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WASATCH COUNTY CORPORATION
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FOR WATTS RUSS

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
DUTCH FIELDS
(A Planned Unit Development)
Midway, Wasatch County, Utah

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
DUTCH FIELDS P.U.D.

THIS DECLARATION made and executed this ____ day of October, 2002, by WATTS DUTCH FIELDS, L.L.C., a Utah limited liability company with its principal place of business located in Salt Lake City, State of Utah, (hereinafter referred to as "Declarant").

RECITALS:

A. Declarant is the record owner of that certain tract of Property more particularly described in Article II of this Declaration.

B. Declarant desires to provide for preservation of the values and amenities of the Property (including but not limited to the old farm and rural character and traditions of the area) and for maintenance of the Common Areas. To this end, and for the benefit of the Property and of the Owners thereof, Declarant desires to subject the Property described in Article II of this Declaration and the various Homesteads (Lots) now or hereafter contained within the entire tract hereinafter described to the covenants, restrictions, easements, charges, liens hereinafter set forth.

C. Declarant deems it desirable for the efficient preservation of the values and amenities of the Property, to create an entity which possesses the power to maintain and administer the Common Areas, to collect and disburse the assessments and charges hereinafter provided for, and otherwise to administer and enforce the provisions of this Declaration. For such purpose Declarant has, in conjunction with recordation of this Declaration, caused or will cause to be incorporated under the laws of the State of Utah, as a nonprofit corporation, THE DUTCH FIELDS HOMEOWNERS' ASSOCIATION.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of the Property described in Article II hereof shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, obligations, and lien hereinafter set forth.

I. DEFINITIONS

1.1. Additional Land shall, at any point in time, mean the real property, or any portion thereof, located in Wasatch County, State of Utah, and more particularly described on Exhibit "B" attached hereto, or any other real property adjacent to the Property or that described on Exhibit "B", provided however, that if any such real property is separated from the Property or that described on Exhibit "B," by a dedicated road or street, it shall not be excluded and may be annexed as part of the Development in accordance with the provisions of Section 2.2.

1.2. Accessory Building Envelope shall mean and refer to that area of ground in a Homestead (Lot) in which a accessory building can be located as shown on the Plat. If the Plat does not separately designate a Building Envelope, the Accessory Building Envelope shall be that area approved by the Architectural Control Committee, upon application by an Owner to such Architectural Control Committee.

1.3. Architectural Control Committee or the Committee shall mean the Architectural Control Committee created in accordance with the requirements of Article VIII of this Declaration.

1.4. Association shall mean and refer to the Dutch Fields Homeowners' Association, a Utah nonprofit corporation.

1.5. Board shall mean and refer to the Board of Trustees of the Association as duly elected in accordance with the terms and conditions of the Articles of Incorporation and Bylaws of the Association.

1.6. Building Envelope shall mean and refer to that area of ground in a Homestead (Lot) in which a Living Unit can be located as shown on the Plat. If the Plat does not separately designate a Building Envelope, the Building Envelope shall be co-extensive with the Homestead (Lot) description, excluding, however, setbacks which may be required by the terms of this Declaration or by appropriate governmental agencies.

1.7. City shall mean the City of Midway, a political subdivision of the State of Utah.

1.8. Common Areas shall mean and refer to that part of the Property which is not included with the Homesteads which is owned by the Association for the common use and enjoyment of the Owners, together with all improvements thereon and all easements appurtenant thereto including but not limited to private utility lines and fixtures and other personal property owned by the Association when the context so requires. Subject to the limitations contained in this Declaration, the Trails and the Conservation Preserve are part of the Common Areas.

1.9. Conservation Preserve shall mean and refer to that area of real property which the Declarant may, if it elects, convey to the Association, which has been restricted by deed, in perpetuity, for (i) the protection of the natural habitat of wildlife, plants and other ecosystems, and/or (ii) the preservation of open space for the scenic enjoyment of the public.

1.10. Declaration shall mean and refer to this Declaration of Covenants, Conditions and Restrictions.

1.11. Design Guidelines shall mean and refer to those guidelines and regulations created by the Declarant for the design and construction of Living Units and other improvements within the Development and the corresponding landscaping of Homesteads.

1.12. Development shall at any point in time mean, refer to, and consist of the Subdivision then in existence.

1.13. Environmental Laws. The term "Environmental Laws" shall mean any federal, state, local or foreign statutes, codes, plans, regulations or common laws related to pollution or protection of the environment, including, without limitation, any common laws of nuisance or trespass and any laws or regulations relating to emissions, discharges, releases or threatened releases of Toxic Materials into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Toxic Materials. "Environmental Laws" shall also include all orders, decrees, judgments, injunctions, notices or demand letters issued, entered, promulgated or approved under those Environmental Laws.

1.14. Farm Animals means those animals designated below, other than household pets, that may be kept and maintained for commercial production and sale and/or for family food production, education, or recreation, but only in an area designated on a Plat as a Farm Zone, and only in accordance with applicable governmental regulations. Those Farm Animals that are permitted are identified by these categories: (i) "Large Farm Animals," such as horses and cattle; (ii) "Medium Farm Animals," such as sheep; or (iii) "Small Farm Animals," such as chinchilla, chickens, turkeys, pheasants, geese, and ducks. Goats, pigs and swine are specifically excluded as permitted Farm Animals.

1.15. Governing Documents. The term "Governing Documents" shall mean (a) this Declaration, (b) the Development Agreement by and between Declarant and the City; (c) a Water Supply Agreement by and between Declarant, City and Midway Irrigation Company; (d) the Maps and Plats (as defined herein), (e) the Master Grading and Drainage Plan; (f) the Articles, (g) the Bylaws, (h) the Association Rules, (i) the Design Guidelines, and (j) the covenants, restrictions and all other agreements and instruments pertaining to and governing the foregoing or the Development or the activity or matter in question as may be amended from time to time.

1.16. Governing Laws. The term "Governing Laws" shall mean all laws, ordinances, regulations, orders, judgments and other legislation pertaining to and governing the Development or the activity or matter in question.

1.17. Homestead shall mean and refer to any one of the separately numbered and individually described plots of land described on a Plat: (a) which is intended to be owned individually, rather than by an association of Owners or in common by Owners of different Homesteads; and (b) which is intended to be used as the site of a single Living Unit. In other contexts a Homestead would be known as a Lot.

1.18. Household Pets means household pets, including dogs, cats, rabbits, and pigeons, maintained for family use only (non-commercial production), with cages, pens and coops.

1.19. Landscape Zone shall mean one of two landscaping zones located within the Development, and described as either the "Orchard Landscape Zone" or the "Farmhouse Landscape Zone." Each such Landscape Zone has unique characteristics and special site design considerations as described in the Design Guidelines.

1.20. Living Unit shall mean and refer to a structure which is designed and intended for use and occupancy as a single-family residence, together with all improvements located on or with respect to the Homestead concerned which are used in connection with such residence. Subject to the Governing Laws, a Living Unit may be constructed as part of a "twinhome" meaning a single family dwelling, with walls or roofs in common with one other single family dwelling.

1.21. Member shall mean and refer to every person who holds a membership in the Association.

1.22. Mortgage shall mean any mortgage, deed of trust or trust deed or the act of encumbering any Homestead or any property by a mortgage, trust deed or deed of trust.

1.23. Mortgagee shall mean any person named as a mortgagee of a mortgage or beneficiary under or holder of a deed of trust.

1.24. Owner shall mean and refer to the person who is the Owner of record (in the office of the County Recorder of Wasatch County, Utah) of a fee or an undivided interest in any Homestead. Notwithstanding any applicable theory relating to a mortgage, deed of trust or like instrument, the term "Owner" shall not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.25. Parcel shall mean and refer to the Property which is subject to this Declaration, which is filed for record in the office of the County Recorder of Wasatch County, Utah, is separately subjected to the terms of this Declaration with the intention that it shall thereby comprise all or a part of the Development. The real property described in Article II of this Declaration constitutes a Parcel.

1.26. Plat shall mean and refer to any subdivision plat, any plat of a planned unit development, or any plat or map similar to any of the foregoing: (a) which covers the Property; (b) which describes or creates one or more Homesteads; (c) on which or in an instrument recorded in conjunction therewith there is expressed the intent that the Subdivision created by the Plat shall comprise the Development; and (d) which is filed for record in the office of the County Recorder of Wasatch County, Utah. Recorded concurrently with this Declaration is a subdivision plat of DUTCH FIELDS P.U.D., and executed and acknowledged by Declarant on October __, 2002, and creating separately numbered Homesteads. Said subdivision plat constitutes a Plat.

1.27. Property shall mean and refer to all of the real property which is covered by a Plat.

1.28. Special Service District. The term "Special Service District" shall mean that special service district in existence or which may be formed by the City and Declarant in accordance with the terms and conditions of the Governing Documents which provides both culinary and secondary water to or for the benefit of Owners of Lots and Living Units; and (ii) that makes monthly charges to Owners for the improvements located and maintained in such special service district, which charges will be in addition to those charges imposed by Midway City for water. Such charges will be reflected upon individual water statements. The Special Service District will cover all Parcels located within the Development. By becoming an Owner within the Development, each Owner shall be deemed to have given his consent to the creation of and the requirements of the Special Service District.

1.29. Subdivision shall mean and refer to the entire residential development which is created and covered by a Plat.

1.30. Toxic Materials. The term "Toxic Materials" shall mean any flammable explosives, asbestos, industrial substances, pollutants, contaminants, chemicals, wastes, discharges, emissions, radioactive materials and other hazardous substances, whether injurious by themselves or in combination with other materials, including, but not limited to, substances defined as "hazardous substances," "hazardous materials," "hazardous wastes" or "toxic substances" described in the "Environmental Laws."

1.31. Trails shall mean a system of trails, and easements reserved for the construction and maintenance of such Trails, to be established by Declarant as a Common Area and designated as such on one or more Maps as the same are submitted to the terms and conditions of this Declaration. Although designated as a Common Area, the Trails are subject to public use as required by the Governing Documents.

