

# DECLARATION OF CODES, COVENANTS, RESTRICTIONS AND MANAGEMENT POLICIES

THIS DECLARATION, made on the date hereinafter set forth by **COYOTE DEVELOPMENT, LLC**, a Utah limited liability company, hereinafter referred to as "Declarant".

## WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the City of Heber, Wasatch County, State of Utah, which is more particularly described as **THE COVE AT VALLEY HILLS, PLAT A** (see Exhibit "A").

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

## ARTICLE I DEFINITIONS

Ent 236271 Bk 0518 Pg 0334-0349  
ELIZABETH PARCELL, Recorder  
WASATCH COUNTY CORPORATION  
2001 AUG 27 8:51am Fee 103.00 MWC  
FOR COYOTE DEVELOPMENT LLC

**Section 1.** "Association" shall mean and refer to **THE COVE AT VALLEY HILLS OWNERS ASSOCIATION, INC.** a Utah non-profit corporation, its successors and assigns.

**Section 2.** "Board of Directors" shall mean and refer to the governing body of the Association whose duty it is to ensure that the codes, covenants and restrictions contained herein are duly followed as outlined by all Owners. Additionally, that, when such codes, covenants and restrictions are not being followed, said body administers appropriate action to bring all Owners into compliance with these declarations. This shall be a three-member (3) board with each director to be appointed by the members of the Association.

**Section 3.** "Committee" shall mean and refer to **THE COVE ARCHITECTURAL CONTROL COMMITTEE**, a subcommittee under the jurisdiction of the Association whose responsibilities are set forth under *Article VI* of this document. The Committee will consist of a three-member (3) panel that is to be appointed by the Board of Directors.

**Section 4.** "Property" shall mean and refer to that certain real property, herein described in *Article IV*, which shall be known as **THE COVE AT VALLEY HILLS**,

PLAT A, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

**Section 5.** "Lot" shall mean and refer to any plot of land shown upon any recorded final plat map of the Property with the exception of the Common Area.

**Section 6.** "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

**Section 7.** "Member" shall mean and refer to any Owner of any Lot that by virtue of such ownership has voting rights that are appurtenant to the land in the Association of the Property.

**Section 8.** "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area, to be owned by the Association at the time that the first Lot is conveyed, is described as (See Exhibit "A" Attached).

**Section 9.** "Developer" shall mean and refer to **COYOTE DEVELOPMENT, LLC**, a Utah limited liability company, its successors and assigns.

**Section 10.** "Declarant" shall mean and refer to **COYOTE DEVELOPMENT, LLC**, a Utah limited liability company, its successors and assigns.

**Section 11.** "Building Area" shall mean and refer to the only portion of the Lot on which a home may be constructed.

## ARTICLE II PROPERTY RIGHTS

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

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

(b) The right of the Association to suspend the voting rights and right to the use of the facilities by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its rules and regulations as set forth in this Declaration and as may be published by the Board of Directors.

(c) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency or authority for such purpose and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds ( $\frac{2}{3}$ ) of the members agreeing to such dedication or transfer has been recorded.

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

**Section 3. Parking Rights.** Vehicle parking shall be confined to each Lot.

**Section 4. Views.** The Declarant makes no guarantee concerning the continuing existence of a Lot's views or its view corridors. Therefore, Owners of Lots hereby purchase their Lot under notification by Declarant that the subsequent sale of Lots within the subdivision and any future development of contiguous property, whether owned by Declarant or not, may affect, even change, the views and the view corridors that existed on said Lot at the time of purchase and that Declarant may not be held liable as views and view corridors have not been guaranteed with the sale of the Lot.

### ARTICLE III EXTERIOR MAINTENANCE

**Section 1.** The exterior maintenance of each building and Lot shall be the responsibility of the individual Owner. Maintenance shall include paint, repair, replace and care for roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, walks, drives and other exterior improvements.

**Section 2.** In the event an Owner fails to maintain the exterior of his building(s) and the appearance of his Lot in a manner satisfactory to the Board of Directors, then, after a resolution passed by at least two-thirds ( $\frac{2}{3}$ ) of the Board, the Association shall have the right, through its agents and employees, to require such Owner to repair, maintain and restore such Private Areas to a standard consistent with the Development.

