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WHEN RECORDED MAIL TO:

W. Scott Kjar
C/O SKY Properties, Inc.
585 West 500 South, #110
Bountiful, UT 84010

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01-440-0012 through 01-440-0020
01-107-0114

**FIRST AMENDMENT AND RESTATEMENT OF
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
THE VILLAS AT BELLA VIDA
(a Planned Unit Development)
(Expandable)**

THIS FIRST AMENDMENT AND RESTATEMENT OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE VILLAS AT BELLA VIDA ("Declaration") is executed this 25th day of April, 2013, by **VILLAS DEVELOPMENT, INC.**, a Utah corporation (the "Declarant") and **VILLAS AT BELLA VIDA HOMEOWNERS ASSOCIATION, INC.**, a Utah non-profit corporation and hereby replaces the Declaration of Covenants, Conditions and Restrictions of the Villas at Bella Vida recorded June 23, 2011, as Entry No. 2604398 in Book 5301 at Page 408 of the Official Records of the Davis County Recorder.

RECITALS:

- A. Capitalized terms in this Declaration are defined in Article I.

B. The Declarant holds legal title to a certain tract of real property located in Davis County, Utah, which real property is more particularly described in Article II of this Declaration. Said real property is hereinafter referred to as the "Property". Declarant desires to develop the Property as a Planned Unit Development.

C. For purposes of development and marketing, the property described in Article II is intended to be known as "The Villas at Bella Vida". In this Declaration the term "Property" shall refer to real property set forth on Exhibit "A" consisting initially of 20 Units and Common Areas as identified in Article I. It is expressly intended that the Project shall be expandable at the sole option of Declarant pursuant to U.C.A. § 57-8-10 in one or more phases as set forth herein. Declarant makes no representations, expressed or implied, regarding whether Declarant will undertake or complete any phase other than the Property described on the Plat Map(s). Declarant makes no further representations, expressed or implied, regarding the impact of any such future phases or any subsequent phases, or that any subsequent phases will be constructed substantially as shown on the proposed site plan for all of the proposed Villas at Bella Vida residential community as depicted in Exhibit "C", which is attached hereto and incorporated herein by this reference.

D. Declarant intends to improve the Property by construction thereon of certain residential improvements and common facilities, and to establish thereon a Planned Unit Development residential subdivision, to be managed, operated, and maintained by an incorporated Association of Owners, for the benefit of the Property as a whole.

E. The development of the Property shall be hereinafter referred to as the "Project." The Owner of each of the Units shall receive fee title to their individual Unit and the exclusive right to use the Limited Common Areas associated with their individual unit subject to this Declaration, together with all rights associated with membership in **THE VILLAS AT BELLA VIDA HOMEOWNERS ASSOCIATION, INC.** (the "Association").

F. Declarant intends by this document to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all of said Units and the Owners thereof. Declarant intends to establish a common scheme and plan for the possession, use, enjoyment, repair, maintenance, restoration and improvement of the Property and the interests therein conveyed and to establish thereon a Planned Unit Development consisting of single family residences in accordance with the terms hereof.

G. Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and the Project, and every part thereof, in accordance with the plan for the improvement, sale, and operation of the Property as a planned unit development. All of the limitations, covenants, conditions, restrictions, and easements shall constitute covenants and encumbrances which shall run with the land and shall

be perpetually binding upon Declarant and its successors-in-interest and assigns, and all parties having or acquiring any right, title, or interest in or to any part of the Property or the Project.

NOW, THEREFORE, it is hereby declared that the Property shall be held, sold, conveyed, leased, rented, encumbered and used, subject to the following Declaration and its covenants, restrictions, limitations, and conditions, all of which shall constitute covenants which run with the land and shall be binding on and be for the benefit of the Declarant, its successors and assigns and all owners of all or any part of the Property, together with their respective grantees, successors, heirs, executors, administrators, devisees and assigns, all as set forth herein.

ARTICLE I. DEFINITIONS

When used in this Declaration (including in that portion hereof headed "Recitals") the following terms shall have the meaning indicated.

1. **"Articles"** or **"Articles of Incorporation"** shall mean and refer to the Articles of Incorporation of the Association which shall be filed with the Utah State Department of Commerce, Division of Corporations, and Commercial Code at or about the time this Declaration is recorded.

2. **"Association"** shall mean and refer to THE VILLAS AT BELLA VIDA HOMEOWNERS ASSOCIATION, INC, a Utah non-profit corporation.

3. **"Bella Vida Reciprocal Easement Agreement"** shall mean and refer to the perpetual easement agreement between the Association and the Bella Vida at Eaglewood Homeowners Association that governs the rights and obligations of the Association with regard to the use and maintenance of the Bella Vida Reciprocal Easement Areas. The Bella Vida Reciprocal Easement Agreement grants the Bella Vida at Eaglewood Homeowners Association the right to lien the Unit of any Owner does not pay their share of the Association's obligations under the agreement.

4. **"Bella Vida Reciprocal Easement Areas"** shall mean and refer to the entryways and roadways of the adjacent Bella Vida at Eaglewood PUD, as well as the Detention Basin Parcel owned by the Bella Vida at Eaglewood Homeowners Association. The Association and its Members acknowledge that all traffic must cross the Bella Vida Reciprocal Easement Areas to access the Property.

5. **"Board of Trustees"** or **"Board"** shall mean and refer to the governing board of the Association which shall be appointed or elected in accordance with the Declaration, the Articles of Incorporation and Bylaws of the Association.

6. **"Building"** shall mean and refer to the residential structure (including garage and other improvements), located on a Lot in the Project and designed and intended for use and occupancy as a residence by a single-family unit.

7. **"Building Exteriors"** shall mean and refer to those portions of the Buildings which are open to the elements such as roofs, soffit, facie, exterior walls, exterior doors, footings and foundations but excluding any window glass.

8. **"Bylaws"** shall mean the Bylaws of the Association as amended from time to time. The initial Bylaws shall be as adopted by the incorporating members of the Board of Trustees.

9. **"City"** shall mean the City of North Salt Lake, a Utah municipal corporation, the City in which the Project is located. As such the City which has primary jurisdiction over the Project.

10. **"Club House"** shall mean the Bella Vida at Eaglewood Club House, located adjacent to the Property which is owned or leased by the Bella Vida at Eaglewood Homeowners Association. The Club House Agreement shall govern the Associations use

11. **"Club House Agreement"** shall mean the written agreement between the Bella Vida at Eaglewood Club House, located adjacent to the Property which is owned or leased by the Bella Vida at Eaglewood Homeowners Association. The Club House Agreement governs the rights and obligations of the Association with regard to the use and maintenance of the Club House. The Club House Agreement grants the Bella Vida at Eaglewood Homeowners Association the right to lien the Unit of any Owner does not pay their share of the Association's obligations under the agreement.

12. **"Common Areas"** shall mean all the real property and improvements, now or hereafter constructed or located within the Property, other than the Lots and Buildings, including without limitation, all landscaped areas, storm drains, detention basins, private roadways, walkways, and trail systems, within the Project, all of which shall be managed by the Association for the common use and enjoyment of all Owners. Common Areas shall also include the storm drain system in the Project which is not situated within the dedicated roads. The foregoing notwithstanding, Common Areas shall not include public utility lines located within the Project which are maintained by the utility. The individual Owners within the Project shall own the Common Areas as tenants in common, each with an equal undivided interest therein. The Common Areas are designated as such on the Plat Map(s), as defined below. Common Areas shall not include any portion of the Expansion Area until such time and upon such conditions as set forth by Declarant for annexation of the Expansion Area. Common Areas shall not include the Club House, the Bella Vida Reciprocal Easement Areas, or the Park Parcel.

13. **"Common Expense Fund"** shall mean and refer to the fund created or to be created pursuant to the provisions of Article V of this Declaration and into which all monies of the Association shall be deposited. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital expenses which together shall constitute the Common Expense Fund.

14. **"Common Expenses"** shall mean the actual and estimated expenses of maintenance, improvement, repair, operation, insurance, and management of the Common Areas and of the

expenses of operating and maintaining the private roadway through the Project, expenses of administration of the Association, and any reasonable reserve for such purposes as determined by the Board, all expenses related to the Association's obligations under the Park Parcel Agreement, the Bella Vida Reciprocal Access Agreement, and the Club House Agreement, and all sums designated Common Expenses by or pursuant to the Project Documents. Without limiting the generality of the foregoing, Common Expenses shall also include: all commonly metered utility charges for the Property; the costs of trash collection and removal; compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of all maintenance, gardening, security and other services benefitting the Common Areas; the costs of fire insurance, errors and omissions and director, officer and agent liability insurance, and other insurance covering the Property and the directors, officers and agents of the Association; and any other costs incurred by the Association pursuant to its authority for any reason whatsoever, for the common benefit of the Owners.

15. **"Declarant"** shall mean and refer to **VILLAS DEVELOPMENT, INC.**, a Utah corporation and/or any successors thereof which, either by operation of law or through a voluntary conveyance, transfer or assignment, comes to stand in the same relation to the Property (or a portion thereof) as did its predecessor.

16. **"Declaration"** shall mean and refer to this DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE VILLAS AT BELLA VIDA, a Planned Unit Development as the same may hereafter be modified, amended and supplemented.

17. **"Eligible Mortgagee"** shall mean and refer to a First Mortgagee which has requested notice of certain matters from the Association in accordance with Section 1 of Article XII of this Declaration.

18. **"Expansion Area"** that real property identified on The Master Plan and known as Phases 3, 4, and 5 upon which Declarant may elect, in its sole discretion, to expand the Project pursuant to Article XIII.

