee or its designees to effect any desired or necessary maintenance or repairs to the common area.

ARTICLE XIV USE AND OCCUPANCY RESTRICTIONS

- 14.1. Residential Units. As provided for herein, the property is hereby restricted to the construction of residential dwellings.
- 14.2. Use of Exterior Property. The owners of lots are hereby prohibited and restricted from using any land or all space outside the exterior building lines, except for use as common area as may be allowed by the Management committee or as provided in this Declaration. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all owners of lots and is necessary for the protection of said owners.
- 14.3. Cooperative Action. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the common areas and all exteriors and roofs of any common structures, including but not limited to, recreation and parking areas and walks, shall be taken by the Association.
- 14.4. Association Management of Exterior. The Association, or its duly delegated representative, shall maintain and otherwise manage all property up to the exterior building lines and including, but not limited to the landscaping, parking areas, streets, and common structures, provided that lot owners shall clean and maintain the exterior of their own residence and otherwise manage and be responsible for the rubbish removal of all area within the above-described property.
- 14.5. Damage by Owner. In the event any common area, including part of a common building or storage facility is damaged or destroyed through the negligent or culpable act of an owner or any of his invitees or agents, such owner does hereby irrevocably authorize the management committee, its attorney-in-fact, to repair said damaged area, building, or storage facility and the management committee shall so repair said damaged area, building or storage facility. The owner shall then repay the management committee in the amount actually expended for said repairs, together with all other expenses reasonably and necessarily incurred by the management committee in connection therewith. Each lot owner further agrees that these charges for repairs, if not paid within ten (10) days after the completion of the work, shall become a lien upon said owner's interest as set forth above, and shall continue to be such lien until fully paid.
- 14.6. Antennas and Other Communication Equipment. No exterior television or radio antennas or similar equipment of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the premises, nor upon any structure situated upon said real property, other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna, without the consent of the management committee.
- 14.7. Interior Maintenance. An owner shall maintain and keep in repair his own residence, including the fixtures thereof, including the furnaces and air conditioning systems. All fixtures and equipment installed within a residence commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as

"utilities") enter the lot shall be maintained, replaced, and kept in repair by the owner thereof.

- 14.8. Structural Soundness. An owner shall not do any act or work that will impair the structural soundness or integrity of the building or impair any easement.

ARTICLE XV PARTITION PROHIBITED

- 15.1. Partition. No lot owner shall bring any action for partition or division of his undivided interest in the land underlying the lot, the property or any common area or building in which he owns an undivided interest. Any covenant or agreement to the contrary shall be null and void. This section shall not prohibit a partition following destruction of the property without repair or reconstruction.

ARTICLE XVI ACCOUNTING RECORDS

- 16.1. Records. The Management committee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the common areas, specifying and itemizing the maintenance and repair expenses of the common areas and any other common expenses incurred. Such records and vouchers authorizing the payments shall be available for examination by the lot owners and others with an interest such as encumbrances or prospective lenders at convenient business hours.

ARTICLE XVII REVOCATION OF OR AMENDMENT TO DECLARATION

- 17.1. Revocation or Amendment. This Declaration shall not be amended unless the owners representing sixty-seven percent (67%), or more, of the voting interest in the association unanimously consent and agree to such amendment by instruments duly recorded; provided, however, that the percentage of the undivided interest in the common areas appurtenant to each lot, as expressed in this Declaration, shall have a permanent character and shall not be altered without the consent of all of the lot owners express in an amended Declaration duly recorded.

ARTICLE XVIII EXPANSION

- 18.1. Additional Property. Declarants anticipate that the project may be expanded to include certain real property which adjoins the property. Such expansion shall be contiguous to the development.
- 18.2. Reservation of Right to Expand. Declarants hereby reserve the right to expand the project, without the consent of the lot owners, to include additional structures and lots which shall be compatible with the structures and lots of this present project in terms of quality of

construction, the principal materials to be used and architectural style. The total number of lots which may be developed on said additional property shall not exceed 120 lots and the entire project, including this present project and all subsequent phases shall not exceed a total of 187 lots. The project shall consist of a minimum of 67 lots and a possible maximum of 187 lots.