### ARTICLE IV DESCRIPTION OF PROPOSED PROJECT

**Section 1. Type of Project.** The project is proposed under the Subdivision Standards of Heber City, Wasatch County, and State of Utah. The Property has been platted into sixty-five (65), one-quarter ( $\frac{1}{4}$ ) acre to three-quarter ( $\frac{3}{4}$ ) acre lots located approximately three miles North-Northeast of the center of Heber City. The development lies on the East foothills of the Heber Valley with panoramic views of the Heber Valley, Mount Timpanogas and its surrounding mountains. The development has access to two major roads: US Highway 40 and 550 East. Heber City Culinary Water will serve each lot. All roads will have curb and gutter at the edge of the pavement fronting all lots and all roads will have sidewalks on at least one side of the street.

**Section 2. Maps.** See Exhibit "A" for detailed site plan.

**Section 3. Staged Development.** The proposed development will be completed in one (1) development phase with the construction of the on-site improvements on all sixty-five (65) lots.

**Section 4. Future Recordation of Lots.** Declarant retains the right and hereby makes notice to any and all Owners of Lots within the subdivision that Lots 17 and 18, which were not recorded as part of the original final plat, may be recorded at anytime by Declarant without prior notification to Owners of Lots.

**ARTICLE V**  
**ENVIRONMENTAL CONSEQUENCES OF PROPOSED PROJECT**

**Section 1. Soil Erosion and Control of Erosion.** The following steps shall be required to minimize the soil erosion potential on the development:

- (a) Any vertical slope cuts for building pads shall be limited to a maximum of ten (10) vertical feet.
- (b) All vertical cuts shall be either cribbed or re-vegetated with rock, natural soils and planted with grasses.

**Section 2. Waste Disposal Facilities.** Liquid waste will be disposed of through the means of a sewer connection for each Lot.

Solid waste will be removed from each Lot by Owner placing it on an approved location at the entrance of each property, in an approved container to be picked up on a scheduled basis by a designated waste disposal company.

**Section 3. Fire hazards.** Control of fire hazards will be facilitated through the installation of fire hydrants in the development. Additionally fire protection is provided by the Wasatch County Fire Department.

**Section 4. Flood Hazards and Control of Floods.** None of the development lies within a Flood Zone. Each Lot Owner will be responsible to minimize surface water run-off within his own property boundary.

**ARTICLE VI**  
**CONSTRUCTION RESTRICTIONS**

**Section 1. Approval of Construction Plans.** All building plans, the proposed location of the structure (site plan), building elevations, construction materials, roof and exterior color schemes, any later changes or additions after initial approval thereof and remodeling, reconstruction, alterations, or additions thereto on any Lot shall be subject to the review and approval, in writing, of the *The Cove Architectural Control Committee* (the "Committee").

A complete set of building plans and specifications of any proposed improvement, together with a site plan, the proposed construction materials, color schemes for roof and exterior, and proposed landscaping will be submitted to the Committee for approval or disapproval.

The Committee shall approve or disapprove plans, specifications and other details within twenty (20) days after the receipt of said plans. Construction on any structure shall not commence without the approval of such activity by the Committee. The Committee shall have the right to disapprove any plans, specifications or details submitted to it in the event the same are not in accordance with all the provisions of these restrictions; if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lot or with the adjacent buildings or structures; if the plans or specifications submitted are incomplete; or in the event the Committee deems the plans, specifications or details thereof to be contrary to the interests, welfare, or rights of all or any part of the real property subject hereto, or the

Owners thereof, said plans may be disapproved. The decisions of the Committee are final.

The Committee shall not be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications.

The Committee shall have the authority to amend the regulations as to height, architectural plan and design, and size requirements for all dwellings, fences and walls, etc.

**Section 2. Construction.** All home construction will be subject to a Heber City Building Permit. Upon the request for a building permit, builders will submit a plan, approved by the Committee, to the Heber City Planning Department.

The construction of the dwelling shall be completed within a period of one year following the commencement of construction (the initial excavation for footings and foundation).

Grading of Lots associated with construction of a dwelling shall be completed prior to occupation of any dwelling.