19. **"First Mortgage"** shall mean any Mortgage which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

20. **"First Mortgagee"** shall mean any person named as a Mortgagee under a First Mortgage, or any successor to the interest of any such person under a First Mortgage, which First Mortgage is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

21. **"Limited Common Areas"** shall mean any Common Areas designated as reserved for use by the Owner of a certain Unit or Units to the exclusion of the other Owners in the Project. Any areas and facilities that are identified on the Plat Map(s) as Limited Common Areas are permanently assigned to specific Units, as an appurtenance to such Units, for the exclusive use of

such Units. The Plat Map(s) permanently designates the Unit or Units to which each of the Limited Common Areas is reserved and appurtenant.

22. **"Lot"** shall mean and refer to the separate parcel of residential real property which is identified on the Plat Map(s) created for the construction of a Unit. The term "Lot" does not include any Common Areas.

23. **"Manager"** shall mean and refer to the person, firm or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and Project.

24. **"Master Plan"** shall mean the proposed site plan for all of the proposed VILLAS AT BELLA VIDA residential community as depicted in Exhibit "C", which is attached hereto and incorporated herein by this reference. Declarant makes no representations, expressed or implied, regarding whether Declarant will undertake or complete any phase other than Phase 1 and Phase 2, as designated on the Plat Map(s). Declarant makes no further representations, expressed or implied, regarding the impact of any such future phases or any subsequent phases, or that any subsequent phases will be constructed substantially as shown on the proposed Master Plan.

25. **"Member"** shall mean and refer to every person who holds membership in the Association.

26. **"Mortgage"** shall mean any mortgage, deed of trust, or other document pledging any portion of a Unit or interest therein as security for the payment of a debt or obligation.

27. **"Mortgagee"** shall mean a beneficiary of a Mortgage as well as named Mortgagee.

28. **"Option to Expand"** shall mean Declarant's right to expand the Project as more fully set forth in Article XII.

29. **"Owner"** shall mean the person or persons, including the Declarant, owning in fee simple a Unit in the Project, as such ownership is shown by the records of the County Recorder of Davis County, State of Utah. The term "Owner" shall not refer to any Mortgagee (unless such Mortgagee has obtained title in fee simple to a Unit pursuant to a judicial or non-judicial action, including, without limitation, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure) or to any person or persons purchasing a Unit under contract (until such contract is fully performed and legal title conveyed of record).

30. **"Park Parcel"** shall mean the adjacent park parcel owned by the Edgewood Estates Homeowners Association. Access to the Park Parcel shall only be granted to the Association and its Members if the Association enters into a Park Parcel Agreement with the Edgewood Estates HOA.

31. **"Park Parcel Agreement"** shall mean a written agreement between the Association, the Edgewood Estates Homeowners Association, and the Bella Vida at Eaglewood Homeowners Association that governs the rights and obligations of the Association with regard to the use and maintenance of the Park Parcel.

32. **"Phase"** shall mean a particular parcel of property which is or shall become part of the Project pursuant to the recordation of an appropriate amendment to the Declaration. As indicated in Paragraph E of the Recitals above, the term "Property" as used in this Declaration shall refer only to Phase 1 and Phase 2, unless and until the Option to Expand is elected by Declarant and is recorded with respect to such future phase according to the terms of this Declaration. Until such time, all phases other than Phase 1 and Phase 2, if any, shall be deemed unaffected and unencumbered by this Declaration.

33. **"Plat Map(s)"** shall mean the map or maps prepared by or for Declarant showing the surface of the Property and the division thereof into Private Ownership Areas, Limited Common Areas, and Common Areas, which map or maps shall be recorded in the office of the County Recorder of Davis County, Utah, which maps may be amended and/or supplemented from time to time. The Property will be developed in multiple phases. The first Phases of single family residential buildings is THE VILLAS AT BELLA VIDA PHASE 1 which shall consist of eleven Units and THE VILLAS AT BELLA VIDA PHASE 2 which shall consist of nine Units. Said units shall be collectively known as "The Villas at Bella Vida" as provided herein and identified on the Plat Map. Upon the election of Declarant, subsequent Phases may be added to this Declaration by amendment to this Declaration in accordance with Article XIII.

34. **"Program"** shall mean the services provided by Declarant or an affiliated entity or agent for the benefit and comfort of Owners and may include, but shall not be limited to, services provided at Program Facilities. The Program will be governed by an agreement ("Management Agreement") between the Association and the Declarant or an affiliated entity or agent who will be the initial Program Manager.

35. **"Program Expenses"** shall mean the actual and estimated expenses of maintenance, improvement, repair, operation, insurance, and management of the Program Facilities, including, but not limited to, the exterior and structural components of the Club House, expenses of administration of the Program, and any reasonable reserve for such purposes as determined by Declarant. Without limiting the generality of the foregoing, Program Expenses shall also include: compensation paid to Program Managers, accountants, attorneys and other employees; the costs of fire insurance, errors and omissions and director, officer and agent liability insurance, and other insurance covering the Program; the costs for concierge and transportation services, and any other costs incurred by Declarant or the Program Manager.

36. **"Program Manager"** shall mean the entity operating the Program under contract with the Association. The Declarant or an affiliated entity or agent shall be the initial Program Manager.

37. **"Project"** shall mean and refer to the Property and the plan of development and ownership of the Property created and governed by this Declaration, the Articles and the Bylaws.

38. **"Project Documents"** shall mean, collectively, this Declaration, the Plat Map(s), and the Articles and Bylaws of the Association, as each may be amended from time to time.

39. **"Property"** shall mean and refer to the entire tract of real property now or hereafter covered by the Plat Map(s). A description of the real property covered by the Plat Map(s) on the effective date of this Declaration is set forth in Article II of this Declaration.

40. **"Technology Package"** shall mean the telephone, internet, cable, satellite and security services, provided to each Unit as set forth in Article VI of this Declaration.

41. **"Unit"** shall mean and refer to the real property consisting of a single family residential Building as shown on the Plat Map(s). Except where the context specifically otherwise requires, reference to a Unit shall include reference to the Building thereon.

ARTICLE II. PROPERTY DESCRIPTION

1. The Property initially associated with the Project which is and shall be held, transferred, sold, conveyed, and occupied subject to the provisions easements and restrictions of this Declaration and the Plat Map(s) consists of the following described real property-situated in Davis County, State of Utah:

See **Exhibit "A"**, attached hereto

ARTICLE III. THE ASSOCIATION

1. Organization of Association. The Association is or shall be incorporated under the name of THE VILLAS AT BELLA VIDA HOMEOWNERS ASSOCIATION, INC., in accordance with the requirements of the Utah Non-Profit Corporation and Co-operative Association Act.

2. Duties and Powers. The duties and powers of the Association are those set forth in this Declaration, the Articles and Bylaws, together with the general and implied powers of a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Utah may lawfully do and which are necessary or proper in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in this Declaration, the Articles and Bylaws.

3. Membership. Each Owner shall be entitled and required to be a Member of the Association. Membership will begin immediately and automatically upon becoming an Owner and

shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Unit is held by more than one person, the membership appurtenant to that Unit shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Unit is held. An Owner shall be entitled to one membership for each Unit owned by such Owner. Each membership shall be appurtenant to the Unit to which it relates and shall be transferred automatically by conveyance of that Unit. Ownership of a Unit within the Project cannot be separated from membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of such Unit shall automatically constitute a devise, encumbrance, conveyance or other disposition of the Owner's membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association and membership in the Association may not be transferred except in connection with the transfer of a Unit. The Association shall make available to the Owners, Mortgagees and the holders, insurers and guarantors of the First Mortgage on any Unit current copies of the Declaration, Articles, Bylaws and other rules governing the Project and other books, records and financial statements of the Association. The term "**available**" as used in this Section 1 shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

4. Board of Trustees. Until such time as the responsibility for electing the Board of Trustees of the Association is turned over to the Owners, the Declarant shall have the exclusive right to appoint and remove all such Trustees. This exclusive right of the Declarant to appoint the Trustees shall terminate upon the first to occur of the following:

- A. Six (6) years from the date on which the first Unit in the Project is conveyed;
- or
- B. One Hundred Twenty (120) days after 75% of the Units in the Project have been conveyed by Declarant.

5. Votes. Each Member shall be entitled to the number of votes appurtenant to his or her Unit, as set forth on **Exhibit "B"**, which is attached hereto and incorporated herein by this reference. The number of votes appurtenant to each Unit shall be permanent, and shall not change in the event an Owner modifies a Unit to increase or decrease the size of his Unit relative to other Units but may be changed pursuant to the provisions of Article XIII. In the event that there is more than one Owner of a particular Unit, the votes relating to such Unit shall be exercised as the Owners may determine among themselves. No Unit shall have more than the number of votes shown on **Exhibit "B"**, regardless of the number of persons having an ownership interest in the Unit. The votes cast at any Association meeting by any of such Owners, whether in person or by proxy, shall be conclusively presumed to be the votes attributable to the Unit concerned unless an objection is immediately made by another Owner of the same Unit. In the event such an objection is made, the votes involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists. The Declarant shall have full voting rights with respect to each Unit which it owns. Notwithstanding any of the foregoing, so long as the Declarant controls appointment of the Board of Trustees as set forth in Article III, Section 2, above the Declarant shall have ten (10) votes for each vote set forth on **Exhibit "B"** appurtenant to any Unit held by Declarant.

6. Maintenance of Common Areas. It is intended by the Declaration that the Buildings and the Common Areas shall present a uniform, neat and well-cared-for appearance. To achieve this stated purpose, the Owners shall maintain all Building Exteriors in accordance with Section 1 of VII of this Declaration and the Association shall prepare, improve, install and shall maintain all landscaping, trees, shrubs, and grass, located within the Project.