- 18.3. Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarants in the office of the County Recorder of Davis County, Utah, no later than seven (7) years from the date this Declaration is recorded in said office, a supplement or supplements to this Declaration containing a legal description of the site or sites for new lots, together with supplement Map or Maps containing the same information with respect to the new lots as was required on the original Map with respect to the initial lots. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.
- 18.4. Expansion of Provisions. In the event of such expansion, the provisions used in the Declaration automatically shall be expanded to encompass and refer to the project as so expanded and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of lots after such expansion shall be effective to transfer rights in the project, as expanded, by use of the forms of description set forth herein, with additional references to the supplemental Declarations and the supplemental Maps. The recordation in the office of the Davis County Recorder, Farmington, Utah, of a supplemental Map incident to any expansion shall operate automatically to grant, transfer and convey to then owners of units in the project a proportionate share of all areas and the new lot purchasers shall receive a proportionate share of all existing common areas and structures. Substantially identical lots in all phases will be awarded substantially identical interest in the common areas. Such recordation shall also operate to vest in any then mortgagee of any lot in the project as it exists, such interest so acquired by the owner of the lot encumbering the new common areas added to the project as a result of such expansion and to conform the percentage interests of lot owners and mortgagees to the interests set forth in the supplemental Declaration.
- 18.5. Declaration Operative on New Lots. The new lots shall be subject to all the terms and conditions of this Declaration and of a supplemental Declaration and the lots therein shall be subject to ownership with all the incidents pertaining thereto as specified herein, upon filing the supplemental Map and supplemental Declaration in the said office of the Davis County Recorder.
- 18.6. Right of Declaration to Adjust Percentages of Common Areas. Each deed of a lot shall be deemed to irrevocably reserve to Declarants the power to appoint to lot owners, from time to time, the percentages in the common areas set forth in supplemental or amended Declarations. A power coupled with an interest is hereby granted to Declarant, as attorney-in-fact to shift percentages of the common areas and facilities in accordance with supplemental or amended Declarations recorded pursuant hereto and each deed of a lot in the project shall be deemed a grant of such power of said attorney-in-fact. Various provisions of this Declaration and deeds and mortgages of the lots may contain clauses designed to accomplish a shifting of the common areas. None of said provisions shall invalidate the other but each shall be deemed supplementary to the other toward the end that a valid shifting of the common areas of lot owners in this project shall be as indicated in this Declaration. Furthermore, all lot owners in this project shall have a maximum

interest in the common areas of 1.52 percent and a minimum interest in the common areas of at least .53 percent after all possible phases of this project have been filed.

18.7. Improvements, Liens and Consent.

- (1) All improvements on the property to be added shall be substantially complete before such property is added to the project;
- (2) Liens arising in connection with the Declarants' ownership of and construction of improvements upon the property to be added must not adversely affect the rights of existing lot owners or the priority of first mortgages on lots in the existing project. All taxes and other assessments relating to such property covering any period prior to the addition of the property must be paid or otherwise satisfactorily provided for by the Declarant.

18.8. Restrictions and/or Limitations. There shall be no restrictions or limitation as to what portion or portions of additional land may be added to the project. Portions of additional land may be added without regard to time (except as provided at Section 18.3. above) or boundaries. No assessments are made with regard to the locations of any improvements that may be made on any portions of the additional land; other improvements that will or will not be made on any portion of the additional land will be substantially identical to the improvements on the land originally within the project and types, sizes and facilities within any portion of additional land.

18.9. Liability Insurance. In the event of expansion, developer shall purchase at its expense, a liability insurance policy in an amount to cover any liability to which owners of previous sold lots might be exposed. This policy shall be endorsed "as owners' interest might appear."