II. PROPERTY DESCRIPTION

2.1. Submission. The Property which is and shall be held, transferred, sold, conveyed and occupied subject to the provisions of this Declaration consists of the following-described real property situated in Wasatch County, State of Utah.

SEE THE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND INCORPORATED HEREIN BY REFERENCE.

EXCLUDING all presently existing or to be constructed or installed sewer lines, water mains, gas lines, electrical conduits, telephone lines, and related facilities to the extent that they are located outside the Homesteads included with the above-described tract; provided, however, that lines and systems specifically conveyed to the Association by Declarant shall not be included within this exclusion.

RESERVING UNTO DECLARANT, however, such easements and rights of ingress and egress over, across and through and under the above-described tract and any improvements now or hereafter constructed thereon as may be reasonably necessary for Declarant or any assignee of Declarant (in a manner which is reasonable and not inconsistent with the provisions of this Declaration): (i) to construct a Living Unit on each and every Homestead; and (ii) to improve the Common Areas with such facilities, including, but not limited to, roads, recreational facilities, walkways and various landscaped areas, designed for the use and enjoyment of all the Members as Declarant may reasonably determine to be appropriate. If, pursuant to the foregoing reservation, the above-described tract or any improvement thereon is traversed or partially occupied by a permanent improvement or utility line, a perpetual easement for such improvement or utility line shall exist. With the exception of such perpetual easements, the reservation hereby effected shall, unless sooner terminated in accordance with its terms, expire twenty (20) years after the date on which this Declaration is filed for record in the office of the County Recorder of Wasatch County, Utah.

ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments and charges imposed or levied by governmental or quasi-governmental authorities, including but not limited to those which may be assessed as provided under the requirements of the Special Service District; all patent reservations and exclusions; all mineral reservations and exclusions; all mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described tract or any portion thereof, including without limitation, any mortgage or deed of trust; all visible easements and rights-of-way; and all easements and rights-of-way of record.

2.2 Annexation by Declarant. Declarant may from time to time expand the Development by the annexation of all or any part of the real property comprising the Additional Land. Such annexation may include (i) Living Units; and/or (ii) Common Areas, including improvements constructed thereon. The annexation of any portion of the Additional Land shall become effective upon the recordation in the office of the Wasatch County Recorder of a Plat for the Additional Land, or portion thereof, and by a supplement to this Declaration which (i) describes the real property to be annexed and confirms that it is part of the Additional Land; (ii) declares that the annexed real property is to be held, sold, conveyed, encumbered, leased, occupied and improved as part of the Development and subject to this Declaration; and (iii) sets forth such additional limitations, restrictions, covenants and conditions as are imposed by the owner of and applicable to the annexed real property. Upon the effective date of such annexation, the annexed real property as identified

in the Plat of the same, shall become part of the Development and shall be subject to the provisions of this Declaration and any amendment or supplement thereto.

2.3 Limitation on Annexation. Declarant's right to annex any portion of the Additional Land shall be subject to the following limitations:

a. The annexed real property must be all or part of the Additional Land as identified in this Declaration.

b. Declarant shall not effectuate any annexation of real property which would cause the total number of Living Units within the Development to exceed two hundred fifty (250) when completed.

III. MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. Every Owner shall be a Member of the Association. Membership in the Association shall be mandatory, shall be appurtenant to the Homestead in which the Owner has the necessary interest, and shall not be separated from the Homestead to which it appertains.

3.2. Voting Rights. The Association shall have the following described two classes of voting membership:

Class A. Class A Members shall be all Owners other than the Declarant until the Class B membership ceases. Class A Members shall be entitled to one vote for each Homestead in which the interest required for membership in the Association is held. In no event, however, shall more than one Class A vote exist with respect to any Homestead.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to three (3) votes for each Homestead in which it holds the interest required for Membership in the Association and ten (10) votes for each acre of Additional Land which may be added to the Development. The Class B Membership shall automatically cease and be converted to a Class A membership on the first to occur of the following events:

(a) When the total number of votes held by all Class A Members equals the total number of votes held by the Class B Member; or

(b) The expiration of Twenty (20) years after the date on which this Declaration is filed for record in the office of the County Recorder of Wasatch County, Utah.

3.3. Multiple Ownership Interests. In the event there is more than one Owner of a particular Homestead, the vote relating to such Homestead shall be exercised as such Owners may determine among themselves. A vote cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Homestead concerned unless an objection is immediately made by another Owner of the same Homestead. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

3.4. Record of Ownership. Every Owner shall promptly cause to be duly filed of record the conveyance document (or in the case of contract buyer, a copy of the sales contract) to him of his Homestead. Each Owner shall file a copy of such conveyance document (or contract) with the secretary of the Association with a transfer fee of \$100.00, who shall maintain a record of ownership of the Homesteads. Any Owner who mortgages his Homestead or any interest therein by a mortgage which has priority over the lien of any assessment provided herein shall notify the secretary of the Association of the name and address of the Mortgagee and also of the release of such Mortgage; and the secretary of the Association shall maintain all such information in the records of ownership. Any cost incurred by the Association in obtaining the information about an Owner as specified herein which is not furnished by such Owner shall nevertheless be at the expense of such Owner and shall be reimbursed to the Association as a "Reimbursement Assessment" in accordance with the provisions of Section 5.5.

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IV. PROPERTY RIGHTS IN COMMON AREAS

4.1. Easement of Enjoyment. Each Member shall have a right and non-exclusive easement of use and enjoyment in and to the Common Areas; provided, however that the Trails are also available for public recreational use and the use of the Conservation Preserve is restricted to the conservation purposes previously granted to the City. Such right and easement shall be appurtenant to and shall pass with title to each Homestead and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any family member, tenant, lessee or contract purchaser who resides on such Member's Homestead.

4.2. Form for Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering title to a Homestead shall describe the interest or estate involved substantially as follows:

Homestead No. _____, contained within the Dutch Fields Subdivision, as the same is identified in the Plat recorded in Book _____, at Page _____, of the official records of the Wasatch County Recorder. TOGETHER WITH a right and easement of use and enjoyment in and to the Common Areas described and provided for in said Declaration of Covenants, Conditions and Restrictions and in the Record of Survey Map in the official record of the Wasatch County Recorder.

Whether or not the description employed in any such instrument is in the above-specified form, however, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Homestead.

4.3. Transfer of Title. Declarant agrees to convey to the Association title to the various Common Areas free and clear of all liens (other than the lien of current general taxes and the lien of any assessments, charges, or taxes imposed by governmental or quasi-governmental authorities), as each such Common Area is substantially completed.

4.4. Limitation on Easement. A Member's right and easement of use and enjoyment concerning the Common Areas shall be subject to the following:

(a) The right of the Association to impose reasonable limitations on the number of guests per Member who at any given time are permitted to use the Common Areas;

(b) The right of the City and any other governmental or quasi-governmental body having jurisdiction over the Property to access and rights of ingress and egress over and across any street, parking area, walkway, or open area contained within the Property for purposes of providing police and fire protection, transporting school children, and providing any other governmental or municipal service; and

(c) The right of the Association to dedicate or transfer all or any part of the Common Areas and any sewer, water and storm drain trunk lines to any public agency or authority for such purposes and subject to such conditions as may be agreed to by the Association. Any such dedication or transfer must, however, be assented to by (i) all holders of first Mortgages secured by Homesteads and (ii) by two-thirds (2/3) of the vote of each class of membership which Members present in person or by proxy are entitled to cast at a meeting duly called for that purpose written or printed notice setting forth the purpose of the meeting and the action proposed shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date; provided, however that the dedication or transfer of the Trails or the Conservation Preserve to any public agency or authority shall not require the consent of the first Mortgages secured by Homesteads.

4.5. Public Use of Trails. As required by the Governing Documents, the Trails shall be made available for use by the public in accordance with their intended use. Such uses are restricted to recreational purposes, including but not limited to hiking, walking, nature study, cross country skiing, biking (excluding motorized vehicles), and viewing of scenic areas. Such Trails are made available to the public with the express understanding as provided by the Governing Laws, that "an owner owes no duty of care to keep the premises safe from entry or use by any person entering or using the premises for any recreation purpose or to give any warning of a dangerous condition, use, structure, or activity on those premises to that person." Any person using such Trails shall not have the status of an invitee or licensee to whom a duty of care is

owed, and the Declarant, Association and the Owners assume no responsibility for or shall incur any liability for any injury to persons or property caused by the act or omission of the person or any other person who enters upon the Trails. The Declarant, Association and the Owners specifically rely upon the provisions of "Limitations of Landowner Liability - Public Recreation Act, Section 57-14-1, *et. seq.*, Utah Code Annotated, in providing the use of the Trails to the public.

4.6. Conservation Preserve. The Conservation Preserve has or will be conveyed to the Association, subject to the conservation purposes previously granted to the City or other non-profit entity. Such purposes included the protection of the natural habitat of wildlife, plants and similar ecosystems and the preservation of open space for the scenic enjoyment of the general public. The Association and the Owner shall have no authority to make any use of the Conservation Preserve which is inconsistent with the previous grant to the City; provided, however that Declarant reserves the right to drill a well for culinary water, to construct a holding tank and to grant a protective zone to the City as required by the Governing Documents. As with the Trails set forth above, any use of the Conservation Preserve by the public shall be made consistent with these restrictions. Any uses of the Conservation Preserve shall be considered a recreational use and shall be restricted to recreational purposes, including but not limited to hiking, walking, nature study, cross country skiing, biking (excluding motorized vehicles), and viewing of scenic areas. Such Conservation Preserve shall be made available to the public with the express understanding as provided by the Governing Laws, that "an owner owes no duty of care to keep the premises safe from entry or use by any person entering or using the premises for any recreation purpose or to give any warning of a dangerous condition, use, structure, or activity on those premises to that person." Any person using the Conservation Preserve shall not have the status of an invitee or licensee to whom a duty of care is owed, and the Declarant, Association and the Owners assume no responsibility for or shall incur any liability for any injury to persons or property caused by the act or omission of the person or any other person who enters upon the Conservation Preserve. The Declarant, Association and the Owners specifically rely upon the provisions of "Limitations of Landowner Liability - Public Recreation Act, Section 57-14-1, *et. seq.*, Utah Code Annotated, in providing the use of the Conservation Preserve to the public.