In the event that the need for maintenance or repair of the Common Areas is caused through the willful or negligent acts of its Owner(s), or through the willful or negligent acts of the guests, tenants or invitees of the Owner(s) of the Unit needing such maintenance or repair, the cost of such exterior maintenance shall be immediately due and payable from such Owner and added to and become a part of the assessment to which such Unit is subject.

7. Professional Management. The Association may carry out, through a Manager, those of its functions which are properly the subject of delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association, shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the management agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself. Any such management agreement executed on or before the termination of Declarant's control of the appointment of the Board of Trustees as described in Section 2 of Article III may be terminated by the Association without cause at any time after termination of Declarant's control. The above term and termination provisions shall not apply to any other types of service contracts.

8. Amplification. The provisions of Section 5 may be amplified by the Articles and the Bylaws; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration.

ARTICLE IV. PROPERTY RIGHTS IN COMMON AREAS AND UNITS

1. Description of Buildings and Units. Each Building shall be a detached, single story residence of wood frame construction, erected on concrete slab with composition roof and attached garage and driveway. Each Unit shall be separately metered and wired for electricity. Water, both culinary and for irrigation, may be metered in common with all other Units in the Projects. Each Unit shall be connected to a public sewage disposal system. A more detailed description of the Units may be found on the Plat Map(s). Revised Unit descriptions may be contained in subsequent plats or amendments.

2. Easement of Enjoyment. Each Member shall have an undivided interest, right and easement of use and enjoyment in and to the Common Areas. Each Owner shall have an unrestricted right of ingress or egress to and from its Unit over and across such Common Areas. Each Owner shall also have the exclusive right to use and enjoy any Limited Common Areas that may be designated on the Plat Map(s) for exclusive use by such Owner or as may be designated by the

Association. Such rights and easements shall be appurtenant to and shall pass with title to each Unit and in no event shall be separated therefrom. Any Member may delegate the right and easement of use and enjoyment described herein to any guest, invitee, tenant, lessee, contract purchaser, or other person who occupies or utilizes such Member's Unit.

3. Easements for Encroachments. In the event the construction, reconstruction, repair, shifting, settlement or any other movement of any portion of the improvements causes any part of a Unit built in substantial accord with the boundaries for such Unit as depicted on the Plat Map(s) to encroach upon the Common Areas, or if any part of the Common Areas encroaches or shall encroach upon a Unit for any such reasons, an easement for such encroachment and for the maintenance of the same shall and does hereby exist. There is also hereby created an easement for any encroachment by any footing, foundations, roof overhang or other architectural appurtenances upon any part of the Common Areas.

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

A. The right of the Association to suspend a Member's voting right in the Association upon notice and a chance for hearing for any period during which (i) an assessment on such Member's Unit remains unpaid; (ii) for a period not exceeding sixty (60) days for any infraction by such Member of the provisions of this Declaration or of any rule or regulation promulgated by the Association; and (iii) for successive 60-day periods if any such infraction is not corrected during any prior 60-day suspension period;

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

C. The right of the City, Davis County, the State of Utah or any other governmental or quasi-governmental body having jurisdiction over the Property, to 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 and providing other governmental or municipal service;

D. The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument signed by Members holding sixty-seven percent (67%) or more of the total votes of the Association agreeing to such dedication or transfer has been recorded, except that the Board shall have authority to transfer to such public agencies, authorities or utilities, permits, licenses, easements and rights-of-way which are intended to benefit and which do not have any substantial adverse effect on the use or enjoyment of the Common Areas by the Members.

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

Unit No. _____ of THE VILLAS AT BELLA VIDA PHASE ____, PLAT ____, a Planned Unit Development, according to the Record of Survey Map filed for record as Entry No. _____ in Book _____ of Plats at Page _____, together with the appurtenant undivided ownership interest in the "Common Areas", all of which are defined and described in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE VILLAS AT BELLA VIDA. and the Exhibits attached thereto, filed for record as Entry No. _____ in Book _____ at Pages _____ through _____, of Official Records.

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 Unit.

6. Transfer of Title. The Declarant agrees to cause the conveyance of the Common Areas to the Members of Association as tenants in common with an equal undivided interest therein. No Owner, shall bring any action for partition or division of any part of the Common Areas, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation, management, use, and enjoyment of the Common Areas.

ARTICLE V. ASSESSMENTS

1. Agreement to Pay Assessments. Each Owner of any Unit, by the acceptance of instruments of conveyance and transfer therefor, whether or not it is expressed in said instruments, shall be deemed to covenant and agree with each other and with the Association to pay to the Association all assessments made by the Association for the purposes provided in this Declaration. Such assessments shall be fixed, established and collected from time to time as provided in this Article V. In any event, all Units shall be allocated the then applicable assessments upon conveyance of the first Unit.

A. Until January 1 of the year immediately following the conveyance of the first Unit to an Owner, the annual assessment shall be not greater than \$230.00 per month. Notwithstanding paragraphs B, C, and D, below, through January 1, 2016, the annual assessment may not be increased at a rate greater than the increase in the Consumer Price Index. For the purposes of this section the Consumer Price Index shall be the CPI-U as published by the Bureau of Labor Statistics.

B. Following the expiration of the restriction contained in paragraph A above limiting increases through the period commencing January 1, 2016, the maximum annual

assessment may be increased each year by up to fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership.

C. Following the expiration of the restriction contained in paragraph A above limiting increases through the assessment period commencing January 1, 2016, the annual assessment may be increased by more than fifteen percent (15%) over the prior year's assessment only by a vote of at least sixty-seven percent (67%) of the votes (determined in accordance with Section 3 of Article III) of Members who are voting in person or by proxy, at a meeting duly called for this purpose.

D. The Board may fix the annual assessment at an amount not in excess of the maximum annual assessment set forth in Section 1.C, above, without a vote of the Members.

2. Annual Assessments. Annual assessments shall be computed and assessed against all Units in the Project as follows:

A. Common Expense. Annual assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with the maintenance and operation of the Common Areas, and furnishing common utility services and other common items to the Units. Such estimated expenses may include, without limitation, the following: expenses of management; real property taxes and special assessments on the Common Areas (and the Units until the Units are separately assessed); premiums for all insurance that the Association is required or permitted to maintain hereunder; repairs, maintenance and cleaning of the Common Areas; landscaping of Common Areas; snow removal, wages of Association employees, fees for a Manager; Program Expenses; trash removal from Common Areas; utility charges, including charges for utility services to the Units to the extent not separately metered or billed; legal and accounting fees; any deficit remaining from a previous period; creation of an adequate contingency reserve, major maintenance reserve and/or sinking fund; creation of an adequate reserve fund for maintenance repairs, and replacement of those Common Areas that must be replaced on a periodic basis; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. The aggregate of all such items shall constitute the Common Expenses, and all funds received from assessments under this Section 2.A shall be part of the Common Expense Fund. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital expenses which together shall constitute the Common Expense Fund.

B. Apportionment. Common Expenses shall be apportioned among and assessed to all Units and their Owners, as set forth on **Exhibit "B"**, which is attached hereto and incorporated herein by this reference and as modified by Paragraph 4 below. The Declarant shall be liable for the amount of any assessments against Units owned by it as provided herein, and as limited in subsection 3 and 4 below. All Units and their Owners shall also be

directly apportioned their proportionate share of the costs and expenses arising from the Association's obligations under the Park Parcel Agreement, the Bella Vida Reciprocal Access Agreement, and the Club House Agreement, which as per the terms of those agreements shall be based on the number of completed Units.

C. Annual Budget. Annual assessments shall be determined on the basis of a fiscal year beginning January 1st and ending on the following December 31st, provided the first fiscal year shall begin on the date of the conveyance of the first Unit by Declarant. On or before December 1st of each year thereafter, the Board of Trustees shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated Common Expenses for such fiscal year, anticipated receipts (if any) and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the annual assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period.

D. Notice and Payment. Except with respect to the first fiscal year, the Board of Trustees shall notify each Owner in writing as to the amount of the annual assessment against his or her Unit on or before December 15th each year for the fiscal year beginning on the following January 1st. Except as otherwise provided by the Board, each annual assessment shall be payable in twelve equal monthly installments, one such installment due on the first day of each calendar month during the fiscal year to which the assessment relates; provided, however, the annual assessment for the first fiscal year shall be based upon such portion of the first fiscal year. All unpaid installments of any annual assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum from fifteen (15) days after the date each such installment became due until paid. The Board of Trustees shall also have the right to assess a late fee of up to ten percent (10%) of any assessment installment not paid within ten (10) days following the due date thereof. In addition, in the event any installment of the annual assessment is not paid within fifteen (15) days of the date such an installment becomes due, the Association may, at its option, and upon fifteen (15) days prior written notice to the Owner, accelerate the due date for all remaining unpaid installments of the annual assessment for the remainder of the fiscal year and all accrued but unpaid interest thereon. Payment of the annual assessment installments so accelerated shall be due at the expiration of said fifteen (15) day notice period and interest shall accrue on the entire sum at the rate established by the Board not to exceed eighteen percent (18%) per annum from such date until paid in full. The failure of the Board of Trustees to give timely notice of any annual assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of Owner from the obligation to pay such assessment or any other assessment.

E. Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's assessment, the Board of Trustees may, on behalf of the Association, levy additional

assessments in accordance with the procedure set forth in Article V Section 3 below, except that the required vote set forth therein shall be by at least fifty percent (50%) of the voting power of the Association in person or by proxy at a meeting called for such purpose. Notwithstanding the foregoing, the Association may levy an additional assessment without a vote of the Owners so long as such additional assessment is only to cover the cost of utility rate increases which take effect after the annual budget is prepared.