**Section 3. Type of Construction.** Every dwelling must be constructed upon a full and permanent concrete foundation. Piers, walls or other means of support may be utilized for interior or deck support required for the building. Every dwelling must have a minimum of an attached two-car garage.

Dwellings style, design, alterations or additions must conform to standards to be determined by the Committee. The following architectural styles are strictly prohibited: 1) A-frame structures, 2) Geodesic dome structures, 3) Mediterranean motifs, 4) Southwestern, adobe motifs. Mobile homes or any similarly constructed home are strictly prohibited.

**Section 4. Building Location.** Dwellings shall be sited upon the Lot with Approval of the Committee in consideration of the following factors: 1) Proximity to other lot lines, 2) Proximity to neighboring dwellings, 3) Siting of the driveway associated with the dwelling, 4) The aesthetic effect of the proposed siting in the context of the natural contours of the Lot and the anticipated development of surrounding Lots. This includes consideration of the effect of clustering dwellings near lot lines.

The Owner will follow the Heber City Ordinance and its requirement of setbacks from roads and property lines. In no case, however, shall a dwelling be sited closer than thirty feet (30) from the front lot line.

**Section 5. Size of Homes and Buildings.** No single-story dwellings shall be erected or constructed on any Lot in the subdivision with floor space in said dwelling of less than 1,700 square feet on the ground level, excluding garages, porches, decks and patios.

No multi-story dwelling shall be erected or constructed on any Lot in the subdivision with floor space in said dwelling of less than 1,200 square feet on the ground floor level, excluding garages, porches, decks and patios. A home is considered a multi-level or a multiple story home if the second level consists of finished square footage equal to or greater than fifty percent (50%) of the floor space located on the ground floor level, excluding garages, porches, decks and patios.

**Section 6. Roof Pitch.** No roof shall have a pitch less than 6 by 12 and not greater than 12 by 12 unless prior written approval is received from the Committee.

**Section 7. Exterior.** Exterior construction materials shall be limited to stone, brick, stucco, natural wood siding or composite/concrete siding and shall be in earth tones indigenous to the area. Every resident dwelling will be required to finish the front of the dwelling with not less than forty percent (40%) brick or stone if the remainder of the home is finished with a stucco surface, natural wood siding or concrete/composite siding. The percentage of brick or stone on the exterior façade of the dwelling may be reduced to twenty percent (20%) by receiving prior written approval from the Committee.

Aluminum, vinyl or metal siding (except on soffits and fascia), log homes or log siding are strictly prohibited.

Roof materials shall compliment the building design and encourage compatibility with the surrounding environment. They shall be in earth tones indigenous to the area. Any brightly colored or highly visible materials are strictly prohibited.

Specifications regarding the color, texture, finish and quality for the above may be posted and made available by the Committee.

**Section 8. Driveways.** All driveways, parking pads, guest parking and turnabouts will be of non-porous materials. Driveways must be large enough to accommodate two parked vehicles.

**Section 9. Modification of Natural Contours.** The natural contours of any Lot shall not be modified in excess of two vertical feet without prior written approval of the Committee.

**Section 10. Landscaping.** A landscape plan, budget and an accompanying landscape estimate are to be submitted to the Committee for approval along with the building plans. Said landscape plan is to include a combination of grass and planting beds, the plantings of which is entirely at the discretion of the owner. The grass areas may be sod or seed and shall cover a minimum of fifty percent (50%) of the landscaping area; a minimum of fifty percent (50%) of the front yard shall be grass and a minimum of fifty percent (50%) of the back yard shall be grass.

Prior to receiving approval for the building and landscape plans, the Owner shall post a cash bond or furnish the Committee with a bank commitment letter for sufficient funds to landscape the front yard of the dwelling from the back of the curb at the street to the front of the dwelling. The amount of the bond or bank commitment shall be the equivalent of the square footage of the front yard times \$2 per foot. The total square footage to be landscaped shall be calculated by the Association from the submittal of building plans with the accompanying site plan.

If Owner chooses to post a cash bond, the Association will hold the bond and place the funds in an interest bearing account for the benefit of the Owner. If Owner chooses to issue a bank commitment letter to the Association, Owner shall make the appropriate amount of funds available from the bank as evidenced by an unconditional Letter of Credit, in satisfactory form, guaranteeing the availability of funds to perform the required work. The Association must be named as an additional beneficiary of the funds in the event it becomes necessary for the Association to complete the improvements in accordance with this covenant.