V. ASSESSMENTS

5.1. Personal Obligation and Lien. Each Owner shall, by acquiring or in any way becoming vested with his interest in a Homestead, be deemed to covenant and agree to pay to the Association the monthly and special assessments described in this Article, together with the hereinafter provided for interest and costs of collection. All such amounts shall be, constitute, and remain: (a) a charge and continuing lien upon the Homestead with respect to which such assessment is made; and (b) the personal obligation of the person who is the Owner of such Homestead at the time the assessment falls due. No Owner may exempt himself or his Homestead from liability for payment of assessments by waiver of his rights concerning the Common Areas or by abandonment of his Homestead. In a voluntary conveyance of a Homestead, the grantee shall be jointly and severally liable with the grantor for all such unpaid assessments, late payment fees, interest and costs of collection, including reasonable attorneys fees, which shall be a charge on the Homestead at the time of the conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor.

5.2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of residents of the Property, including but not limited to the appearance and aesthetics of the Development. The use made by the Association of funds obtained from assessments may include, but is not limited to, payment of the cost of taxes and insurance on the Common Areas; maintenance, repair and improvement of the Common Areas; establishing and funding a reserve to cover major repair or replacement of improvements within the Common Areas; and any expenses necessary or desirable to enable the Association to perform or fulfill its obligations, functions or purposes under this Declaration or its Articles of Incorporation.

5.3. Maximum Monthly Assessment. As of the date set under Section 5.7, each Homestead shall be subject to a maximum monthly assessment according to the following schedule:

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<u>Lot Size by Acre or Twinhome</u>	<u>Monthly Assessment</u>
6/10 or less	\$ 90.00
Greater than 6/10 but equal to or less than 95/100	\$120.00
Greater than 95/100 but equal to or less than 1.50	\$130.00
Greater than 1.5	\$140.00
Twinhome (regardless of Lot size)	\$ 80.00

provided that until such time as Declarant has completed the construction and installation of a club house, the monthly assessment shall not exceed seventy percent (70%) of the amount set forth above. From and after June 1, 2003, the maximum monthly assessment may be increased or decreased so long as the change is assented to by not less than a majority of the Members other than the Declarant (or if the two class voting structure is still in effect as provided herein, a majority of the votes of each Class of Members), present in person or represented by proxy at a meeting duly called for such purposes. Written notice setting forth the purpose of the meeting shall be sent to all Members at least Ten (10) but not more than Thirty (30) days prior to the meeting date. The Board of Trustees of the Association may from time to time and in its discretion set the amount of the monthly assessment at any sum not in excess of the then applicable maximum amount.

5.4. Special Assessments. From and after the date set under Section 5.7, the Association may levy special assessments for the purpose of defraying, in whole or in part: (a) any expense or expenses not reasonable capable of being fully paid with funds generated by monthly assessments; or (b) the cost of any construction, reconstruction or unexpectedly required repair or replacement in connection with the Common Areas. Any such special assessments must be assented to by not less than a majority of the Members other than the Declarant (or if the two class voting structure is still in effect as provided herein, a majority of the votes of each Class of Members), present in person or represented by proxy are entitled to cast at a meeting duly called for the purpose. Written notice setting forth the purpose of the meeting shall be sent to all Members at least Ten (10) but not more than Thirty (30) days prior to the meeting date.

5.5. Reimbursement Assessment on Specific Homestead. In addition to the monthly assessment and any special assessment authorized pursuant to Sections 5.3 and 5.4 above, the Board may levy at any time Special Assessments (a) on each Homestead specifically benefited by any improvement to adjacent roads, sidewalks, planting areas or other portions of the Common Areas made on the written request of the Owner of the Homestead to be charged; (b) on each Homestead the Owner or occupant of which shall cause any damage to the Common Areas necessitating repairs; (c) on each Homestead as to which the Association shall incur any expense for maintenance or repair work performed, or enforcement action taken, pursuant to Section 3.4, Section 6.1(c), Section 6.2(a) or other provisions of this Declaration; (d) on each Homestead, the Owner or occupant of which shall violate the Declaration and/or the rules and regulations of the Association, with the first violation resulting in a Special Assessment of not less than \$100 (and in such greater amount as specified in rules and regulations as adopted and amended from time to time by the Association), and any subsequent violation resulting in an assessment of not less than twice the amount of the initial assessment, with such assessments to be assessed monthly for continuing violations (all or part of the foregoing being sometimes referred to as "Reimbursement Assessment"). The aggregate amount of any such Special Assessments shall be determined by the cost of such improvements, repairs, maintenance or enforcement action, including all overhead and administrative costs and attorney's fees, and shall be allocated among the affected Homesteads according to the special benefit or cause of damage or maintenance or repair work or enforcement action, as the case may be, and such assessment may be made in advance of the performance of work. If a special benefit arises from any improvement which is part of the general maintenance obligations of the Association, it shall not give rise to a Reimbursement Assessment against the Homesteads benefited.

5.6. Uniform Rate of Assessment. Except as provided in Section 5.5 above, monthly and special assessments shall be fixed at a uniform rate for all Homesteads. Declarant, for each unsold Homestead owned by it in the development, shall pay monthly assessments as herein provided for all Homestead Owners; provided that until such date as Declarant closes and conveys a Homestead to an Owner (other than Declarant), the monthly assessment attributable to such Homestead shall be one-half (1/2) the regular monthly assessment.

5.7. Monthly Assessment Due Dates. The monthly assessments provided for herein shall commence as to all Homesteads on the date a deed is delivered to the purchaser of a Homestead, or if the sale is by way of a contract of sale, on the date the contract is executed by the parties thereto, or the date of occupancy agreement, or the date the Owner actually takes possession of a Homestead, whichever first occurs. The first monthly assessment shall be adjusted according to the number of days remaining in the

month of conveyance, contract or occupancy as the case may be. Upon such event the first partial monthly assessment, and six subsequent monthly assessments due and payable in advance, shall be due on the tenth (10th) day after mailing of invoices by the Association to the Owner of each Homestead. Assessments not paid within ten (10) days of the due date thereof shall be deemed late and subject to a late fee of the greater of five percent of the total assessments due or \$25.00. At least fifteen (15) days prior to the effective date of any change in the amount of the monthly assessments, the Association shall give each Owner written notice of the amount thereof and the commencement date of such increased assessment.

5.8. Certificate Regarding Payment. Upon the request of any Owner or prospective purchaser or encumbrancer of a Homestead the Association shall issue a certificate stating whether or not all assessments respecting such Homestead are current and, if not, the amount of the delinquency. Such certificate shall be conclusive in favor of all persons who in good faith rely thereon.

5.9. Effect of Non-Payment; Remedies. Any assessment not paid when due shall, together with the hereinafter provided for interest and costs of collection be, constitute and remain a continuing lien on the affected Homestead; provided, however, that any such lien will be subordinate to the lien or equivalent security interest of any first mortgage on the Homestead recorded prior to the date any such assessments became due. If the assessment is not paid within thirty (30) days after the date on which it becomes delinquent, the amount thereof shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum and the Association may bring an action either against the Owner who is personally liable or to foreclose the lien against the Homestead. Any judgment obtained by the Association shall include reasonable attorneys' fees, court costs, and each and every expense incurred by the Association in enforcing its rights.

5.10. Tax Collection by County Authorized. It is recognized that under the Declaration the Association will own the Common Areas and that it will be obligated to pay property taxes to Wasatch County. It is further recognized that each Owner of a Homestead as a Member of the Association will be required to reimburse the Association for his pro rata share of such taxes paid. Notwithstanding anything to the contrary contained in the Declaration, Wasatch County shall be authorized to collect such pro rata share of taxes directly from each Owner by inclusion of said share with the tax levied on each Homestead.

VI. DUTIES AND POWERS OF THE ASSOCIATION

6.1. Duties of the Association. Without limiting any other duties which may be imposed upon the Association by its Articles of Incorporation or this Declaration, the Association shall have the obligation and duty to do and perform each and every one of the following for the benefit of the Owners and the maintenance and improvement of the Property:

- a. The Association shall accept all Owners as members of the Association.
- b. The Association shall accept title to all Common Areas conveyed to it by Declarant.
- c. The Association shall maintain, repair, and replace all landscaping and improvements in the Common Areas, including but not limited to the maintenance of all exterior trees, shrubs, grass, and other Common Area improvements; provided, however that the Association shall have no obligation to maintain or replace vegetation in the Conservation Preserve. Association shall have no obligation to perform any exterior maintenance and/or repair of any part of a Living Unit or any other landscaping installed by an Owner without the Association's express agreement to maintain such landscaping.

As provided in Section 7.13, each Owner shall have the obligation to provide exterior maintenance of his Living Unit including but not limited to painting, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, and landscaping installed by an Owner or his predecessor in title. Each Owner shall paint, repair, and otherwise maintain the exterior and interior of his Living Unit and shall maintain all mechanical devices, including but not limited to, appurtenant electrical, plumbing and heating, ventilating and air conditioning systems. The maintenance of all Living Units and accessory buildings shall be in accordance with the Design Guidelines.