ARTICLE XIX
MISCELLANEOUS PROVISIONS

19.1. Agent for Service of Process. Kemp Sanders at 2047 S. 2000 W. Syracuse, 84 075 is hereby appointed as agent for service of process. Successor agents may be appointed by the Management committee.

19.2. Severability. If any provisions in this Declaration or any section, sentence, clause, phrase or word or the application thereof in any circumstance, is held invalid, the validity of the remainder of the Declaration and of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

19.3. Language Variations. The use of pronouns or of singular or plural as used herein shall be deemed to be changed as necessary to conform to actual facts.

19.4. Headings. Headings are for identification purposes. Headings shall not be used to interpret or enforce this Declaration.

DATED this 25 day of June, 1999.

DECLARANTS:

Janet H. Sanders
Janet H. Sanders - Managing Member of Craig Development L.C.

Carol Olsen
NOTARY PUBLIC
CAROL OLSEN
250 North Main
Kaysville, Utah 84037
My Commission Expires
November 26, 1999
STATE OF UTAH

***Declaration of Covenants
Conditions and Restrictions
for
Craig Estates
A Cluster Subdivision***

The purpose of this declaration is to set forth all conditions and restrictions governing the construction of sixty-seven homes within the project, including landscaping.

(ARTICLE 1 CONSTRUCTION OF HOMES)

- 1. Builders' plans must be approved by the Review Committee prior to the beginning of construction.*
- 2. Buyer may elect to have their home built with or without a basement.*
- 3. All homes are required to have architectural shingles (Color approved by Review Committee). Any proposed upgrades to be approved by Review Committee.*
- 4. All homes are required to have side and rear walls of brick, rock or stucco (Colors to be approved by Review Committee).*
- 5. Home fronts are required to have no less than 1/3 brick or rock. Remaining 2/3 shall be stucco (Colors of brick and stucco to be approved by Review Committee).*
- 6. Facia and soffit will be aluminum (Colors approved by Review Committee).*
- 7. All decisions concerning the appearance of exterior on each home must be made and an agreement approved and signed by the Review Committee before construction begins.*
- 8. Contractor's construction list must be completed and signed before construction begins.*
- 9. Any desired changes on approved plans must be signed by Review Committee.*

(ARTICLE II – LANDSCAPING)

- 1. The developer will layout and landscape the project, including around all lots and common areas.**
- 2. The developer shall make all decisions concerning trees, shrubs, and plants.**
- 3. Space will be provided in the front and rear of each home for the owner to do their own flower gardening. If the owner desires to have these areas maintained by the Association, a written agreement must be signed.**
- 4. Buyer will pay for landscaping around their own home as well as 1/67 of the cost of landscaping in all common areas. (This cost will be included in the base cost price of the home.**
- 5. Buyer will pay for fencing around their own home as well as 1/67 of the cost for the project.**

Jane H. Sanders

STATE OF UTAH)

: SS.
COUNTY OF: DAVIS

On the 25 day of June, 1998, personally
appeared before me Jane H. Sanders, and did attest that she
is the signer of the foregoing instrument.

Carol Olsen

NOTARY PUBLIC

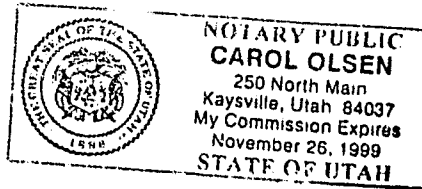


EXHIBIT "A" Map.