If the dwelling is issued a Certificate of Occupancy (CO) during the months of September to March, the Owner shall have until the last day of the subsequent month of

July to complete the front yard landscaping. If the CO is issued on the dwelling anytime during April to August, Owner shall have until the last day of the subsequent month of November to complete the front yard landscaping.

If the deadline for the completion of the front yard landscaping has passed and Owner has failed to comply with this covenant then the Association shall serve Owner with a written "Notice to Perform". If upon the thirtieth day after having sent the Notice to Perform the Owner continues to be out of conformity, with conformity being defined as completion of the improvements, the Association will then have the right to trespass upon the property of the Owner and to cause to be performed the landscaping plan originally submitted to the Committee by the Owner. Further, the Association shall have the right to pay for the landscaping improvements using either the cash bond or exercising the Bank Letter of Credit to fund such improvements.

The remainder of the landscape plan, all side and back yards, is to be completed within twenty-four months (24) after receiving the CO.

**Section 11. Temporary Structures.** No structure of a temporary nature, a trailer, mobile home, basement, tent, shack, garage, or camper shall be used on any Lot at any time as a residence, either temporarily or permanently, except during construction of the dwelling and with prior written approval of the Committee. No dwelling house on any Lot shall be occupied in any manner prior to its completion without prior written approval of the Committee. No old or secondhand structures shall be moved onto any of the said Lots for use as a dwelling or accessory building, it being the intention hereof that all dwellings be erected on the Lots and within the subdivision shall be new construction of good quality, workmanship and materials.

Owners must comply with any relevant Heber City ordinance.

**Section 12. Fencing.** It is the general intention that all perimeter fencing within the subdivision has a continuity of appearance in keeping with the setting and surroundings of the property.

Fences, screens or walls that are associated or connected with a building or structure may be of such design, material and height, as may be approved by the Committee. Fences or walls shall be of wood, vinyl, wrought iron, brick or stone. No fence or walls of chain-link wire mesh or concrete blocks shall be allowed. Fences, walls or hedges shall not exceed six feet in height. No fences shall be allowed in the front yards or in side yards from the average front line of the dwelling forward, unless approved by the Committee. Hedges and landscaping will be permitted in front yards and side yards of corner lots so long as they do not exceed four (4) feet in height and meet the approval of the Committee.

**Section 13. Exterior Lighting.** Any light used to illuminate garages, patios, parking areas, landscaping or any other purpose shall be so arranged as to reflect light away from adjacent residences and away from the vision of passing motorists.

## ARTICLE VII ADDITIONAL RESTRICTIONS

**Section 1. Residential Use.** Each Lot shall be occupied and used by its Owner only as a single family residence dwelling for the Owner, his family, tenants and

social guests and shall further conform to applicable zoning ordinance requirements of Heber City.

The Declarant or its duly authorized agent may use any Lot owned by the Declarant as a sales office, sales model or property office.

Additionally, each Lot Owner may operate a home-based business upon written approval from the Association. Each Lot Owner wishing to operate a home-based business shall submit a written request for approval to the Association detailing the nature of the proposed business and the anticipated impact on the surrounding properties. In determining whether to grant approval, the criteria the Association shall consider shall include, but not be limited to, the following: 1) the potential impact of the business on traffic and parking; 2) the proposed operation, maintenance and storage of equipment utilized by the business; and 3) any other potential impact on the surrounding properties which may be caused by the particular business. The decision whether to grant approval of a particular business will be at the sole and absolute discretion of the Association. No equipment relating to a home-based business will be operated, maintained or stored on any lot unless specifically authorized by the Association.

Any Owner or duly authorized agent may rent or lease said Owner's residential dwelling from time to time. Any rental shall be only for residential use, not commercial.

**Section 2. Unsightly Storage and Materials.** All storage, garbage and refuse containers, air conditioning equipment, utility pipes, etc., must be placed at the rear of the dwelling and located on the site in such a manner as to not be conspicuous from the frontage street.