In the event that the need for maintenance or repair of Common Areas as specified herein is caused through the willful or negligent acts of an Owner, or through the willful or negligent acts of the family, guests or invitees of an Owner, the Board may cause such repairs to be made by the

Association and the cost of such maintenance or repair (and administrative expenses equal to ten (10%) percent of such costs) shall be added to and become part of the Reimbursement Assessment (as set forth in Section 5.5) to which such Homestead is subject.

d. To the extent not assessed to or paid by the Owners directly, the Association shall pay all real property taxes and assessments levied upon any portion of the Common Areas, provided that the Association shall have the right to contest or compromise any such taxes or assessments.

e. The Association shall obtain and maintain in force the policies of insurance required by the provisions of this Declaration.

f. The Association may employ a responsible corporation, partnership, firm, person or other entity as the Managing agent to manage and control the Common Areas, subject at all times to direction by the Board, with such administrative functions and powers as shall be delegated to the Managing Agent by the Board. The compensation of the Managing Agent shall be such as shall be specified by the Board. Any agreement appointing a Managing Agent shall be terminable by either party, with or without cause and without payment of any termination fee, upon thirty (30) days written notice thereof; and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one-year periods. Any Managing Agent may be an independent contractor and not an agent or employee of the Association.

6.2. Powers and Authority of the Association. The Association shall have all the powers set forth in its Articles of Incorporation and its Bylaws, together with its general powers as a nonprofit corporation, and the power to do any and all things which may be authorized, required or permitted to be done by the Association under and by virtue of this Declaration, including the power to levy and collect assessments as hereinafter provided. Without in any way limiting the generality of the foregoing, the Association shall have the following powers:

a. The Association shall have the power and authority at any time and from time to time and without liability to any Owner for trespass, damage or otherwise, to enter upon any Homestead for the purpose of maintaining and repairing such Homestead or any improvement thereon if for any reason the Owner fails to maintain and repair such Homestead or improvement, or for the purpose of removing any improvement constructed, reconstructed, refinished, altered or maintained upon such Homestead in violation of Article VII of this Declaration. The Association shall have the right to permit access to the Subdivision through any and all entrances, subject to governmental requirements, if any. The Association shall also have the power and authority from time to time in its own name, on its own behalf, or in the name and behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of this Declaration or any rules and regulations promulgated by the Board, or to enforce by mandatory injunction or otherwise all of the provisions of this Declaration and such rules and regulations.

b. In fulfilling any of its duties under this Declaration, including its duties for the maintenance, repair, operation or administration of the Common Areas (and exterior repairs of Living Units to the extent necessitated by the failure of the Owners of such Homesteads) or in exercising any of its rights to construct, maintain and repair improvements or other work upon any of the Common Areas, and provided that any contract for goods or services having a term of more than one (1) year shall state that it may be terminated by either party at the end of the first year or at any time thereafter upon no less than ninety (90) days written notice, the Association shall have the power and authority (i) to pay and discharge any and all liens placed upon any Common Areas on account of any work done or performed by the Association in the fulfillment of any of its obligations and duties of maintenance, repair, operation or administration and (ii) to obtain, contract and pay for, or to otherwise provide for:

i. Construction, maintenance, repair and landscaping of the Common Areas (and exterior repairs of Living Units upon Homesteads to the extent necessitated by the failure of Owners of such Homesteads) on such terms and conditions as the Board shall deem appropriate.

ii. Such insurance policies or bonds as the Board may deem appropriate for the protection or benefit of Declarant, the Association, the members of the Board and the Owners;

iii. Such utility services, including (without limitation) water, sewer, trash removal, snow removal, electrical, telephone and gas services, as the Board may from time to time deem desirable;

iv. The services of architects, engineers, attorneys and certified public accountants and such other professional or nonprofessional services as the Board may deem desirable;

v. Fire, police and such other protection services as the Board may deem desirable for the benefit of the Owners or any of the Property; and

vi. Such materials, supplies, furniture, equipment, services and labor as the Board may deem necessary.

c. The Board may delegate by resolution or contract to the Managing Agent any of its powers under this Declaration; provided, however, that the Board cannot delegate to such Managing Agent the power to execute any contract binding on the Association for a sum in excess of Five Thousand Dollars (\$5,000.00), nor the power to sell, convey, mortgage, or encumber any Common Areas.

6.3. Association Rules. The Board from time to time and subject to the provisions of this Declaration, may adopt, amend, repeal and enforce rules and regulations governing, among other things: (a) the use of the Common Areas; (b) the use of any roads or utility facilities owned by the Association; (c) the collection and disposal of refuse; (d) the maintenance of animals on the Property, provided, however, the provisions of Section 7.6 shall not be subject to amendment except as provided in Section 10.2, but only with the affirmative vote of eighty-five percent (85%) of all Class A membership votes; (e) the use of Living Units for business or rental purposes; and (f) other matters concerning the use and enjoyment of the Property and the conduct of residents. The Board may also adopt additional Architectural Guidelines, in addition to those adopted by the Declarant, for the construction of Living Units; provided, however, that until the earlier of the expiration of twenty (20) years from the date on which this Declaration is filed for record in the office of the County Recorder of Wasatch County, or all Units to be located upon the Property and the Additional Property have been sold to third parties, Declarant shall have the unilateral right to amend or modify the Design Guidelines or to reject any additional Architectural Guidelines proposed by the Board. Rules and Regulations and/or Architectural Guidelines adopted by the Board may be enforced in accordance with the provisions of Section 7.18.

6.4. Limitation of Liability. No member of the Board acting in good faith shall be personally liable to any Owner, guest, lessee or any other person for any error or omission of the Association, its representatives and employees, the Board, any committee or the Managing Agent.

6.5. Insurance. The Association shall secure and at all times maintain the following insurance coverage:

(a) Policy or policies of fire and casualty insurance, with extended coverage endorsement, for the full insurable replacement value of all improvements comprising a part of the Common Areas. The name of the insured under each such policy shall be in form and substance similar to: "The Dutch Fields Homeowner's Association for the use and benefit of the individual Homestead Owners and Mortgagees, as their interests may appear".

(b) A policy or policies insuring the Owners, the Association, and its directors, officers, agents, and employees against any liability incident to the ownership, use or operation of the Common Areas which may arise among themselves, to the public, and to any invitees or tenants of the Property or of the Owners. Limits of liability under such insurance shall be not less than \$1,000,000 for any one person injured; \$2,000,000 for all persons injured in any one accident; and \$100,000 for property damage resulting from one occurrence. Such policies shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement pursuant to which the rights of the named insured as between themselves are not prejudiced.

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The following additional provisions shall apply with respect to insurance:

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

(2) All policies shall be written by a company holding a rating of "A" or better from Best's Insurance Reports.

(3) The Association shall have the authority to adjust losses.

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

(5) Each policy of insurance obtained by the Association shall, if reasonably possible, provide: a waiver of the insurer's subrogation rights with respect to the Association, the Owner, and their respective directors, officers, agents, employees, invitees, and tenants; that it cannot be cancelled, suspended or invalidated due to the conduct of any particular Owner or Owners; that it cannot be cancelled, suspended or invalidated due to the conduct of the Association or of any director, officer, agent or employee of the Association without a prior written demand that the defect be cured; without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by Owners.

6.6. Quorum Requirements. The quorum required for any action by the Members hereunder, unless otherwise specifically set forth in this Declaration, shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all outstanding votes shall constitute a quorum. If a quorum is not present at the first meeting or any subsequent meeting, another meeting may be called at which a quorum shall be one-half of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting.

VII. USE RESTRICTIONS

7.1. Use of Common Area. The Common Areas shall be used only in a manner consistent with their community nature and with the use restrictions applicable to Homesteads and Living Units.

7.2. Use of Homesteads and Living Units. All Homesteads are intended to be improved with Living Units and are restricted to such use. No gainful occupation, profession, trade or other non-residential use shall be conducted on any Homestead or in any Living Unit which invites or requires customer traffic unless approved by the Association and is consistent with applicable governmental requirements. Each Living Unit shall be used only as a single-family residence. No Homestead or Living Unit shall be used, occupied, or altered in violation of law, so as to jeopardize the support of any other Living Unit, so as to create a nuisance or interfere with the rights of any Owner, or in a way which would result in an increase in the cost of any insurance covering the Common Areas.

7.3. Building Location, Features and Materials. The location of all buildings, and each building's design, features and materials must be consistent and in accordance with the Design Guidelines, including the requirements of the Landscape Zone in which the Homestead is located. Reference must be made to the Design Guidelines for additional requirements and conditions for the design and construction of Living Units, including but not limited to roofs, windows, doors, exterior railings, exterior colors and the landscaping and use of Homesteads.

(a) Building Location. Each Living Unit and accessory building shall be located such that:

(i) The Living Unit shall be located solely within the outer boundaries of the Building Envelope (exclusive of required setbacks) and oriented as shown on the Plat, except as to the common wall with the adjoining building, or as may be consented to by the Architectural Control Committee in accordance with the provisions of Article VIII.

(ii) For the purposes of this covenant and the provisions of subsection (i) above, steps and open porches shall be considered as a part of a building, but eaves may extend beyond the Building Pad if permitted by the Governing Laws.

(iii) Accessory buildings shall be located solely within the outer boundaries of the Accessory Building Envelope and oriented as shown on the Plat, or as may be consented to by the Architectural Control Committee in accordance with the provisions of Article VIII.

(b) Garages and Parking. Subject to the provisions of the Design Guidelines, garages must be located within the outer boundaries of the Building Envelope and be fully enclosed, accommodate a minimum of two cars, and be equipped with an automatic garage door opener. Carports are not acceptable substitutes for garages. Each Homestead shall in addition be designed and constructed with two (2) unenclosed guest parking spaces.

(c) Exterior Building Wall Materials. Building materials for exterior buildings must be of those permitted as specified in the Design Guidelines, and at a minimum must incorporate three approved materials. Use of stucco finishes is severely restricted. All building materials and colors must be approved by the Architectural Control Committee prior to use.

(d) Porches and Decks. The Design Guidelines contain certain requirements regarding porches and decks, all of which must be approved by the Architectural Control Committee.