3. Special Assessments. In addition to the annual assessments authorized by this Article, the Board of Trustees may, on behalf of the Association, levy, at any time and from time to time, upon the affirmative vote of at least sixty-seven percent (67%) of the voting power of the Association in person or by proxy at a meeting called for such purpose, special assessments, payable over such periods as the Board of Trustees may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including, without limitation, Common Expenses). This Section shall not be construed as an independent source of authority for the Association to incur expenses but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in accordance with the assessment percentages allocated to each Unit as set forth on **Exhibit "B."** Notice in writing of the amount of each such special assessment and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any special assessment shall bear interest at the rate established by the Board not to exceed eighteen percent (18%) per annum from the date such portions become due until paid. All funds received from assessments under this Section shall be part of the Common Expense Fund. In connection with any such special assessment, if the Declarant is only obligated to pay twenty-five percent (25%) of the annual assessment attributable to Units it owns pursuant to Section 4 below, it shall only be required to pay twenty-five (25%) of the special assessment otherwise attributable to each such Unit. The provisions of this Section are not intended to preclude the assessment, collection or use of annual assessment for the aforesaid purposes.

4. Uniform Rate of Assessment.

A. Uniform Rate of Assessment. Upon completion of each of the 20 Units that comprise the Project, the amount of any annual or special assessment against each completed Unit shall be fixed at a uniform rate based on the number of votes allocated to each Unit, as set forth on **Exhibit "B"**. Notwithstanding the foregoing, until the termination of Declarant's control of the appointment of the Board of Trustees as described in Section 4 of Article III, Declarant shall pay only twenty-five percent (25%) of the annual assessment attributable to each completed Unit which it owns until the conveyance by Declarant of such Unit to a third-party purchaser. At such time as Declarant ceases to qualify for the reduced twenty-five percent (25%) rate during any period to which an annual assessment is attributable, the assessment attributable to the membership shall be prorated between the applicable rates on the basis of the number of days in the period that the Declarant qualified

for each rate. Annual assessments may be collected on a monthly basis and special assessments may be collected as specified by the Board unless otherwise determined by the resolution of the Members of the Association approving the special assessment.

B. Assessment during Build-Out. Prior to completion of each of the 20 Units that comprise the Project, the amount of all annual or special assessments against each completed Unit shall be fixed at a uniform rate based on the number of completed Units and Units that have not yet been completed shall not be assessed. Notwithstanding the foregoing, the restrictions on the amount of the annual assessments contained in Section 1, above, remain in effect at all times, irregardless of whether the 20 Units have been completed and until the termination of Declarant's control of the appointment of the Board of Trustees as described in Section 2 of Article III, any shortage in revenue shall be made up by the Declarant as per the terms of Section 11, below.

5. Notice and Quorum for Any Action Authorized Under Sections 1 and 3. Written notice of any meeting called for the purpose of taking any action authorized under Sections 1 or 3 of this Article shall be sent to all Members no less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes (exclusive of suspended voting rights) of Members shall constitute a quorum. If the required quorum is not present, the meeting may be adjourned and the notice requirement of this section shall not apply. The required quorum at the subsequent meeting shall be sixty percent (60%) of the required quorum at the preceding meeting. No such adjourned meeting shall be held more than sixty (60) days following the preceding meeting.

6. Lien for Assessments. All sums assessed to Owners of any Unit within the Project pursuant the provisions of this Article V, together with penalties and interest thereon as provided herein, shall be secured by a lien on such Unit in favor of the Association. To evidence a lien for sums assessed pursuant to this Article V, the Board of Trustees may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Unit and a description of the Unit. Such notice shall be signed and acknowledged by a duly authorized officer of the Association or agent and may be recorded in the office of the County Recorder of Davis County, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or judicial foreclosure of deeds of trust or mortgages or in any other manner permitted by law. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessment against the Unit which shall become due during the period of foreclosure, and all such assessments shall be secured by the lien being foreclosed. The Board of Trustees shall have the right and power in behalf of the Association to bid in at any foreclosure sale and to hold, lease, mortgage or convey the subject Unit in the name of the Association.

7. Personal Obligation of Owner. The amount of any annual or special assessment against any Unit shall be the personal obligation of the Owner of such Unit to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his Unit or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment of unpaid assessment hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

8. Personal Liability of Purchaser. The personal obligation of an Owner to pay unpaid assessments levied against his Unit as described in Section 7 of this Article V shall not pass to successors in title but shall remain the personal obligation of the owner. A lien to secure unpaid assessments shall not be affected by the sale or transfer of the Unit except for foreclosure by a First Mortgagee, in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying further assessments.

9. Reserves and Working Capital. In addition to its day-to-day operating funds, the Association shall establish the following funds:

A. Reserve Fund: The Association may in its sole discretion establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas and Building Exteriors the Association is obligated to maintain, repair or replace. The reserve fund shall be maintained out of regular assessments for Common Expenses.

B. Working Capital Fund. The Declarant shall establish and maintain for the Project, a working capital fund equal to at least two monthly installments of the annual assessment of each Unit. Each Unit's share of the working capital fund must be collected and transferred to the Association at the time of the closing of sale of that Unit. Notwithstanding the foregoing, the contribution to the working capital fund for each unsold Unit shall be paid by the Declarant to the Association within one hundred twenty (120) days after the latter of the date of the conveyance of the first Unit in the Project or completion of the construction of the Unit. With respect to each Unit for which the Declarant pays the contribution to the working capital fund, Declarant shall be reimbursed for such contribution either by the purchaser of such Unit at the time of the closing of the sale to such purchaser or by the Association upon termination of the Declarant's control of the Association as described in Section 2 of Article III hereof, whichever is earlier. The working capital fund must be maintained in a segregated account for the use and benefit of the Association. The purpose of the working capital fund is to ensure that the Association will have cash available to meet initial operating expenses and unforeseen expenditures or to acquire additional equipment or services deemed necessary or desirable by the Association. Amounts paid into the

working capital fund are not to be considered advance payments of any regular assessment. The working capital fund shall be transferred to the Association for deposit to a segregated fund when control of the Association is transferred to the Owners. The Declarant shall not use the working capital fund to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association.

10. Evidence of Payment of Annual and Special Assessments. Upon receipt of a written request by a Member or any other person, the Association, within a reasonable period of time thereafter, shall issue to such Member or other person a written certificate stating (a) that all annual and special assessments (including interest, costs and attorneys' fees, if any, as provided in Section 2 above) have been paid with respect to any specified Unit as of the date of such certificate, or (b) if all annual and special assessments have not been paid, the amount of such annual and special assessments (including interest, costs and attorneys' fees, if any) due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide purchaser of, or Mortgagee on, the Unit in question.

11. Payment of the "Shortage". Until the termination of Declarant's control of the appointment of the Board of Trustees as described in Section 2 of Article III, the Declarant shall pay any "shortage" in HOA revenues.

ARTICLE VI. PROGRAM FACILITIES AND SERVICES

1. Program Facilities. Through the Club House Agreement, Declarant has provided access to properties and certain facilities adjacent to or in the vicinity of the Property to the Association Members in order to operate the Program. The Program shall be operated by Declarant, or an affiliate of Declarant, as per the terms of the Management Agreement. Declarant may also provide certain services on a pay-per-service basis. Such facilities and/or services may include the following:

A. Club House. Declarant has or will execute the Club House Agreement that governs use of the Club House. Although the Club House shall be owned by the Bella Vida at Eaglewood Homeowners Association, the Association shall be obligated to pay a proportionate share of the Club House expenses in accordance with the Club House Agreement in exchange for access to the Club House. Each Owner shall be obligated to pay their share of such expenses regardless of their use of the Club House.

B. Transportation, Concierge, Activities. Declarant may provide certain transportation and concierge services and planned activities for Unit Owners on a pay-per-service basis. Such concierge services may include facilitating contractual agreements between third party service providers and Members. Neither the Declarant, the Association,

nor any director, officer, agent or employee of any of the foregoing, shall be liable to any Owner, lessee or occupant, or their families, invitees or licensees for any claims or damages resulting, directly or indirectly from the actions of third party service providers.

2. Technology Package. In order to allow Declarant to provide a Technology Package to Unit Owners at a reduced or competitive rate, Declarant has elected to purchase and provide the Technology Package to each Unit. The Technology Package may include some or all of the following telecommunication service: telephone, internet, cable, satellite and security services. Declarant or an Affiliate of Declarant entity shall retain ownership over the equipment necessary to provide the Technology Package and lease them to the Association. Such lease shall be a net lease with the Association taking full responsibility for the maintenance, repair and upkeep of the equipment. Declarant or an Affiliate of Declarant, as applicable, shall retain all easement rights over Common Areas and the interior walls, hallways, ceiling and attic space of each Building and Unit for telecommunications facilities. Declarant or an Affiliate of Declarant, as applicable, shall control the right to supply the services included in the Technology Package to all Buildings and Units in the Project, and the Technology Package shall be purchased by each of the Unit Owners for a fee. Certain optional upgraded services shall be made available at an increased rate. Fees associated with telecommunication services as provided herein, shall be separate from the Assessments.

3. Easement. Declarant and its affiliates, agents or employees shall retain on-going easement rights over Common Areas for events, activities and services associated with the Program.

ARTICLE VII. OPERATION AND MAINTENANCE

1. Maintenance of Units. The Interior and Exterior of each Unit shall be maintained by the Owner thereof so as not to detract from the appearance of the Property and so as not to affect adversely the value or use of any other Unit. The Association shall have no obligation regarding maintenance or care of any Unit except as expressly set forth in Section 4 of Article III, Section 2 of this Article VII or elsewhere in this Declaration. It is intended that any and all improvements that are constructed within the Project be harmonious and compatible with respect to the external design of all proposed structures, topography, grade, quality of materials, size, height, color, roof materials and color, etc. Declarant hereby intends to establish procedures for the determination of such matters which will be applicable to the Project. Therefore, no construction of a Unit, improvements to any Patio Area, driveway, sidewalk, Common Facility or any other improvement to any Lot, except Landscape Improvements, nor any addition, change, alteration, modifications, remodeling or renovation (including any change in the color of any part of the Unit Exterior) to any of the foregoing shall be commenced without the prior written consent of the Architectural Control Committee. The Association shall be entitled to injunctive relief from a court of competent jurisdiction to preclude such construction prior to the consent of the Architectural Control Committee.