There shall be no boats, broken down autos, trailers, RV's, campers, building materials, snowmobiles, ATV's, watercraft and all other recreational or similar vehicles located on any Lot for more than 72 hours except where enclosed within a storage facility that has been approved by the Committee (i.e. garage) or parked on a pad at the side of the home (to be constructed of non-porous material; no gravel or dirt parking pads), said pad not to extend beyond the front of the home.

So as to preserve and protect the appearance of the development, all unsightly objects such as trash piles, broken or unfinished buildings, broken or inappropriate fencing, and or any other unsightly objects that devalue the surrounding area are not allowed. Individual Lots are not to be used as storage areas.

**Section 3. Lot Maintenance and Cleanliness.** Each Owner shall maintain his/her Lot in an attractive manner so as to not detract from the community. All Owners possessing vacant Lots shall be responsible for keeping such Lots clean in appearance and free from all refuse, debris and potential fire hazards.

Declarant retains the right to enter upon the land of another Lot Owner to clean, repair or remove debris, weeds and other unsightly objects at the expense of the Lot Owner, provided, however, that the Lot Owner shall first receive written notice affording twenty (20) days opportunity to clear, repair or remove the same. The Lot Owner specifically agrees that in the event the Declarant is compelled to enforce the terms hereof, in Court or otherwise, that the Lot Owner shall pay all costs arising from his/her default or failure to abide by all the terms and conditions imposed, including reasonable attorney fees.



The Lot Owner, by the acceptance of these declarations, specifically agrees that on any resale, the new purchaser, as a condition thereof, shall execute and agree to the terms hereof.

**Section 4. Utility Easements.** Easements for the installation and maintenance of utilities and drainage facilities are reserved, as shown on the recorded plat, over each Lot or parcel of land. Within these easement areas, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities and drainage facilities. The easement areas of each Lot and parcel of land, and all improvements in it, shall be maintained continuously by the Owner of said Lot or parcel of land.

**Section 5. Underground Utility Lines.** All water, gas, electrical, telephone, television cables, other electronic pipes and lines and all other utility lines within the limits of the property must be buried underground and may not be exposed above the surfaces of the ground.

**Section 6. Private Area Uses and Restrictions.** The Association, or its duly authorized agents, shall have the right, at any time, without any liability to the Owner for trespass or otherwise, to enter any Private Area for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Private Area in violation of this Declaration, or to enforce, without limitations, all of the other codes, covenants, conditions and restrictions set forth in this Declaration. The Owner shall be assessed for the actual cost of enforcement plus ten percent (10%) for the associated administrative costs. Such assessment shall constitute a lien against the Lot and/or dwelling.

**Section 7. Parking.** All permanent parking will be confined to the individual Lots, not on road right-of-ways or Common Areas. A parking pad may be added to the side of the home, not to extend further than the front of the home (excepting access to the pad) nor any wider than 16 feet in width, and is to be constructed of non-porous material (no gravel or dirt pads). Said pad must first receive prior approval by the Committee as to its location, design and material. Campers, trailers, motor homes, camping vehicles, other recreational vehicles and all commercial vehicles shall be stored within buildings or parked on the parking pad to the side of the dwelling and in such a manner that they do not create an unsightly appearance from any perspective. If the dwelling does not have sufficient storage within the attached garage to meet the needs of the Owner then not more than one (1) camper, trailer, motor home, recreational vehicle (i.e. ATV, snowmobile, watercraft, boat, etc.) or commercial vehicle may be stored on the Lot. The additional item to be parked on the premises of the Lot must be parked on the parking pad at the side of the home. No commercial vehicle with a load capacity of greater than one (1) ton shall ever be permitted to be stored or parked on the Lot.

**Section 8. Signs.** No sign of any kind shall be displayed to the public view on any lot except one professional sign of not more than one square foot, one temporary sign of not more than five square feet advertising the property for sale or rent, signs used by a builder to advertise the property during the construction and sales period or signs erected by the Declarant to market the subdivision and Lots within the subdivision. Any sign must comply with applicable Heber City ordinances.