(e) Roof, Soffit and Facia. Roof, soffit and facia designs, materials and colors must be consistent with the requirements of the Design Guidelines. Roof materials shall be restricted to wood shingles, steel standing seam roofing, or shakes, slate, unglazed tile, concrete tile, thirty year or architectural grade asphalt, fiberglass or other materials approved by the Architectural Control Committee. In all instances roof materials shall be Class A fire treated and non-reflective. Facia and soffit design, materials and colors shall be consistent with the Design Guidelines.

(f) Accessory Structures. Each Living Unit must incorporate open and/or enclosed patios as part of the Living Unit and in accordance with the Architectural Guidelines of the Development. Patio structures, trellises, sunshades, gazebos and any other appurtenant buildings shall be constructed of materials consistent with the colors, textures and materials approved for the dwelling and shall be integral to the architecture of the house, the Architectural Guidelines of the Development and subject to the approval of the Architectural Control Committee. The base of accessory structures may consist of brick, rock or stone provided such materials are consistent with the design theme of the Development and the appurtenant Living Unit.

(g) Chimneys. Chimneys of approved exterior materials may not exceed the height required by appropriate governmental agencies. Exposed metal flues are not acceptable and all chimneys shall be covered with a hood to hide the flue system. Chimneys must contain brick, rock or stone consistent with the materials used for accessory structures as provided in (e) above.

(h) Mailboxes. Common mailboxes will be installed by the Declarant at one or more locations as designated by the Declarant and thereafter the same shall be maintained by the Association if not maintained by the United States Postal Service.

(i) Fences and Walls. Subject to the Design Guidelines and the exceptions set forth below and except as to fences installed by Declarant, fencing shall be installed by each Homestead Owner on rear and side yards and shall be constructed of a colored wrought iron, a colored metal or vinyl in accordance with the fence detail requirements set forth in the Design Guidelines. Wood fencing shall not be permitted. Only one fence may be erected along any one boundary line with the Owners of Homesteads who share a common boundary line allowed to share in the expense of such common fence equally, subject to the requirements of applicable law. Pet enclosures that are not designated as accessory buildings shall be subject to the fence requirements contained herein and shall be located within the Building Envelope.

Fences located in front of any Living Unit may not exceed three (3) feet in height and shall be made of materials and colors as specified in the Design Guidelines. Four (4) foot high privacy enclosures (fences) shall be permitted on corner Homesteads (lots) on one side only and can be

located within the front yard set back, but shall not be closer than 15 feet to the street side property line. Privacy enclosures shall be constructed and maintained in the same manner as other fencing.

All existing fences on a Homestead shall be maintained by Owners in the condition originally installed by Declarant or, with respect to other fences, as required herein.

All retaining walls shall be constructed of approved materials, in an approved manner and to blend with existing topography, all in accordance with the Design Guidelines.

(j) Paving. Driveways and other flat paved areas may be concrete, exposed aggregate concrete, stamped concrete, colored concrete, asphalt, quarry tile, brick, or paving blocks. Driveway aprons to garages must be constructed of the materials set forth above. A culvert shall be installed in the swale (the vegetated area between the road and Homestead) under the driveway approach. Areas designated for guest parking ((b) above) or entrances to accessory buildings may be of the materials set forth above or gravel.

(k) Roof Top Equipment. Roof top equipment, including but not limited to solar panels, are to be integrated into roof design, and concealed from view in chimney type structures as integral parts of roof and wall designs. Panels and frames must be copper or compatible with roof colors and all equipment must be painted to match roof color.

(l) Antennas. All antennas are restricted to the attic or interior of the residence. Satellite dishes and/or other communication devices shall be allowed on roofs provided they are screened from view and their location is approved by the Architectural Control Committee.

(m) Skylights. Skylights are to be designed as an integral part of the roof and are subject to review and approval by the Architectural Control Committee. Skylight glazing may not be reflective. Skylight framing shall be colored to match adjacent roofing materials.

(n) Pools, Spas, Fountains, Game courts. Pools, spas, fountains and Game courts shall be approved by the Architectural Control Committee and shall be located to avoid impacting adjacent properties with light or sound. No game court shall be located in front or side yards. Pool heaters and pumps must be screened from view and sound insulated from neighboring houses. Nothing herein shall be construed as permitting the construction of skateboard areas and/or ramps, which structures shall be prohibited.

(o) Sheet Metal, Flashing and Vents. All sheet metal, flashing, vents and pipes must be colored to match the material to which they are attached or from which they project, with the exception of copper.

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

(q) Exterior Lighting. Each Homestead Owner is required to use on their front and/or side yards adjacent to streets, a minimum of four (4) Westerfield Model No. F51341 fluorescent ground lights to provide site and road lighting. All exterior side lighting is to be indirect. In addition to the foregoing, Owners shall be permitted to utilize accent and spot lights on their Living Units. All exterior lighting shall be installed and maintained in accordance with the Governing Laws.

(r) Landscape Site Preparation Guidelines. All demolition, clearing, grubbing, stripping of soil, excavation, compaction and grading must be performed within the confines of a Homestead.

(s) Site Grading and Drainage. Grading for Homesteads must conform to the Governing Documents including the Design Guidelines. To the extent that retaining walls are incorporated into site grading, such retaining walls must meet the requirements of subsection (h) herein. Site drainage shall be in accordance with the Design Guidelines, including but not limited to a requirement that all buildings shall utilize gutters and down spouts to direct roof drainage to onsite drainage collection areas and/or street drainage systems.

(t) City and Other Approval. Approval of any improvements by the Architectural Control Committee does not waive the requirement for any other required public agency review or permit approval process. By approving plans, the Architectural Control Committee takes no responsibility for plan conformity to any other criteria other than the requirements of this Declaration and any Architectural Guidelines.

(u) Metal Awnings and Carports. Metal awnings, metal "lean-tos", metal patio covers and/or carports shall not be permitted on any Homestead.

(v) Height of Living Unit. Each Living Unit shall not exceed a height of thirty five (35) feet or such lesser height if restricted by the Governing Laws. Such height shall be measured as specified in the Design Guidelines and the Governing Laws.

(w) Mass and Form of Living Unit. The mass and form of each Living Unit must be consistent with the requirements of the Design Guidelines, including, but not limited to a requirement that no portion of a building may exceed a length of forty (40) feet without a change in direction, roof alignment, wall offset or elevation change.

7.4. Landscaping and Common Area Improvements.

(a) Each Owner of a Homestead shall be responsible, at his own cost and expense, for landscaping the Homestead and irrigating such landscaping in accordance with the Design Guidelines and as approved by the Architectural Control Committee, all to be consistent with the requirements of the Landscape Zone in which the Homestead is located. Such Design Guidelines specify minimum requirements, offer suggestions and identify acceptable plants for each respective Landscape Zone. Each such Owner shall be responsible at his own cost and expense to maintain and water all such landscaping installed by the Owner (or his predecessor). The addition to, modification of, or removal of trees and other approved vegetation (excluding removal of the same because of death which is thereafter immediately replaced by the same approved vegetation) without the prior approval of the Architectural Control Committee shall be deemed a violation of the requirements of Owner to maintain the same and the Architectural Control Committee shall have the right to require Owner to restore such area to its prior approved condition at the sole cost of Owner. In the event Owner fails to restore such area as required herein, the Association shall have the right to restore the same and the cost of such restoration together with administrative expenses equal to ten percent (10%) of such costs, shall be added to and become part of the Reimbursement Assessment (as set forth in Section 5.5) to which such Homestead is subject. The provisions of this Section relating to the removal of trees and approved vegetation shall not be applicable or binding upon Declarant with respect to the initial clearing, grading and landscaping of the Property including the development of Common Areas and the installations of utilities serving the Development.

(b) Declarant specifically reserves the right to construct and develop on that portion of the Property designated on the Plat a swimming pool, landscaping, clubhouse, courts, streams, lakes, Trails, and other related improvements. Upon completion of such improvements, Declarant shall transfer and convey such real property and improvements to the Association. Nothing herein shall be construed as requiring Declarant to make any of the improvements set forth in this Section 7.4(c).

7.5. Recreational Vehicles. No boats, trailers, large trucks and commercial vehicles belonging to Owners or other residents of the Property shall be parked within the Development, except temporary parking not to exceed seventy-two (72) hours. No motor vehicle of any kind shall be repaired, constructed or reconstructed upon any Homestead, Private Street or other Common Areas, except that these restrictions shall not apply to emergency repairs to vehicles. Any motor or recreational vehicle must be kept in an enclosed garage, in designated areas provided by the Association or the Declarant (which may require the payment of a fee), or offsite.

7.6. Animals. Except as provided herein below, no animals shall be kept or allowed on any Homestead, in any Living Unit, or within any part of the Common Areas. Subject to the Governing Laws, and as to Farm Animals only in those areas designated on a Plat as a Farm Zone, Farm Animals and Household Pets may be maintained on a Homestead as follows: (i) Large Farm Animals may be kept at a ratio of two (2) such animals for each one-half acre of Homestead size; (ii) Medium Farm Animals may be kept at a ratio of five (5) animals for each one-half acre of Homestead size; (iii) Small Farm Animals may be kept at a ratio of twenty (20) animals for each one-half acre of Homestead size; and (iv) not more than six (6) Household Pets

may be kept on a Homestead, further provided that no more than two (2) dogs may be maintained on a Homestead. Partially enclosed and roofed structures (i.e., barns, corrals, cages, pens, coops, dog houses, etc.) shall be provided and maintained for all animals and such structures shall be located at the rear of the Living Unit and at least thirty (30) feet from neighboring Living Units. All such structures shall also comply with all Governing Laws and any applicable setback requirements. All such structures for the care, housing or confinement of any such animals shall be maintained by Owner and approved by the Architectural Control Committee. None of the Farm Animals (regardless of designation as Large, Medium or Small) may be kept upon any Homestead unless the same is located within a Farm Zone. Any Owner or other resident within the Development who violates this Section shall be subject to such penalties or fines as the Board by resolution or as regulation may provide.