A. Enforcement of Architectural Standards. The Architectural Control Committee (the "Committee") shall be responsible for the formulation and implementation of architectural standards for the Project. The rights, duties and responsibilities of the

Committee shall be vested in the Board and the business of the Committee shall be conducted in the manner provided in the Bylaws for the conduct of the business of the Board, provided, however, that no notice of a meeting of the Board acting solely in its capacity as the Architectural Control Committee need be given to any party other than the members of the Board. The Committee or the Board, as applicable, is hereby authorized to retain the services of one or more consulting architects, landscape architects or urban designers, licensed to practice in the State of Utah, to advise and assist the Committee in performing the review functions prescribed in this Declaration and to carry out the provisions set forth herein.

B. Approval Procedure. Any and all plans and specifications showing the nature, kind, shape, height, materials, colors and location of each and every Unit or any other improvement to be constructed upon the Property shall be submitted to and approved by the Committee before any construction or renovation shall be commenced, erected, or maintained. Upon receipt by the Committee of a written request for approval (including all applicable plans and specifications), the Committee shall, within thirty (30) days after receipt of a complete request for approval, either: (a) provide written approval of the plans and specifications as submitted, or (b) provide written notification that the plans and specifications are not acceptable and shall specify the reasons for such decision. Revised plans and specifications may be resubmitted as necessary to obtain approval. Upon such resubmission, the Committee shall then have an additional fifteen (15) days after receipt of said revisions to approve or disapprove same. Failure to give any written notice of disapproval within the periods provided for above shall constitute approval thereof by the Committee. No changes or deviations in or from plans and specifications approved by the Committee shall be made without the prior written approval of the Committee.

C. No Responsibility. Each Owner will be responsible for obtaining any building permits as may be required by applicable law. No approval by the Committee shall be deemed to constitute any express or implied acknowledgment, warranty or representation by the Association, the Board, the Committee or any of its agents, representatives or designees or any one of them as to the compliance with any building code or construction code or for technical sufficiency or adequacy or safety of the proposed improvements or any of its component parts or any other physical condition or feature pertaining to the improvements proposed to be constructed by the Owner. It is expressly understood that such approval shall be only for the purposes of providing for architectural and design consistency throughout the Project.

D. No Change in Size of Dwelling. No Unit Owner may alter the Size of any Unit, nor shall Unit be re-built in a manner that alters the exterior dimensions of the Unit.

2. Operation and Maintenance by Association. The Association shall provide for such maintenance and operation of the Common Areas as may be necessary or desirable to make them appropriately usable in conjunction with the Units and to keep them clean, functional, attractive and

generally in good condition and repair. The Association shall also install and maintain all landscaping, trees, shrubs, and grass located in the Common Areas. Each Owner will be responsible for all landscaping of its Limited Common Areas. The expenses incurred by the Association for such purposes shall be paid for with funds from the Common Expense Fund. Notwithstanding the foregoing, the Association shall not be responsible for snow removal from the driveway or walkways of any Unit.

All fencing within the Project shall initially be installed by Declarant. Irrigation water shall be provided through an irrigation system to be installed by Declarant. The Association shall be responsible for the continual upkeep, repair, maintenance, and eventual replacement of the irrigation system, except in the Limited Common Areas.

3. Snow Removal. The Association shall be responsible for the snow removal from all private roadways within the Project. The expenses incurred by the Association for such purposes shall be paid for with funds from the Common Expense Fund. The Unit Owners shall be responsible for the snow removal from their driveways, their walkways, and the sidewalks in front of their individual Units.

4. Utilities. The Owner shall pay for all utility services furnished to each Unit including a pro-rata share of all utility services which are not separately billed or metered to individual Units by the utility or other party furnishing such service. The Association shall pay such bills which are not separately metered (either directly or through membership in an association created for the purpose of administering such common utilities for one or more related developments) and charge an appropriate share to each Unit and Owner as part of the Common Expenses.

The Association may, in its discretion, undertake to meter each Unit individually for any common utilities, whether privately or through a municipal utility. In such event, the Unit Owner shall pay the actual costs of such utility services attributable to such Owner's Unit.

5. Insurance. The Association shall at all times maintain in force insurance meeting the following requirements:

A. Insurance. The Association shall obtain and keep in full force and effect at all times at least the types of insurance coverage set forth in this Article to be provided by companies licensed to do business in the State of Utah.

B. Fire and Casualty. The Association shall obtain a policy or policies of insurance on the Project in such amounts as shall provide for replacement of any Common Improvements, or other property owned by the Association in the event of damage or destruction from the casualty against which such insurance is obtained. Such insurance shall be in accordance with coverage customarily maintained by other planned unit developments similar in location, construction, design, and use, and shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which

the Association shall deem it appropriate to provide insurance protection. The Association may comply with the above requirements by the purchase of blanket coverage and may elect such "deductible" provisions as in the Association's opinion are consistent with good business practice.

C. Public Liability and Property Damage. The Association shall obtain a broad form of comprehensive liability insurance coverage, in such amounts (but in no event less than \$1,000,000.00 per occurrence) and in such forms as it deems advisable to provide adequate protection against liability for personal injury, death, and property damage. Coverage shall include without limitation liability for operation of automobiles on behalf of the Association and all activities in connection with the ownership, operation, maintenance, and other use of the Project by the Association.

D. Workers' Compensation. The Association shall obtain and maintain workmen's compensation and employer's liability insurance and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by applicable law.

E. Fidelity or Bond. The Association shall purchase, in such amounts and in such forms as it deems appropriate, fidelity insurance or bonds to cover against dishonesty of the Manager, Trustees, officers, or employees of the Association, destruction or disappearance of money or securities and forgery.

F. Additional Coverage. The provisions of this Declaration shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage in addition to any insurance coverage required by this Declaration, in such amounts and in such forms as the Association may deem appropriate from time to time.

G. Loss Adjustment. Exclusive authority to adjust losses under policies hereafter in force on the Project shall be vested in the Association. In no event shall the insurance coverage obtained and maintained by the Association hereunder be brought into contribution with insurance purchased by individual Owners or their Mortgagees.

H. Owner Insurance. The Association shall not maintain insurance for any part of any Building, Unit, or Landscape Improvements, improvements made within any Patio Area, the personal property of any Owner or any contents of any Unit, or for any Vehicles upon the Project which are not owned, maintained, operated, or used by the Association. Said insurance coverage shall be the sole and absolute responsibility of each respective Owner. Therefore, in addition to all other insurance required to be maintained by the Association, each Owner shall obtain, at his own expense, insurance coverage for his Lot, Unit, Landscape Improvements, improvements made with a Patio Area, his personal property, his personal liability and covering such other risks as he may deem appropriate; provided, however, that each such policy shall provide that it does not diminish the insurance

carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Declaration. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance of the Owner's Lot and risks associated therewith shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other Owners and their respective servants, agents, invitees, and guests.

ARTICLE VIII. DAMAGE OR DESTRUCTION

In the event any part of the Common Areas or Common Improvements are damaged or destroyed, the Association shall proceed as required by the provisions of this Article. Each Owner shall be responsible to replace and/or reconstruct any damage to any part of the Common Areas or Common Improvements caused by such Owner or its guests, tenants, licensees or invitees.

1. Estimate of Costs. As soon as practicable after an event causing damage to or destruction of any part of the Common Areas, Common Improvements, the Association shall obtain complete and reliable estimates of the costs to repair and reconstruct that part of the Project damaged or destroyed.

2. Insurance Proceeds. If the proceeds of the insurance maintained by the Association exceed the estimated costs to repair and reconstruct the damaged or destroyed part of the Project, then such repair and reconstruction shall be carried by the Association out in a manner consistent with this Declaration. The Association shall have a duty to cause to be repaired any damage which shall occur to those portions of Common Improvements which are essential for the operation of the Project as a planned unit development such as the Roads, storm drainage systems, sidewalks and other such Common Improvements required for the reasonable use and enjoyment of the Units by the Owners thereof or by applicable law or regulation ("Required Improvements"). The Board of Trustees shall have the right, in the exercise of its reasonable discretion, to determine what Common Improvements shall be deemed to be Required Improvements. In the event the proceeds of such insurance and any reserved portion of the Association Fund subsequently prove to be insufficient to pay the actual costs of such repair and reconstruction of any Required Improvements, the Association shall levy a Special Assessment sufficient to provide funds to pay such actual costs of repair and reconstruction. Such Special Assessment shall be allocated and collected as provided in Section 3 of Article V, except that the vote therein specified shall be unnecessary. Further levies may be made in like manner if the amounts collected or previously reserved (together with the proceeds of insurance) subsequently prove to be insufficient to pay all actual costs of such repair and reconstruction of any Required Improvements. However, if the proceeds of the insurance maintained by the Association are less than the estimated costs to repair and reconstruct the damaged or destroyed part of the Project which are not Required Improvements, the damage or destruction shall be repaired and reconstructed as provided in this section if, but only if, within one hundred (100) days following the damage or destruction, the Owners shall elect by a vote of more than fifty percent (50%) Total Votes to carry out such repair and reconstruction. If, however, the Owners vote to not

repair or reconstruct the Common Improvements which are not Required Improvements, then the Common Area upon which such Common Improvements were located will be landscaped or otherwise repaired only in such manner as shall reasonably be required to remove visual evidence of damage and to remove any unsafe conditions.