**Section 9. Solid Waste.** Solid waste will be removed from each individually owned lot by owner placing it on an approved location at the entrance of the Lot, in an

approved container, to be collected on a scheduled basis by a designated waste collection company. Solid waste left around individual Lots or piled in an unsightly manner is not allowed.

**Section 10. Alteration.** No Owner shall make structural alterations or modifications to his Lot and dwelling or other exterior attachments, antennas (other than regular TV antennas), signs (except property for sale signs), or advertising devices without the prior written approval of the Committee. The Committee will not approve any alterations, decorations or modifications that would jeopardize or impair the soundness, safety or appearance of the development.

**Section 11. Antennas.** All antennas must be enclosed within a building and not roof mounted. All satellite dishes shall be less than 24" in diameter and must be located and screened in a manner approved in advance by the Committee so that such dishes are not readily visible from other Lots, the Common Areas or the street. No radio receiver or sender antenna or other similar device shall be attached to or installed on the exterior portion of any Dwelling or structure or placed on any Lot within the Property.

**Section 12. Mail and Delivery Boxes.** The Committee shall determine the standards and issue guidelines for the location, material, color and design for mail and newspaper boxes, if any, and the manner in which they shall be identified. All Owners must display the City-assigned street address on their mailboxes or Dwelling.

**Section 13. Sight Distance at Intersections.** No fence, wall, hedge or shrub planting which obstructs sight-line elevations between two and six feet above the roadways shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points 45 feet from the intersection of the street lines or, in the case of a rounded property corner, from the intersection of the street property lines extended. The same sight-line limitations shall apply on any Lot within ten feet from the intersection of a street property line with a driveway.

**Section 14. Improper Activities.** Unlawful activities are not to be engaged in on any Lot or on the Common Areas, nor shall anything be done that may be a nuisance to the Owners. No Owner shall store dangerous explosives or flammable materials at neither the dwelling, on the Lot, on the Common Areas, or permit anything to be done, or to keep or permit to be kept in the dwelling, on the Lot, or on the Common Areas anything that will increase risk within the development.

**Section 15. Use of Common Areas.** The Common Areas shall not be used for storage of supplies, personal property, trash or refuse of any kind. The use of motorized vehicles on the Common Areas is strictly prohibited. Entrances, sidewalks, yards, driveways or parking areas shall not be obstructed in any way nor shall unauthorized persons use them for other than their intended purposes.

**Section 16. Animals.** No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets may be kept provided they are not kept, bred or maintained for any commercial purposes. Any exception, if any, must be made with written consent of the Committee. Guidelines established by the developer are as follows: No wild or dangerous animals shall be kept within the development. No cows or swine are allowed.

The Owner of any animal shall be personally liable for any damages or inconveniences resulting from said animal and shall take all necessary steps to prevent

his or her animal from roaming unrestrained throughout the subdivision or neighboring properties. Without exception, all dogs shall be restrained (i.e. leash) when off the Lot of their Owner.

The Committee, as to the design, material and color, must approve the construction of shelter facilities for all animals/pets. Chain-link fences may not be used to confine animals. Approved perimeter fencing or "Invisible Fencing" will be used to as the primary confinement of the animals. If not contained by perimeter fencing, all dogs must be on a leash or tied up in some manner so as to not become a nuisance to the other Owners. Should any pet become a nuisance to the other Owners, the pet owner will be subject to a fine that may be placed by the Association as a lien on the property. The fine will be established within the By-Laws of the Association.

**Section 17. Rules and Regulations.** The Association may adopt rules and regulations for the use of Lots. No such rules and regulations shall be established which violate the intention or provisions of this Declaration or which unreasonably restrict the use of any Lot by the Owner thereof.

## ARTICLE VIII MEMBERSHIP VOTING RIGHTS

**Section 1.** Every Owner of a Lot is subject to an assessment and is a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment.

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

**Class A.** A *Class A* Member shall be all Owners with the exception of the Developer and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

**Class B.** The *Class B* Member shall be the Developer and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership when the following occurs:

(a) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership (after the 49<sup>th</sup> Lot is sold).