7.7. Common Areas. The Common Areas of the Development shall be improved and used only for the following purposes:

- a. Pedestrian and bicycle access to and from and movement within the Development; provided, nothing herein shall preclude the use of Trails or the Conservation Preserve by members of the public.
- b. Recreational use by Owners and occupants of Living Units and their guests.
- c. Beautification of the Development.
- d. Privacy for the Owners and occupants of Living Units.
- e. Enhancement of outdoor activities, including walking, bicycling, riding and the keeping animals, and other recreational activities.
- f. Such other uses as shall be determined from time to time by the Board for the benefit of members of the Association, following consultation with the Architectural Control Committee.

Nothing herein shall be construed as permitting a violation of the restrictions of use which have been imposed upon the Conservation Preserve and the Association shall have no such power to change such uses or restrictions.

7.8. Insurance. No use shall be made of any Living Unit which shall cause the improvements within the Development or any part thereof to be uninsurable against loss by fire or other perils included in insurance contracts, or cause such insurance to be cancelled or suspended, or cause any company issuing such insurance to refuse renewal thereof. Each Owner shall be responsible for securing insurance presently known as homeowners special form coverage (Form 3, or better).

7.9. Machinery and Equipment. Machinery and/or equipment consistent with the rural and farming nature of the Development may be placed, used, operated or maintained in or adjacent to any Homestead, provided, however that all such equipment shall be maintained in an operational condition. No Homestead may be used solely to store any such equipment, and machinery and/or equipment which is no longer operational shall be removed.

7.10. Maintenance and Repair. No Living Unit, building, structure (including interiors thereof), or landscaping upon any Homestead shall be permitted to fall into disrepair and, subject to the requirements herein as to approval by the Architectural Control Committee, each such building, structure, or landscaping at all times shall be kept in good condition and as appropriate, adequately painted or otherwise finished by its Owner. Such obligation shall extend, but shall not be limited to, the painting, repair, replacement and care of roofs, gutters, downspouts, and exterior building surfaces.

7.11. Nuisances. No rubbish or debris of any kind, including but not limited to equipment and machinery which is no longer operational, shall be placed or permitted by an Owner upon or adjacent to any Homesteads, so as to render such Homestead or portion thereof unsanitary, unsightly, offensive, or detrimental to other Owners. No Living Unit or Homestead shall be used in such manner as to obstruct or interfere with the enjoyment of occupants of other Living Units or Homesteads. Without any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices (except security devises used exclusively for security purposes) shall be located or placed on Homesteads or in Living Units.

7.12. Right of Entry. During reasonable hours, any member of the Architectural Control Committee or any member of the Board, or any officer or authorized representative of any of them, shall have the right to enter upon and inspect any Homestead, and the improvements thereof, to ascertain whether or not the provisions of this Declaration and the rules and regulations of the Board or of the Association have been or are being complied with.

7.13. Party Wall Provisions.

7.13.1. General Rules of Law to Apply. Each wall which comprises a portion of a Living Unit and which is built as a part of the original construction upon the Development and placed on the dividing line between any Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Section 7.13, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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

7.13.3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, then, to the extent said destruction or damage is not covered by insurance and repaired out of the proceeds of the same, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

7.13.4. Weatherproofing. Notwithstanding any other provision of this Section 7.16, an Owner who by his negligent or willful acts causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements to the extent that said protection is not covered by insurance and paid for out of the proceeds of the same.

7.13.5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Section 7.13 shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

7.13.6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Section 7.13, unless the parties can agree upon one arbitrator whose decision shall be binding, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator within ten (10) days of their selection, and the decision shall be by a majority of all the arbitrators. Should any party refuse to appoint an arbitrator within ten (10) days after written request to do so, the Trustees of the Association shall select an arbitrator for the refusing party.

7.14. Governing Documents and Laws. Each portion of the Development shall be used subject to and in compliance with all Governing Documents and Governing Laws. The Governing Documents each impose certain obligations on the Development. To the extent that those Governing Documents impose specific obligations on certain portions of the Development, the Owners associated with those portions of the Development shall take all actions and pay all costs reasonably necessary to carry out those obligations as they apply to their specific areas.

7.15. Signs. No signs whatsoever (including, without limitation, political signs) shall be erected or maintained on any Homestead, except:

- a. Such signs as may be required be legal proceedings.
- b. Construction identification signs, placed and maintained only during construction of a Living Unit, not exceeding four feet wide and four feet high, for each Living Unit.
- c. A "For Sale" or "For Rent" sign.

7.16. Trash Containers and Collection. All garbage and trash shall be placed and kept in covered containers of a type and style which shall be approved by or made available by the City and/or Wasatch County. Insofar as possible, such containers shall be maintained as not to be visible from neighboring

Homesteads except to make them available for collection and then only for the shortest time necessary to effect such collection.

7.17. Toxic Materials. No Owner shall store, use, manufacture, process, distribute, treat, transport, handle, emit, dispose of, discharge or release any Toxic Materials at or from the Development or any portion thereof in violation of any Environmental Laws.

7.18. Enforcement of Land Use Restrictions. The following persons shall have the right to exercise or seek any remedy at law or in equity to enforce strict compliance with this Declaration:

- a. Declarant, so long as it has any interest in any of the Property;
- b. Any Owner; or
- c. The Association.

The prevailing party in an action for the enforcement of any provisions of this Declaration shall be entitled to collect court costs and reasonable attorney's fees. In addition to the foregoing, the Association is granted the specific authority to assess a Reimbursement Assessment in accordance with the provisions of Section 5.5 for a violation of the Use Restrictions contained in this Article VII or any other provision of the Declaration.

7.19. Exception for Declarant. Notwithstanding the restrictions contained in this Article VII, for the twenty (20) years following the date on which this Declaration is filed for record in the office of the County Recorder of Wasatch County, Utah, Declarant shall have the right to use any Homestead or Living Unit owned by it, and any part of the Common Areas reasonably necessary or appropriate, in furtherance of any construction, marketing, sales, management, promotional, or other activities designed to accomplish or facilitate improvement of the Common Areas or improvement and/or sale of all Homesteads owned by the Declarant.

VIII. ARCHITECTURAL CONTROL

8.1. Architectural Control Committee. In accordance with the procedures set forth in Article 4 of the Design Guidelines, until such time as the Class B voting rights terminate, the Declarant shall appoint, and thereafter the Board of Trustees of the Association shall appoint, a three (3) to five (5) member Committee, to be known as the Architectural Control Committee, the function of which shall be to insure that all improvements and landscaping within the property harmonize with the Design Guidelines and the existing surroundings and structures. The Committee need not be composed of Owners. If such a Committee is not appointed the Board itself shall perform the duties required of the Committee.

8.2. Submission to Committee. No Living Unit, accessory building or structure or addition to a Living Unit and no landscape installations, additions and/or changes shall be constructed or maintained, and no alteration, repainting (excluding repainting of the same color as originally painted), or refurbishing of the exterior of any Living Unit, nor of any court enclosure, except as herein otherwise mentioned, shall be performed, unless complete plans and specifications therefor have first been submitted to and approved by the Committee. All such plans and specifications shall be consistent with Design Guidelines which shall be from time to time adopted by the Declarant and/or Board. All such plans and specifications shall be submitted to the Architectural Control Committee in accordance with its time frames, conditions and procedures set forth in Article 4 of the Design Guidelines.

8.3. Standard. In deciding whether to approve or disapprove plans and specifications submitted to it, the Committee shall use its best judgment to insure that all improvements, construction, landscaping and alterations on Homesteads within the Property conform to the Design Guidelines and harmonize with existing surroundings and structures and that such proposed improvements enhance the value and aesthetics of the Project.

8.4. Approval Procedure. Any plans and specifications submitted to the Committee shall be submitted, after a pre-application conference with a member of the Committee, on a form provided by the Committee and in duplicate. A preliminary review of design drawings will be required with a final review to be made of working drawings. Upon completion of each review, one set of plans will be retained by the Association and the remaining set of plans will be returned to the property owner.

Architectural review fees (made payable to the Association) as specified in the Design Guidelines, are required with the submittal of plans and specifications.

All plans and specifications shall be approved or disapproved by it in writing within twenty (20) days after submission. In the event the Committee fails to take any action within such period it shall be deemed to have approved the material submitted.

8.5. Security Deposit. The Architectural Control Committee will require that an Owner provide a cash security deposit to the Association in the amount \$2,000.00 as a condition to approving any proposed work or improvement. No person shall commence any work or improvement until the security deposit has been properly deposited with the Architectural Review Committee.

The deposit is intended to assure Owner's compliance with the requirements for construction of an approved building(s) and the proper clean-up of dirt and debris and the repair of any damage to the landscaping, streets or other property within the Subdivision, caused by Owner or his agents in the construction of improvements.

8.6. Address for Submittal. Plans and specifications for the construction and installation of any and all improvements within Dutch Fields shall be submitted and approved by the Architectural Control Committee (prior to submittal to any required governmental agency) at the following address:

DUTCH FIELDS
5200 South Highland Drive, Suite 102
Salt Lake City, Utah 84117

8.7. Construction.

(a) Once begun, any improvements, construction, landscaping, or alterations approved by the Committee shall be diligently prosecuted to completion:

(i) The exterior construction of all structures on any Homestead shall be completed within a period of one (1) year following commencement of construction; provided however the Association may grant an extension to complete such construction, not to exceed two (2) six (6) month extension, upon a showing of reasonable need submitted to the Association in advance of the required construction completion date.

(ii) The front, side and rear yards of each Homestead shall be landscaped within a period of one (1) year following completion or occupancy of the Living Unit.

If reasonably necessary to enable such improvement, construction, landscaping or alteration, the person or persons carrying out the same shall be entitled to temporary use and occupancy of unimproved portions of the Common Areas, if any, in the vicinity of the activity.