3. Repair and Reconstruction. If the damage or destruction is to be repaired and reconstructed as provided above, the Association shall, as soon as practicable after receiving the estimate of costs, commence and diligently pursue to completion the repair and reconstruction of that part of the Project which is damaged or destroyed. The terms repair and reconstruction shall mean in this Article that the parts damaged or destroyed shall be restored or repaired to substantially the same condition in which they existed prior to the damage or destruction.

4. Use of Funds for Repair and Reconstruction. If repair or reconstruction is to occur, the insurance proceeds held by the Association and any amounts received from Assessments made pursuant to this Article shall constitute a fund for the payment of costs of repair and reconstruction after casualty. The first money disbursed in payment for cost of repair and reconstruction shall be deemed made from insurance proceeds; and if there is a balance after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Association Fund for the payment of Association Expenses.

5. Amendment of this Article. This Article shall not be amended unless all of the Owners unanimously consent and agree to such amendment as shall be certified and evidenced in a duly recorded instrument.

6. Damage by Member(s). Each Member shall be liable to the Association for any damage to the Common Areas or the Buildings if the damage is sustained because of the negligence or willful misconduct of the Member, his guests, tenants, or invitees, or any other persons deriving their right and easement of use and enjoyment of the Common Areas or the Building from the Member, or his or their respective family and guests, both minor and adult. The Association shall first look to the Member for compensation for such damage, and next to any insurance carried by the Member. However, the Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves the right to levy a Special Assessment equal to the increase, if any, in insurance premiums directly attributable to the damage caused by the Member or the person for whom the Member may be liable as described above. The cost of correcting the damage to the extent not reimbursed to the Association by insurance or paid to the Association by the Member shall be a Special Assessment against the Unit of the Member liable for the damage and may be enforced as provided hereby for the enforcement of any other Assessment.

7. Damage to Buildings. Except as otherwise provided in this Declaration, in the event of any destruction of any Building(s), it shall be the duty of the Owner(s) of the Building(s) to restore and repair the same to its/their former condition, as promptly as practical, under the supervision of the Board. The Building(s) shall be reconstructed or rebuilt substantially in accordance with the

original construction plans. If an Owner does not commence reconstruction or rebuilding of the Unit within ninety (90) days after notice from the Association, or does not diligently proceed with the repair or reconstruction after commencing, the Association may, but is not obligated to, provide the Owner with fifteen (15) days notice and then proceed with the repair or reconstruction of the Unit or in the case of a severely damaged Unit with the removal of the structure and the installation of landscaping on the Lot. All expenses incurred by the Association in repairing or reconstructing the unit, or removing the structure and installing landscaping shall be assessed directly to the Owner, and if such assessment is not paid, the Association shall have the right to proceed with collection as authorized by this Declaration.

ARTICLE IX. CONDEMNATION

If at any time or times all or any part of the Project shall be taken or condemned by any public authority under power of eminent domain, the provisions of this Article shall apply. A voluntary sale or conveyance of all or any part of the Project in lieu of condemnation, but under threat of condemnation, shall be deemed to be a taking by power of eminent domain.

1. Proceeds. All compensation, damages, and other proceeds from any such taking by power of eminent domain ("Proceeds") given for any Common Areas or Common Improvements, which shall constitute compensation for the taking of such portion of the Project, shall be made payable to the Association and shall become part of the Association Fund. Any Proceeds given for any Lot, or the Unit or Landscape Improvements located upon such Lot, shall be made payable and distributed directly to the Owner of the applicable Lot. No Proceeds shall be disbursed to either the Association or the Owner until such Proceeds have been allocated as set forth herein, either by judicial decree or by written agreement of the Owner and the Association.

2. Complete Taking. In the event that the entire Project is taken by power of eminent domain, this Declaration shall terminate as if the Declaration had terminated pursuant to Article X, except that the Proceeds that would otherwise go to the Association shall be allocated among and distributed to the Owners in proportion to their respective Percentage Interest. Such distribution shall be made by checks payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

3. Partial Taking. In the event that less than the entire Project is taken by power of eminent domain, the following shall occur:

A. Allocation of Proceeds. The Proceeds of such partial taking shall be allocated among the respective parties consistent with the provisions of this Article.

B. Reorganization. The Association shall not terminate, but the Association and its Members shall continue to function as follows: (a) if any partial taking of the Project results in the taking of an entire Unit, then the Owner of such Unit shall cease to be a

Member of the Association and all voting rights and the Percentage Interest for each remaining Unit shall be recalculated based upon the Project; (b) if any partial taking results in the taking of a portion of a Unit and if there is not a determination that such taking makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this Declaration, then the Percentage Interest appurtenant to such Unit and the remaining Units shall not be adjusted as a result of the taking; and (c) if any partial taking results in the taking of a portion of a Unit and if there is a determination that such taking makes it impractical to use the remaining portion of such Unit for any lawful purpose permitted by this Declaration, then the adjustment to the Percentage Interest shall be made as if said Unit did not exist, and the remaining portion of such Unit shall thereafter be part of the Common Area, the Association having the duty and authority to make all determinations and to take all actions necessary or appropriate to effectuate reorganization under the provisions of this section; provided, however, that if any such determination shall have been made or such action taken by judicial decree, the Association shall defer thereto and proceed in accordance therewith. The Association shall have the duty to pay the Owner of such Unit which has become part of the Common Area, an amount equal to the fair market value of such partial Unit as such value shall be determined after the taking either by agreement with the Owner, by arbitration or by a court of competent jurisdiction.

C. Repair and Reconstruction. Any repair or reconstruction necessitated by condemnation shall be governed by the provisions specified in Article VIII.

ARTICLE X. TERMINATION

1. Required Vote. Except as otherwise expressly provided in this Declaration, the Project may be terminated only by agreement of all Owners of the Units.

2. Termination Agreement. An agreement to terminate shall be evidenced by the execution or ratification of a termination agreement, in the same manner as a deed, by all of the Owners. Such an agreement to terminate must also be approved by the holders of all liens affecting any of the Units. The termination agreement shall specify a date after which the agreement will be void unless it is recorded before that date. A termination agreement, including all ratifications of such termination agreement, shall be recorded in Davis County, Utah and is effective only on recordation.

3. Sale of Project. A termination agreement may provide that the entire Project shall be sold following termination. If, pursuant to the agreement, any real estate in the Project is to be sold following termination, the termination agreement shall set forth the minimum terms of the sale.

4. Association Duties. The Association, on behalf of the Owners, may contract for the sale of real estate in the Project, but the contract is not binding on the Owners until approved pursuant to Sections 1 and 2. If any real estate in the Project is to be sold following termination, title

to that real estate on termination vests in the Association as trustee for all Owners. Thereafter, the Association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the Association continues in existence with all powers it had before termination. Proceeds of the sale shall be distributed to Owners and Mortgagees as their interests may appear, based on the relative value of each Unit. Unless otherwise specified in the termination agreement, as long as the Association holds title to the real estate, each Owner and their successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted their Unit in accordance with the terms of this Declaration. During the period of that occupancy right, each Owner and their successors in interest remain liable for all assessments and other obligations imposed on Owners by this Declaration.

5. Proceeds of Sale. Following termination of the Project, the proceeds of any sale of real estate, together with the assets of the Association, shall be held by the Association as trustee for Owners and Mortgagees as their interests may appear. Following termination, Mortgagees holding Mortgages on the Units which were recorded before termination may enforce those liens in the same manner as any lienholder.

ARTICLE XI. GENERAL USE RESTRICTIONS

1. Rules and Regulations. The Association shall have authority to promulgate and enforce such reasonable rules, regulations and procedures as may be necessary or desirable to aid the Association in carrying out any of its functions or to insure that the Property is maintained and used in a manner consistent with the interest of the Owners.

2. Use of Common Areas. The Common Areas shall be used only in a manner consistent with their nature and with the rules, regulations and use restrictions applicable to Units. No admission fees, charges for use, leases, or other income generating arrangement of any type shall be employed or entered into with respect to any portion of the Common Areas. Provided, however, vending machines, mailing or packaging and similar services approved by the Board, in its sole and absolute discretion, may be made available within the Common Areas.

3. Use of Units. The Units within the Project may be used and shall limited in their uses as follows:

A. Use of Buildings. No Building shall be occupied and used except for single-family residential purposes by the Owners, their tenants, and social guests. An Owner shall have the right to rent out their Unit to a tenant or tenants, under such terms and conditions as may be deemed appropriate by the Owner; provided that any tenant shall occupy the Unit subject to all terms and conditions of the Declaration. In no event shall any Unit be rented without the advance written notice to Declarant and/or the Association as provided herein. No trade or business may be conducted in or from any Unit, except that an Owner or occupant residing in the Unit may conduct such business activities with the Unit so long as:

a) the existence or operation of the business activity is not apparent or detectable by sight, sound, smell or customer and/or employee traffic from outside the Unit; b) the business activity conforms to all zoning requirements for the Property; c) the business activity is a type which is consistent with the residential character of the Property; and d) the business activity does not increase traffic, constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the property, as may be determined in the sole discretion of the Board.

B. Nuisances. No noxious, illegal, or offensive activities shall be carried on in any Building, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the Owners of his respective Unit, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

C. Signs. No Signs advertising any business shall be displayed on any portion of the Property. No signs advertising Units for sale or rent may be displayed on the Property or on any portion of the Property, unless first approved by the Board, and unless such signs comply with any and all local ordinances. Notwithstanding the preceding sentence, until all Units in all phases of the Project have been sold, the Declarant shall have the right to advertise Units for sale, provided Declarant complies with the requirements of the City with respect to such advertising.