## ARTICLE IX COVENANT FOR MAINTENANCE ASSESSMENTS

**Section 1. Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association; (1) annual assessments or charges, and (2) any special assessments for capital improvements that are approved by the Association, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs,

and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against that which each such assessment is made. Each such assessment, together with interest, cost, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. With any sale of the property, the Association lien will not release the lien until at such time that the Owner fully satisfies the obligation. Otherwise, said lien shall be passed with title and run with the land. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Areas, by abandonment of his/her Lot or by the rental or leasing of his dwelling upon said Lot.

**Section 2. Purpose of Assessment.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Development and for the improvement and maintenance of the Common Areas.

**Section 3. Maximum Annual Assessment.** Until December 31, 2001, the Maximum Annual Assessment shall be \$50.00 per Lot. The first collection of assessments will occur at the closing of each individual Lot and is to be collected for the current calendar year in which the sale is executed. Assessments will be pro-rated pertaining to the month of the year in which said Lot is purchased. Every year thereafter, the Association will bill and collect all assessments on the 1<sup>st</sup> of January for the forthcoming calendar year.

(a) Beginning January 1, 2001, at no such time, unless a vote shall be cast as outlined herein, shall the Maximum Annual Assessment be increased by more than seven percent (7%) above the Maximum Annual Assessment of the previous year.

b) Beginning January 1, 2001, the Maximum Annual Assessment may be increased by more than seven percent (7%) above the previous year assessment with a vote in favor by two-thirds ( $\frac{2}{3}$ ) of the Members of the Association who are voting in person or by proxy at a meeting duly called for this purpose.

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

**Section 4. Exempt Property.** All properties dedicated to, and accepted by, a local public authority shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

**Section 5. Special Assessments for Capital Improvements.** In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, or upon the exterior of the properties, provided that any such assessment shall have the assent of two-thirds ( $\frac{2}{3}$ ) of the votes of the Members of the Association who are voting in person or by proxy at a meeting duly called for this purpose.

At its discretion, the Association may require that any assessment not be expended by the Association in the year of its collection; or, it may provide that the assessments be treated as a contribution to the capital of the Association, for expenditures

in subsequent years. Such funds are to be maintained in a separate capital account until their expenditure is appropriate.

As an agent for its members, the Association may, in its discretion, hold such assessment funds until the year in which the expenditures of such funds is appropriate; in such year, the Association shall transfer funds to the ownership of the Association before making expenditure.

**Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 5.** Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the Members, or of their proxies, that are entitled to cast sixty percent (60%) of all the votes of each class of membership, shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting, or thirty percent (30%) of the total votes of each class of membership of the Association. No such subsequent meeting shall be held more than sixty days (60) following the preceding meeting.

**Section 7. Uniform Rate of Assessment.** Both annual and special assessments must be fixed at a uniform rate for all Lots except for unusual exposure or other unusual conditions, and may be collected on a monthly basis.

**Section 8. Date of Commencement of Annual Assessments/Due Dates.** The annual assessments provided for herein shall be due and payable as of the date of the sale of the first Lot. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty days (30) in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Board of Directors shall establish the due dates. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

**Section 9. Effect of Nonpayment of Assessments/Remedies of the Association.** Any assessment not paid within thirty days (30) after the due date shall bear interest from the due date at the rate of ten percent, (10%), per annum. The Association may bring an action of law against the Owner, personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

**Section 10. Subordination of the Lien to Mortgages.** The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to a mortgage foreclosure, or any proceeding of lien foreclosure thereof, shall extinguish the lien of such assessments as to the payments that become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

## ARTICLE X INSURANCE

**Section 1. Types of Insurance.** The Association shall obtain from insurance companies licensed to do business in the State of Utah and shall keep in full force and effect at all times the following types of insurance covering the Common Area and shall pay the premiums thereon as a Common Expense.

(a) *Fire and Casualty Insurance.* The Association may obtain a policy or policies of insurance on the Common Areas and facilities of the project in such amounts as shall provide for the maximum insurable replacement thereof in the event of damage or destruction. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection. The Association may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

(b) *Public Liability and Property Damage Insurance.* The Association may obtain a broad form of comprehensive liability insurance coverage, in such amounts and in such forms, as it deems advisable to provide adequate protection against liability for personal injury, death, and property damage. Coverage shall include without limitation liability for operation of automobiles on behalf of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project or any portion thereof.