(b) Owners and builders shall comply with all construction and builder regulations contained within the Design Guideline, including but not limited to the clean up all trash and debris on the construction site at the end of each day. Trash and debris shall be removed from each construction site at least once a week to a dumping location off-site of the development. Lightweight material, packaging and other items shall be covered or weighted down to prevent wind from blowing such materials off the construction site. Owners and builders are prohibited from dumping, burying or burning trash anywhere on a Homestead. During the construction period, each construction site shall be kept neat and shall be promptly removed from public or private roads, open spaces and driveways.

Each property owner and builder shall be responsible for providing adequate sanitary facilities for his construction personnel. Portable toilets or similar temporary toilet facilities shall be located only on the site itself or in areas approved by the Architectural Control Committee.

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Construction crews shall not park on, or otherwise use other Homesteads or any open space. All construction vehicles and machinery shall be parked only in areas designated by the Architectural Control Committee.

8.8. Liability for Damages. The Committee shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to this Article VIII.

8.9. Exception for Declarant. The foregoing provisions of this Article VIII shall not apply to any improvement, construction, landscaping, or alteration which is carried out by Declarant on any Homestead or on any part of the Common Areas and which occurs at any time during the twenty (20) year period following the date on which this Declaration is filed for record in the office of the County Recorder of Wasatch County, Utah.

8.10. Declarant's Obligation. Declarant hereby covenants in favor of each Owner that all Living Units erected by it and all improvements of the Common Areas accomplished by it in the Development (i) shall be architecturally compatible with respect to one another; and (ii) that on or before twenty (20) years from the date on which this Declaration is filed for record in the office of the County Recorder of Wasatch County, Utah, there shall be substantially completed and usable all Common Areas of the Subdivision, all approximately in the locations shown on the Plat.

IX. RIGHTS OF FIRST MORTGAGEE

Notwithstanding anything to the contrary contained herein, the following provisions shall apply:

9.1. Notice of Default. In the event an Owner neglects for a period of thirty (30) days or more to cure any failure on his part to perform his obligations under this Declaration, the Association shall, if it elects, give written notice of such fact to the holder of any first mortgage covering such Owner's Homestead.

9.2. Abandonment, Termination, Etc.. Unless all of the holders of first mortgages on the individual Homesteads have given their prior written approval, neither the Association nor the Owners acting as a group shall be entitled by act, omission or otherwise:

(a) To abandon or terminate the project or to abandon or terminate the arrangement which was established by the Declarant and the Plat of the Project;

(b) To partition or subdivide any Homestead or the Common Areas;

(c) To abandon, partition, subdivide, encumber, sell, hypothecate, transfer or otherwise encumber all or any part of the Common Areas, except for the creating of easements and similar purposes consistent with the intended use of the Common Areas and except for the transfer the Trails and/or the Conservation Preserve to a public agency or authority, which grant and/or transfer shall not require the consent of the first Mortgages; or

(d) To use hazard insurance proceeds resulting from damage to any part of the development for any purposes other than the repair, replacement, or reconstruction of such improvements.

9.3. Notice of Substantial Damage or Destruction. The Association shall notify all holders of any first mortgage lien or equivalent security interest on a Homestead in writing in the event that there occurs any substantial damage to or destruction of any Living Unit or any part of the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of \$15,000. Said notice shall be given within ten (10) days after the Association learns of such damage or destruction.

9.4. Condemnation or Eminent Domain Proceedings. The Association shall give written notice to all holders of any first mortgage lien or equivalent security interest of any condemnation proceedings or proposed acquisition of a Living Unit or of any portion of the Common Areas within ten (10) days after the Association learns of the same.

9.5. Hazard Policy to Include Standard Mortgagee Clause. Each hazard policy of the insurance shall include the standard mortgagee clause which either shall be endorsed to provide that any proceeds shall

be paid to the Association for the use and benefit of mortgagees as their interests may appear, or shall be otherwise endorsed to fully protect the interest of mortgagees. In addition, the mortgagee clause shall provide that the insurance carrier shall notify each mortgagee at least ten (10) days in advance of the effective date of any reduction in or cancellation of the policy.

9.6. Rights Upon Foreclosure of Mortgage. The lien of the assessments provided in Section 1, Article V shall be subordinate to the lien of any First Mortgage upon such Homestead; and the holder of a first mortgage (or deed of trust) on a Homestead who comes into possession of the Homestead by virtue of foreclosure of such first Mortgage, or in lieu of foreclosure obtains possession by deed or assignment, or any purchaser at a foreclosure sale, will take the Homestead free of any claims for unpaid assessments and charges against the Homestead which accrue prior to the time such holder comes into possession of the Homestead, except for claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all Homesteads including the mortgage Homestead.

9.7. Mortgagees' Rights Concerning Amendments. No material amendment to this Declaration, the By-Laws or the Articles of Incorporation of the Association which may have a negative impact to mortgagees shall be accomplished or effective unless at least two-thirds (2/3) of the mortgagees (based on one vote for each mortgagee) of the individual Homesteads have given their prior written approval to such amendment.

9.8. Mortgagees' Rights to Inspect Association Records. The holders of first Mortgages shall have the right upon reasonable notice and during business hours to inspect and copy at their own expense all books and financial records of the Association.

X. MISCELLANEOUS

10.1 Governing Documents. The Parties shall take all actions and pay all costs necessary to perform all of their respective obligations under the Governing Documents except to the extent modified under this Declaration. None of the Governing Documents shall be amended without the approval of the Declarant and the Board. Declarant shall not pass Declarant's obligations under the Governing Documents on to the Association, the Owners or any other person or entity without the prior written consent of the Board; provided, however nothing herein shall eliminate the Association or the Owners from their obligation to pay for services and utilities which may be provided under such Governing Documents.

10.2. Notices. Any notice required or permitted to be given to any Owner or Member under the provisions of this Declaration shall be deemed to have been properly furnished if mailed, postage prepaid, to the person who appears as a Member or Owner, at the latest address for such person appearing in the records of the Association at the time of mailing.

10.3. Amendment. Subject to the provisions of Section 9.7 of Article IX of this Declaration and Section 6.3 of Article VI, any amendment hereto shall require (i) the affirmative vote of at least two-thirds (2/3) of all Class A membership votes, which Members present in person or represent by proxy are entitled to cast at a meeting duly called for such purpose; and so long as the Class B membership exists, (ii) the written consent of the Declarant. Written notice setting forth the purpose of the meeting and the substance of the amendment proposed shall be sent to all Members at least ten (10) but not more than thirty (30) days prior to the meeting date. The quorum required for any such meeting shall be as follows: At the first meeting called the presence of Members or of proxies entitled to cast sixty percent (60%) of all votes of the Class A Membership shall constitute a quorum. If the quorum is not present at the first meeting or any subsequent meeting, another meeting may be called (subject to the notice requirement set forth in the foregoing portion of this Section 3), at which a quorum shall be one-half (1/2) of the quorum which was required at the immediately preceding meeting. No such subsequent meeting shall be held more than forty-five (45) days following the immediately preceding meeting. Any amendment authorized pursuant to this Section shall be accomplished through the recordation of an instrument executed by the President or Vice President of the Association, and by the Declarant if the Class B Membership then exists, and shall also be approved by the *[Wasatch County Attorney]. In such instrument the President or Vice President of the Association shall certify that the vote required by this Section for amendment has occurred.

10.4. Consent in Lieu of Voting. In any case in which this Declaration requires for authorization or approval of a transaction the assent or affirmative vote of a stated percentage of the votes present or represented at a meeting, such requirement may be fully satisfied by obtaining, with or without a meeting,

consents in writing to such transaction from Members entitled to cast at least the stated percentage of all membership votes outstanding in connection with the Class of membership considered. The following additional provisions shall govern any application of this Section 10.3:

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

(b) The total number of votes required for authorization or approval under this Section 10.3 shall be determined as of the date on which the last consent is signed.

(c) Except as provided in the following sentence, any change in ownership of a Homestead which occurs after consent has been obtained from the Owner thereof shall not be considered or taken into account for any purpose. A change in ownership which would otherwise result in an increase in the total number of Class A votes outstanding shall, however, be effective in that regard and shall entitle the new Owner to give or withhold his consent.

(d) Unless the consent of all Members whose memberships are appurtenant to the same Homestead are secured, the consent of none of such Members shall be effective.

10.5. Lease Provision. Any Owner may lease his Homestead and such buildings as are situated thereon; provided, however, that any lease agreement between a Homestead Owner and a Lessee must be in writing, and must provide, inter alia, that:

(a) The terms of the lease shall in all respects be subject to the provisions of the Declaration, Articles of Incorporation of the Association and the By-Laws; and

(b) Any failure by the Lessee to comply with the terms of such documents shall constitute a default under the lease.

10.6. Declarant's Rights Assignable. All or any portion of the rights of Declarant under this Declaration or in any way relating to the property may be assigned.

10.7. Dissolution. Subject to the restrictions set forth in Article VIII of this Declaration pertaining to mortgage protection, the Association may be dissolved by the affirmative assent in writing of two-thirds (2/3) of the votes of each class membership. Upon dissolution of the Association all of its assets (including the Common Areas) may be dedicated or transferred to an appropriate public agency or authority to be used for purposes similar to those provided for in the By-laws, the Articles of Incorporation or this Declaration. In the event such dedication or transfer is not made or is not accepted, the Association's assets shall be transferred to a non profit corporation, trust, or other entity to be used for such similar purposes, and each Owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Common Areas, common access roadways, curbs, gutters and sidewalks on a pro rata basis which conforms substantially with the assessment procedure, terms and conditions set forth in Article V of this Declaration.

10.8. Declarant's Covenant to Construct Common Areas. Declarant hereby covenants to construct and complete all Common Areas improvements and amenities indicated on the Plat within ten (10) years of the filing of this Declaration in the office of the County Recorder of Wasatch County, Utah.

10.9. Enforcement by City. If the Association fails to maintain the Common Areas in good order and condition, Midway City shall have the right, but not the obligation, upon giving the Association thirty (30) days notice in writing, to step in and do the necessary maintenance and management with the same right to lien the Homesteads and collect the costs thereof against the Owners as the Association has under this Declaration.