D. Animals. No animals or birds of any kind shall be raised, bred, or kept in any Building, or on any portion of the Property; except that no more than two (2) usual and ordinary household pets such as dogs, cats, or birds, may be kept, provided that they are not kept, bred or maintained for any commercial purposes and they are kept under reasonable control at all times. Any such dog shall be kept on a leash at all times when the dog is in the Common Areas. Owners shall prevent their pets from soiling any portions of the Common Areas and in the event a pet does soil a portion of the Common Areas, the Owner or person in control of such pet shall immediately clean up after the pet. The Board may enact reasonable rules respecting the keeping of animals within the Project, including noise restrictions, and may designate certain areas in which animals may not be taken or kept, or they may require that specific animals not be allowed on any part of the Property. It is intended that all permitted pets shall be small household pets less than 20 lbs., to be kept indoors and not left outdoors overnight and such shall, at no time, become a nuisance to the other Owners within the Project.

E. Garbage and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from the Property, and shall not be allowed to accumulate thereon. All garbage or trash receptacles, including recyclable containers, shall be stored in the garage except on trash collection days. Trash, garbage and other waste shall be kept in sanitary

containers and shall be kept in the garage. No equipment, garbage cans, or storage piles may be kept outside of the Building.

F. Rooftop Antennas. No television, ham radio, citizens band or radio antenna, satellite receiving or other similar electronic receiving or sending device shall be permitted upon the rooftop or side of any Unit or elsewhere without prior written approval of the Board. Such antennas, if used, must be of the type that are installed within the natural building structure. In no case will any such receiving or sending antenna or other device be allowed to interfere with the appearance, peace and quiet enjoyment of any neighboring Unit, Owner's premises or equipment. Provided, however, Declarant and the Association reserve the right and option to install satellite or cable service lines and antennas as needed throughout the Project in connection with its development.

G. Clothes Line. No exterior clothes lines shall be erected or maintained and there shall be no outside laundering or drying of clothes.

H. Power Equipment and Car Maintenance. No power equipment or car maintenance of any nature shall be permitted on the Property. Provided however, car washing or polishing may be done by an Owner, but only in the driveway appurtenant to that Owner's Unit.

I. Recreational Vehicles. No boats, trailers, recreational vehicles, trucks or commercial vehicles belonging to Owners or other residents of the Property shall be parked or stored in or upon any of the Common Areas or the driveways of any Unit. Any boats, trailers, recreational vehicles, trucks or commercial vehicles belonging to Owners or other residents of the Property must fit within and be stored and kept within the Owner's garage.

J. Parking Restriction. No permanent or long term parking shall be allowed in front of the garages of the Units. Only temporary parking shall be allowed in front of the garages of the Units. No parking shall be permitted on the private roadways or Common Areas of the Project, except in those areas specifically designated for Parking.. The restriction against parking in the private roadways of the Project shall be strictly enforced. The Association may also establish additional rules and regulations to control the use of any parking spaces located in Common Areas.

K. Window Covers. Curtains and drapes (with a white lining), shutters, or blinds of a neutral color may be installed as window covers, subject to the Board's absolute discretion. No window shall be covered with aluminum foil or similar material. No window tinting or mullions shall be allowed without the prior written approval of the Architectural Committee.

L. Sculptures/Flags. No outdoor sculptures, flag poles and/or flags shall be permitted except by written approval of the Board.

M. Fences. The original fencing established and installed by Declarant as part of the original Project design shall be preserved and maintained by the Association. Thereafter, all new and/or additional fencing must be approved by the Architectural Committee as provided herein. It is anticipated that there will be no fences between the individual Units in the Project.

N. No Patio/Deck Storage. No observable outdoor storage of any kind shall be permitted on patios, front yards, porches etc, except for patio furniture and portable barbecue grills in good condition, which may be maintained on the backyard patios only.

O. No Hazardous Materials. No Owner shall cause or permit any Hazardous Substance to be used, stored, generated or disposed of on or in such Owner's Unit in violation of any Environmental Law. If any Hazardous Substance is used, stored, generated or disposed of on or in any Owner's Unit, or if an Owner's Unit becomes contaminated in any manner by such Owner (or its lessee), such Owner shall indemnify and hold harmless all other Owners from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses including, without limitation, a decrease in the value of the non-contaminated Units, damages caused by loss or restriction of usable space, or any damages caused by adverse impact on the marketing of the non-contaminated Units, and any and all sums paid for settlement of claims, attorney's fees, consultant and expert fees.

As used herein, the term "**Hazardous Substance**" shall mean any pollutants, contaminants, chemicals, waste and any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical or chemical compound or hazardous substance, material or waste, whether solid, liquid or gas, including any quantity of asbestos in any form, urea formaldehyde, PCB's, radon gas, crude oil or any fraction thereof, all forms of natural gas, petroleum products or byproducts or derivatives, radio-active substance, waste waters, sludges, slag and any other substance, material or waste that is subject to regulation, control or remediation under any Environmental Laws.

As used herein, "**Environmental Laws**" shall mean all local, state and federal laws and regulations which regulate or relate to the protection, clean-up and restoration of the environment; the use, treatment, storage, transportation, generation, manufacture, processing, distribution, handling or disposal of, or emission, discharge or other release or threatened release of Hazardous Substance or otherwise dangerous substances, wastes, pollution or materials and shall include the Resource Conservation & Recovery Act, Clean Water Act, Safe Drinking Water Act, Atomic Energy Act, Occupational Safety and Health Act, Toxic Substances Control Act, Clean Air Act, Oil Pollution Act of 1990, Comprehensive Environmental Response Compensation and Liability Act and the Hazardous Materials Transportation Act.

P. Sheds. No outdoor storage sheds of any kind shall be permitted on patios, porches, or common areas.

Q. Irrigation. The Common Areas maintenance plan shall provide for an irrigation system for the Project and the Association shall control the watering schedule for the Common Areas at its sole discretion.

4. No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants contained in this Article XI or elsewhere in this Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenants, and the Unit Owner shall assume all risks of the validity and enforceability thereof and, by acquiring the Unit agrees to hold Declarant harmless therefrom.

5. Exception for Declarant. Notwithstanding the restrictions contained in this Article XI, for the seven (7) year period following the date on which this Declaration is filed for record in the office of the County Recorder of Davis County, Utah, Declarant shall have the right to use any Unit owned by it, and any part of the Common Areas reasonably necessary or appropriate, in furtherance of any activities designed to accomplish or facilitate improvement, sale or lease of all Units owned by Declarant. Declarant shall also have the right to maintain a reasonable number of promotional, advertising, or directional signs, banners, or similar devices at any place or places on the Property. Declarant shall have the right from time to time to locate or relocate any of its signs, banners or similar devices.

6. Utility Easements. Easements for installation and maintenance of utilities are reserved as shown on the Plat Map(s). Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities. Easements for the installation, repair and maintenance of utilities are also reserved within each Unit. It is contemplated that telephone, gas, water, fire sprinkling systems, electricity and other utilities may originate in one Unit and terminate in another Unit. A right of access to all such utilities is reserved to the Association and Owners and to all utility suppliers.

7. No Further Subdividing. No Building, Unit or Common Areas may be further subdivided, nor may any easement or other interest therein less than the whole be conveyed by the Owner thereof without the prior written approval of the Association; provided, however, that nothing herein shall be deemed to prevent or require the approval of the Association for the transfer or sale of any Unit to more than one person to be held by them as tenants in common, joint tenants, or otherwise; and provided further, that nothing herein shall be deemed to prevent conversion of the Convertible Space or expansion of the Project on the Expansion Area pursuant to Article XIII.

8. Repair of Buildings. No improvement upon the Property shall be permitted to fall into disrepair, and each such improvement shall at all times be kept in good condition and repair and adequately painted or otherwise finished by the Owner thereof or the Association as applicable.

9. Insurance. If any activity, materials stored or used on the Property result in an increase in the insurance premium for the Property, the Owner responsible for such increase shall

pay the increase in the premium, due at the time the premium is due. The cost of such increase shall be assessed against the Owner responsible therefor and such assessment shall be secured by a lien on such Owner's Unit in favor of the Association in accordance with Article V, Section 6.

10. Improvements and Alterations. There shall be no excavation, construction or alteration which in any way alters the exterior appearance or structural integrity of any Building, Lot or improvement within the Property nor removal of any Building, Unit or other improvement within the Property (other than repairs or rebuilding) without the prior written approval of the Board.

11. General Obligations. Each Owner shall enjoy and be subject to all rights and duties assigned to Owners pursuant to this Declaration. With respect to unsold Units, the Declarant shall enjoy the same rights and assumes the same duties with respect to each unsold Unit.

ARTICLE XII. MORTGAGEE PROTECTION

1. Notice of Action. Upon written request made to the Association by a First Mortgagee, or an insurer or governmental guarantor of a First Mortgage, which written request shall identify the name and address of such First Mortgagee, insurer or governmental guarantor and Unit number or address of the Unit, any such First Mortgage, insurer or governmental guarantor shall be entitled to timely written notice of:

A. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor;

B. Any delinquency in the payment of assessments or charges owed by an Owner, whose Unit is subject to a First Mortgage held, insured or guaranteed by such First Mortgagee, insurer or governmental guarantor, which default remains uncured for a period of sixty (60) days;

C. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association; and

D. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 2 below or elsewhere herein.