## ARTICLE XI GENERAL PROVISIONS

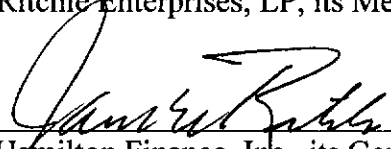
**Section 1. Enforcement.** The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, management policies, reservations, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**Section 2. Severability.** Invalidations of any one of these covenants and restrictions by judgment or court order shall in no wise affect any other provisions that shall remain in full force and effect.

**Section 3. Amendment.** The covenants and restrictions of this Declaration shall run with and bind to the land, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty-year (30) period by an instrument signed by not less than ninety percent (90%) of the Lot Owners, and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must also be approved by the Board of County Commissioners, and must be recorded in the office of the County Recorder before such amendment shall become effective.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seals this the 15<sup>th</sup> day of August, 2001.

COYOTE DEVELOPMENT, LLC  
By: Ritchie Enterprises, LP, its Member

  
By: Hamilton Finance, Inc., its General Partner  
By: James W. Ritchie, its President

STATE OF UTAH )  
 ) :SS.  
COUNTY OF Wasatch )

On this 15<sup>th</sup> day of August, 2001 personally appeared before me **James W. Ritchie**, signer(s) of the above instrument, who duly acknowledged to me that they executed the same.

  
NOTARY PUBLIC

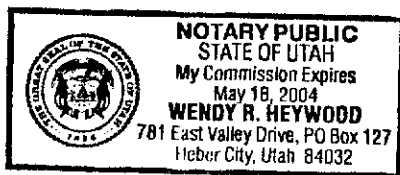


EXHIBIT A

BOUNDARY DESCRIPTION

BEGINNING AT A POINT LOCATED NORTH 1485.12 FEET AND WEST 1330.53 FEET FROM THE SOUTHEAST CORNER (BRASS CAP MONUMENT) OF SECTION 28, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE & MERIDIAN, SAID POINT ALSO BEING THE NORTHEAST CORNER OF VALLEY HILLS ESTATES PLAT 'F';

THENCE THE FOLLOWING SEVEN COURSES ALONG THE NORTH AND WEST BOUNDARY OF VALLEY HILLS PLAT 'F':

NORTH 85°00'00" WEST 215.24 FEET;

NORTH 01°18'00" EAST 83.21 FEET;

NORTH 88°41'00" WEST 197.00 FEET;

SOUTH 01°18'00" WEST 200.00 FEET;

NORTH 88°41'00" WEST 182.00 FEET;

SOUTH 01°18'00" WEST 175.39 FEET;

SOUTH 15°20'00" WEST 654.00 FEET;

THENCE THE FOLLOWING TWO COURSES ALONG THE NORTH BOUNDARY OF VALLEY HILLS ESTATES PLAT 'E':

NORTH 83°00'00" WEST 137.27 FEET;

SOUTH 01°20'03" WEST 21.00 FEET TO THE NORTHEAST CORNER OF VALLEY HILLS ESTATES PLAT 'G';

THENCE THE FOLLOWING THREE COURSES ALONG THE NORTH BOUNDARY OF VALLEY HILLS ESTATES PLAT 'G':

THENCE NORTH 88°38'57" WEST 60.14 FEET;

THENCE NORTH 72°40'00" WEST 226.88 FEET;

THENCE WEST 0.36 FEET;

THENCE NORTH 25°04'42" EAST 279.58 FEET;

THENCE NORTH 18°53'00" EAST 568.22 FEET;

THENCE NORTH 15°02'00" EAST 457.00 FEET;

THENCE NORTH 17°40'00" EAST 307.00 FEET;

THENCE NORTH 18°50'00" EAST 238.00 FEET;

THENCE NORTH 21°35'00" EAST 138.00 FEET;

THENCE NORTH 23.76 FEET;

THENCE NORTH 31°15'00" WEST 589.94 FEET;

THENCE NORTH 48°58'12" EAST 1110.13 FEET;

THENCE SOUTH 2432.00 FEET TO THE POINT OF BEGINNING,

CONTAINING APPROXIMATELY 40.00 ACRES.

*EXCEPTING THEREFROM LOTS 17 & 18 (0.66 ACRES)*