10.10. Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any party thereof, and any gender shall include the other gender. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

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10.11. Reservation of Right to Buy. **NOTE: DECLARANT HAS RESERVED THE RIGHT TO REPURCHASE A HOMESTEAD IN THE EVENT THAT CONSTRUCTION OF A LIVING UNIT DOES NOT COMMENCE BEFORE A SPECIFIED TIME FRAME.** In the event that construction of a Living Unit in accordance with the requirements of this Declaration, is not commenced prior to the later of: (i) five (5) years from the date of closing of a sale of a Homestead by Declarant to an Owner; or (ii) two (2) years from the date of closing of a purchase of a Homestead from a party other than Declarant, but never beyond a period of seven (7) years from the date that Declarant first sold such Homestead, and notwithstanding that such Homestead may be owned by an Owner who did not purchase the Homestead directly from Declarant, Declarant shall have the option and right to repurchase such Homestead upon the same terms and conditions, including but not limited to purchase price, as such Homestead was originally sold by Declarant. In the event that Declarant elects to repurchase a Homestead pursuant to the provisions of this Section 10.11, Declarant shall give written notice of its election to the then Owner of such Homestead and such repurchase shall be closed within sixty (60) days after the date of such notice at a location acceptable to Declarant. At closing and as a condition thereto, such Owner shall convey such Homestead to Declarant by warranty deed, subject only to those exceptions which encumbered the Homestead at the date of sale by Declarant. Declarant's right to repurchase a Homestead within the Development shall automatically terminate as to such Homestead upon the earlier of commencement of construction upon such Homestead of a Living Unit approved by the Architectural Control Committee or twenty (20) years from the date of recording of this Declaration, provided that Declarant shall have the right to close the repurchase of any Homestead for which notice of repurchase has been given to the Owner prior to the expiration of twenty (20) years from recording.

10.12. Property Part of Development. The Property shall comprise the Dutch Fields Subdivision.

10.13. Covenants to Run With Land. This Declaration and all provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Declarant, and all parties who hereafter acquire any interest in a Homestead or in the Common areas shall be subject to the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, and determinations contemplated by this Declaration; and failure to comply with any of the foregoing shall be grounds for an action by the Association or an aggrieved Owner for the recovery of damages, or for injunctive relief, or both. By acquiring any interest in a Homestead or in the Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

10.14. Effective Date. This Declaration and any amendment hereof shall take effect upon its being filed for record in the office of the County Recorder of Wasatch County, Utah.

EXECUTED the day and year first above written.

WATTS DUTCH FIELDS, L.L.C., a Utah limited liability company

By:



Russell K. Watts, Manager

STATE OF UTAH)
 WASATCH) : ss
 COUNTY OF SALT LAKE)

On the 4 day of October, 2002, personally appeared before me Russell K. Watts, who being by me duly sworn did say that he is the Manager of WATTS DUTCH FIELDS, L.L.C., and that the within and foregoing instrument was signed in behalf of said limited liability company by authority of a resolution of its members and/or the terms of its operating agreement and the said Russell K. Watts duly acknowledged to me that said limited liability company executed the same.

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 NOTARY PUBLIC

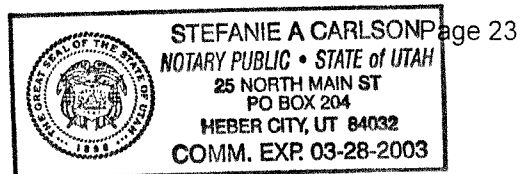


EXHIBIT A
LEGAL DESCRIPTION

Parcel 1:

Beginning at a point which is East 236.57 feet and South 1,093.02 feet from the Northeast corner of Section 26, Township 3 South, Range 4 East, Salt Lake Base and Meridian, said point is on the existing right-of-way of River Road; thence South 41°34'03" West 659.28 feet along said right-of-way; thence South 39°40'34" West 849.20 feet along said right-of-way; thence North 71°52'11" West 172.20 feet; thence North 68°12'26" West 283.64 feet; thence South 21°47'34" West 11.17 feet; thence North 68°12'28" West 220.45 feet; thence North 21°04'14" East 533.77 feet; thence North 28°59'32" East 262.99 feet to the beginning of a non-tangent curve; thence along the arc of a 1175.00 foot radius curve to the right 109.91 feet (curve has a central angle of 05°15'43" and a chord bearing South 63°38'20" East 107.87 feet); thence North 23°43'48" East 118.92 feet; thence North 10°49'10" East 379.43 feet; thence North 70°06'55" East 184.78 feet; thence South 18°15'00" East 57.79 feet; thence South 74°40'00" East 200.00 feet; thence North 15°20'00" East 17.50 feet; thence South 74°40'00" East 409.09 feet; thence North 84°54'56" East 158.30 feet; thence South 48°25'57" East 185.49 feet to the point of beginning.

Said property also known as Phase 1, Plat A, Dutch Fields

E 249391 B 0580 P 0742

EXHIBIT B
ADDITIONAL LAND

Together with any other real property adjacent to the Property or that described on this Exhibit "B".

E 249391 B 0580 P 0743

EXHIBIT "B"

Parcel 1

Beginning at the Southwest corner of the Northeast quarter of Section 26, Township 3 South, Range 4 East, Salt Lake Meridian, and running thence North 28.13 chains; thence South 29°30' East 32.62 chains, thence West 15.75 chains to the point of beginning.

The following is shown for informational purposes only: Tax Serial No. OMI-0567

Parcel 2

Beginning at a point 50/100 of a chain South of the Northwest corner of the Northeast quarter (NE1/4) of Section Twenty-six (26), Township Three (3) South, Range Four (4) East, Salt Lake Base and Meridian; and running thence South 29°30' East 45.50 chains to the South line of said quarter section; thence West 6.12 chains; thence North 29°30' West 32.62 chains to the West line of said quarter section; thence North 11.37 chains more or less to the point of beginning.

Beginning at the Northwest corner of the Northeast quarter (NE1/4) of Section Twenty-six (26), Township Three (3) South, Range Four (4) East, Salt Lake Base and Meridian; and running thence South Two (2) rods; thence South 29°30' East 182 rods to the South line of the Northeast quarter (NE1/4) of said Section twenty-six (26); thence East 10 rods; thence North 41° East 21.50 rods; thence North 29°30' West 166 rods to the North line of said Section Twenty-six (26); thence West 32 rods more or less to the point of beginning.

Excepting therefrom the following:

Additional land for highway known as Project 0250 situated in the S1/2 NE1/4 of Section 26, Township 3 South, Range 4 East, Salt Lake Meridian. The boundaries of said tract of land are described as follows:

Beginning at a point on the Northerly right of way fence of the present highway 35 feet perpendicularly distant Northerly from the center line of survey of said project at Engineer's Station 72+50, which point is approximately 308 feet West and 24 feet North from the Southeast corner of the Southwest quarter Northeast quarter of said Section 26; thence Easterly 140 feet, more or less, along a straight line, to a point 40.0 feet radially distant Northerly from said center line at Engineer's Station 73+97; thence Northeasterly 588.5 feet along the arc of a 1002.1 foot radius curve to the left (Note: tangent to said curve at its point of beginning bears North 83°56' East) to a point on said right of way fence; thence Southwesterly 740 feet, more or less, along said right of way fence, to the point of beginning, as shown on the official map of said project on file in the office of the State Road Commission of Utah.

The following is shown for informational purposes only: Tax Serial No. OMI-0566

E 249391 B 0580 P 0744

E 247490 B 0570 P 0781

Parcel 3

Beginning at the Northeast corner of Section 26, Township 3 South, Range 4 East, Salt Lake Meridian; thence South 22.50 chains; thence North 29°30' West 13.60 chains; thence South 60°30' West 3.90 chains; thence South 29°30' East 14.45 chains; thence South 41° West 14.35 chains; thence North 29°30' West 41 chains; thence East 31.90 chains to beginning.

Beginning at a point 21.21 chains South of the Northeast corner of Section 26, Township 3 South, Range 4 East of the Salt Lake Meridian, and running thence North 29°30' West 12.70 chains; thence South 60°30' West 3.9 chains; thence 29°30' East 13.55 chains; thence North 41° East 4 chains to the place of beginning.

The following is shown for informational purposes only: A portion of Tax Serial No's. OMI-0564 and OMI-0565

EXCEPTING FROM THE ABOVE LEGAL DESCRIPTIONS THE FOLLOWING:

Parcel 1:

Beginning at a point which is East 236.57 feet and South 1,093.02 feet from the Northeast corner of Section 26, Township 3 South, Range 4 East, Salt Lake Base and Meridian, said point is on the existing of right of way of River Road; thence South 41°34'03" West 659.28 feet along said right of way; thence South 39°40'34" West 849.20 feet along said right of way; thence North 71°52'11" West 172.20 feet; thence North 68°12'26" West 283.64 feet; thence South 21°47'14" West 11.17 feet; thence North 68°12'28" West 220.45 feet; thence North 21°04'14" East 533.77 feet; thence North 28°59'32" East 262.99 feet to the beginning of a non-tangent curve; thence along the arc of a 1175.00 foot radius curve to the right 109.91 feet (curve has a central angle of 05°15'43" and a chord bearing South 63°38'20" East 107.87 feet); thence North 23°43'48" East 118.92 feet; thence North 10°49'10" East 379.43 feet; thence North 70°06'55" East 184.78 feet; thence South 18°15'00" East 57.79 feet; thence South 74°40'00" East 200.00 feet; thence North 15°20'00" East 17.50 feet;; thence South 74°40'00" East 409.09 feet; thence North 84°54'56" East 158.30 feet; thence South 48°25'57" East 185.49 feet to the point of beginning.

Said property also known as Phase 1, Plat A, Dutch Fields.

E 249391 B 0580 P 0748

E 247490 B 0570 P 0782