E 1529355 B.2527 P 508

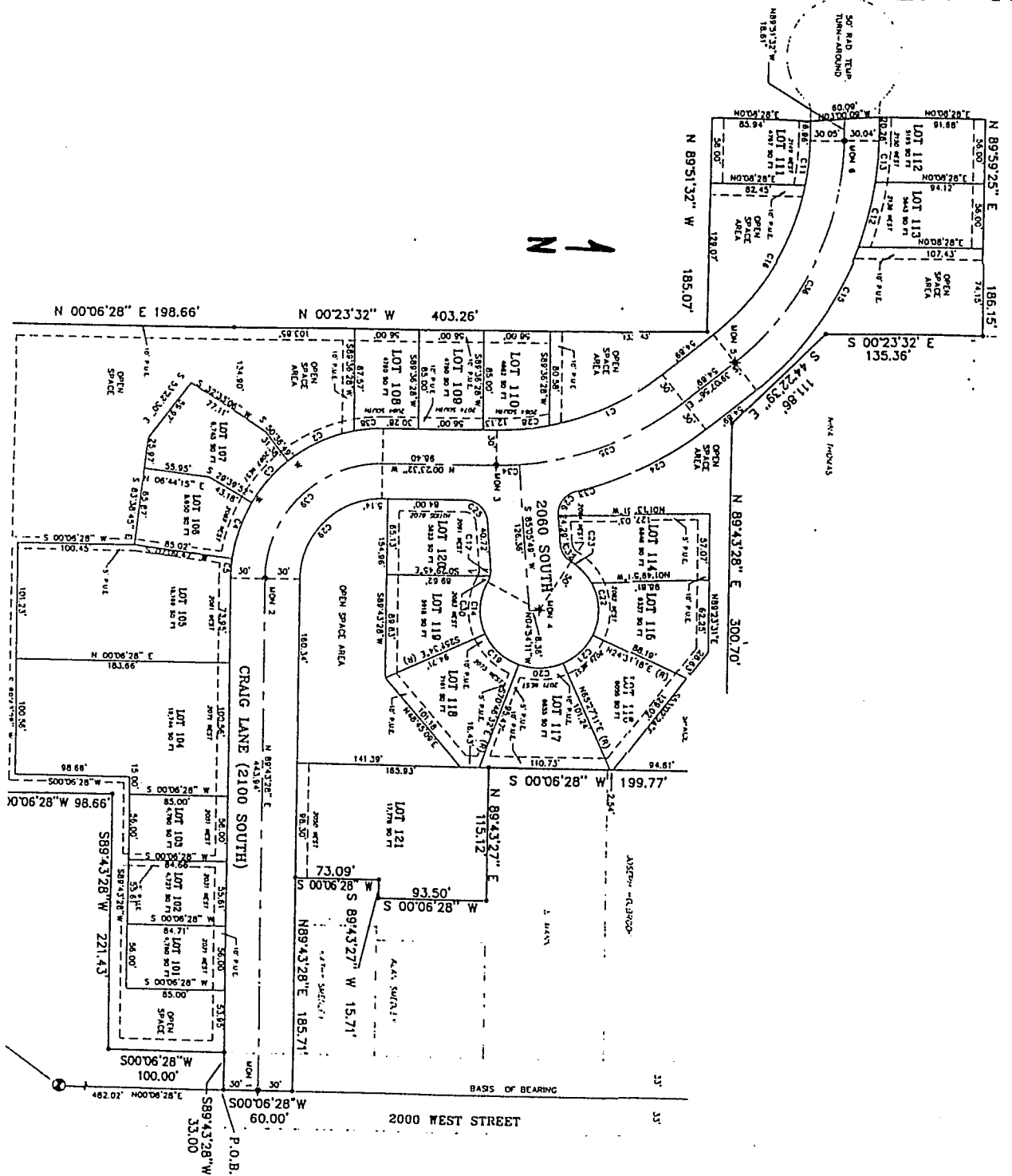


EXHIBIT "B"

LOT #	FRACTIONAL INTEREST
PHASE ONE 101-121	1/67
PHASE TWO 122-145	1/67
PHASE THREE 145-167	1/67
TOTAL	67

1-67 LOTS

1/67TH

EXHIBIT "C"

Legal Description

E 1529355 B 2527 P 510

BOUNDARY DESCRIPTION

BEGINNING AT A POINT WHICH IS NORTH 0°06'28" EAST 482.02 FEET ALONG THE SECTION LINE FROM THE EAST QUARTER CORNER OF SECTION 16, TOWNSHIP 4 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, DAVIS COUNTY, UTAH AND RUNNING THENCE SOUTH 89°43'28" WEST 33.00 FEET; THENCE SOUTH 0°06'28" WEST 100.00 FEET; THENCE SOUTH 89°43'28" WEST 221.43 FEET; THENCE SOUTH 0°06'28" WEST 98.66 FEET; THENCE SOUTH 89°43'28" WEST 404.25 FEET; THENCE NORTH 0°06'28" EAST 198.66 FEET; THENCE NORTH 0°23'32" WEST 403.26 FEET; THENCE NORTH 89°51'32" WEST 185.07 FEET; THENCE NORTH 0°08'28" EAST 85.94 FEET; THENCE NORTH 03°00'09" WEST 60.09 FEET; THENCE NORTH 0°08'28" EAST 91.68 FEET; THENCE NORTH 89°59'25" EAST 186.15 FEET; THENCE SOUTH 0°23'33" EAST 135.36 FEET; THENCE SOUTH 44°22'40" EAST 111.86 FEET; THENCE NORTH 89°43'28" EAST 300.70 FEET; THENCE SOUTH 0°06'28" WEST 199.77 FEET; THENCE NORTH 89°43'28" EAST 114.01 FEET; THENCE SOUTH 0°06'28" WEST 93.50 FEET; THENCE SOUTH 89°43'49" WEST 15.71 FEET; THENCE SOUTH 0°06'28" WEST 72.43 FEET; THENCE NORTH 89°43'27" EAST 185.71 FEET; THENCE SOUTH 0°06'27" WEST 60.00 FEET TO THE POINT OF BEGINNING, CONTAINING 7.92 ACRES.

BOUNDARY DESCRIPTION

BEGINNING AT A POINT WHICH IS NORTH 0°06'28" EAST 482.02 FEET ALONG THE SECTION LINE FROM THE EAST QUARTER CORNER OF SECTION 16, TOWNSHIP 4 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, DAVIS COUNTY, UTAH AND RUNNING THENCE SOUTH 89°43'28" WEST 33.00 FEET; THENCE SOUTH 0°06'28" WEST 100.00 FEET; THENCE SOUTH 89°43'28" WEST 221.43 FEET; THENCE SOUTH 0°06'28" WEST 98.66 FEET TO THE NORTH LINE OF WEST SUNSET VIEW ESTATES NO.1; THENCE SOUTH 89°43'28" WEST 404.25 FEET ALONG SAID SUBDIVISION LINE; THENCE NORTH 0°06'28" EAST 198.66 FEET; THENCE NORTH 0°23'32" WEST 403.26 FEET; THENCE NORTH 89°51'32" WEST 185.07 FEET; THENCE NORTH 0°08'28" EAST 85.94 FEET; THENCE NORTH 03°00'09" WEST 60.09 FEET; THENCE NORTH 0°08'28" EAST 91.68 FEET; THENCE NORTH 89°59'25" EAST 186.15 FEET; THENCE SOUTH 0°23'33" EAST 135.36 FEET; THENCE SOUTH 44°22'40" EAST 111.86 FEET; THENCE NORTH 89°43'28" EAST 300.70 FEET; THENCE SOUTH 0°06'28" WEST 199.77 FEET; THENCE NORTH 89°43'28" EAST 114.01 FEET; THENCE SOUTH 0°06'28" WEST 93.50 FEET; THENCE NORTH 89°41'32" WEST 15.71 FEET; THENCE SOUTH 0°06'28" WEST 72.59 FEET; THENCE NORTH 89°43'28" EAST 185.71 FEET; THENCE SOUTH 0°06'28" WEST 60.00 FEET TO THE POINT OF BEGINNING, CONTAINING 7.92 ACRES.