2. Matters Requiring Prior Eligible Mortgagee Approval. Except as provided elsewhere in this Declaration, the prior written consent of Owners entitled to vote at least sixty-seven percent (67%) of the votes of the Units in the Association (unless pursuant to a specific provision of this Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Association is required, in which case such specific provisions shall control), and Eligible

Mortgagees holding First Mortgages on Units having at least fifty-one percent (51%) of the votes of the Units subject to First Mortgages held by Eligible Mortgagees shall be required to:

A. Abandon or terminate the legal status of the Project after substantial destruction or condemnation occurs.

B. Add or amend any material provision of the Declaration, Articles, Bylaws or Plat Map(s), which establishes, provides for, governs or regulates any of the following (an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only):

- (i) voting rights;
- (ii) increases in assessments that raise the previously assessed amount by more than 25%, assessment liens, or the priority of assessment liens;
- (iii) reductions in reserves for maintenance, repair, and replacement of Common Areas;
- (iv) responsibility for maintenance and repairs;
- (v) reallocation of interests in the Common Areas, or rights to their use;
- (vi) redefinition of any Unit boundaries;
- (vii) convertibility of Units into Common Areas or vice versa;
- (viii) expansion or contraction of the Project (except as allowed herein), or the addition, annexation, or withdrawal of property to or from the Project;
- (ix) hazard or fidelity insurance requirements;
- (x) imposition of any restrictions on the leasing of Units;
- (xi) imposition of any restrictions on Owner's right to sell or transfer his or her Unit;
- (xii) a decision by the Association to establish self-management if professional management had been required previously by the Declaration or by an Eligible Mortgagee.
- (xiii) restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the Declaration; or

(xiv) any provisions that expressly benefit Mortgagees, insurers, or guarantors.

Any Mortgagee, insurer or governmental guarantor who receives a written request from the Association to approve additions or amendments to the constituent documents and who fails to deliver or post to the Association a negative response within thirty (30) days shall be deemed to have approved such request, provided the written request was delivered by certified or registered mail, with a "return receipt" requested.

3. Availability of Project Documents and Financial Statements. The Association shall maintain and have current copies of the Declaration, Articles, Bylaws, and other rules concerning the Project as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Units in the Project. Generally, these documents shall be available during normal business hours.

Each year the Association shall make an un-audited financial statement for the preceding fiscal year. Every three (3) years the Association shall make an audited financial statement. The Association shall make available to the holder, insurer, or guarantor of any First Mortgage, the most recent audited financial statement and any subsequent unaudited financial statements.

4. Subordination of Lien. The lien or claim against a Unit for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Unit if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Unit shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Unit affected or previously affected by the First Mortgage concerned.

5. Payment of Taxes. In the event any taxes or other charges which may or have become a lien on the Common Areas are not timely paid, or in the event the required hazard insurance described in paragraph A of Section 5 of Article VII lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Association.

6. Priority. No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in

the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Units or the Common Areas.

ARTICLE XIII. OPTION TO EXPAND

1. Option To Expand. It is anticipated that additions to the Project will be developed in a series of phases. Accordingly, Declarant (or its assigns) hereby reserves, pursuant to Section 57-8-13.6 of the Condominium Act, the option to expand the Project (the "**Option to Expand**") with respect to each Phase of the Expansion Area upon the terms and provisions set forth in this Section without the prior consent of the Owners or the Association. The Option to Expand must be exercised by Declarant (or its assigns) within seven (7) years after recordation of this Declaration. The terms and conditions of the Option to Expand shall be as follows:

A. Legal Description. Subject to the power granted Declarant in Section 2(C) below, the real property subject to the Option to Expand consists of the real property sometimes hereinafter referred to as the "**Expansion Area**", being more particularly described in Exhibit "D", attached hereto.

B. Order of Exercise. Subject to the provisions of Section 2(C) below, the Option to Expand may be exercised at different times as to the Expansion Area described in Section 2(A) and in any order elected by the Declarant. No assurance is made with regard to which phases of the Expansion Area, if any, will be added to the Project or the order in which such phases will be so expanded. In the event the Option to Expand is exercised with respect to a portion of the Expansion Area, the Option to Expand may subsequently be exercised with respect to any other portion of the Expansion Area.

C. Limitations of Expansion. Declarant shall not be restricted in the location of improvements on the Expansion Area that may be created on the Expansion Area, except as may be required by applicable zoning requirements, ordinances or regulations. The maximum number of Units that may be created on the phases described above (a lesser number of Units may be developed on the Expansion Area) is as set forth on **Exhibit "E."**

The foregoing limitations on the number of Units to be constructed in any addition or expansion of the Project are set forth herein for the purpose of satisfying U.C.A. § 57-8-10(4)(a)(vii).

D. Use Restrictions. The Units to be located on the Expansion Area shall be subject to the same uses as provided in this Declaration.

E. Use of Common Areas. Each Owner of a Unit constructed on any phase of the Expansion Area shall have an unrestricted right of ingress and egress to and from its Unit

over and across all Common Areas of the Property. Each Owner of a Unit constructed on any phase of the Expansion Area shall have the non-exclusive right to use all parking stalls located within the Common Areas of the Property. Each Owner of a Unit constructed on any phase of the Expansion Area shall have the exclusive right to use and enjoy any Limited Common Areas that may be designated for exclusive use by such Owner.

F. Nature of Improvements. Structures other than Buildings may be erected on the Expansion Area. Further improvements may be made to the Expansion Area including recreational facilities, parking areas, walkways and landscaping of the Common Areas contained therein. All Units and improvements shall be generally consistent with the existing Units and improvements within the Project. Declarant reserves the right to add additional Limited Common Areas to the Expansion Area without limitation.

G. Substantial Completion. All Units and other improvements constructed on and made to the Expansion Area shall be substantially completed prior to adding such Units and improvements to the Project.

H. Documentation to Convert. In order to add all or any portion of the Expansion Area to the Project, the Declarant (or its assigns) shall:

i. Record, with regard to the Expansion Area or any portion thereof that is being added to the Project as Units, Common Areas or Limited Common Areas, a Supplemental Plan ("**Supplemental Plan**") showing the location and dimensions of the vertical and horizontal boundaries of each Unit, Common Areas or Limited Common Areas, if any, formed out of the Expansion Area or a portion thereof, and assigning any Limited Common Areas which are to be appurtenant to any such Unit. Each such Supplemental Plan shall be certified as to its accuracy and compliance with the requirements of the Condominium Act by the engineer or land surveyor who prepared or supervised the preparation of it; and

ii. Record simultaneously with each Supplemental Plan an amendment to this Declaration ("**Amendment**") describing the addition. Each such Amendment shall assign a Unit number to each Unit, if any, formed out of the Expansion Area or a portion thereof and shall reallocate to each Unit, on the basis provided for in this Declaration, votes appurtenant to each Unit, the apportionment of Common Expenses and the percentage of undivided interest in the Common Areas appertaining to all Units following such addition. Except as otherwise provided by the Condominium Act, each such Amendment or Supplemental Plan shall also describe the Limited Common Areas, if any, formed out of the Expansion Area or a portion thereof, showing or designating the Unit or Units to which each is assigned.

The ownership interest in the Common Areas for all Units in the Project and the apportionment of Common Expenses shall change at the time Declarant records an

Amendment and a Supplemental Condominium Plan reflecting Declarant's exercise of the Option to Expand. It is contemplated that there may be multiple amendments filed by Declarant and such amendments and supplements are hereby expressly authorized. Declarant shall have the right to adjust the resulting ownership interests of all Units in the Common Areas of the Project as may be necessary to assure that the total ownership interest equals 100% as required by the Condominium Act.

I. Title to Units. Each Owner, by execution of a contract or deed or the acceptance of a deed to a Unit in the Project, shall be deemed to have consented to all provisions of this Article XIII, including the procedure for adjustment of Unit ownership interests. After the filing for record of any Amendment to **Exhibit "B"** to this Declaration and the Supplemental Plan reflecting Declarant's exercise of the Option to Expand, or any part thereof, legal and equitable title to each Unit thereby created within the Expansion Area including its appurtenant ownership interest in the Common Areas shall be vested in and held by Declarant (or its assigns) and none of the other Owners shall have any claim or title to or interest in such Unit or the appurtenant ownership interest in the Common Areas.

J. Conveyance of Expansion Area. Declarant shall have the right to convey or otherwise transfer its interest in the Expansion Area or any portion thereof, and such conveyance or transfer shall not terminate this Option to Expand with respect to any portion of the Expansion Area and the grantee of any portion of the Expansion Area shall have the same option and rights as Declarant hereunder.

K. Amendment. No provision of this Article XIII shall be amended without the prior written consent of Declarant or its successor in interest, so long as Declarant or its successor in interest either owns or has the right to acquire or construct any Units in the Project.

ARTICLE XIV. MISCELLANEOUS

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

2. Term. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time, shall continue in full force and effect for a term of forty (40) years from the date this Declaration is recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by seventy-five percent (75%) of the votes of the Members cast at an election held for such purpose or otherwise approved in writing by such

Members within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension.

3. Amendment. Except as provided in Article XIII and elsewhere in this Declaration, any amendment to this Declaration shall require the affirmative vote or written approval of at least sixty-seven percent (67%) of the total votes of the Association. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the Davis County Recorder of an instrument executed by the Association. In such instrument an officer or Trustee of the Association shall certify that the vote required by this Section for amendment has occurred. Anything in this Article or Declaration to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by any federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of the Declaration, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Unit(s) or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an amendment duly signed by or on behalf of the authorized officers of Declarant with their signatures acknowledged, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such amendment, when recorded, shall be binding upon all of the Project and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of this Section-3 deletes, diminishes or alters such control, Declarant alone shall have the right to amend this Declaration to restore such control. Within seven (7) years from the date of recording the Declaration, and so long as the Declarant is the Owner of any Unit in the Project, this Declaration may be amended or terminated only with the written approval of the Declarant. The Declarant alone may amend or terminate this Declaration prior to the closing of a sale of any Unit.

4. Rights of Action. The Association and any aggrieved Owner shall have a right of action against any Owner(s) who fail to comply with the provisions of the Declaration or the decisions of the Association. Owners shall have a similar right of action against the Association. The prevailing party in any action between the Association and an Owner shall be entitled to recover all fees and costs incurred in pursuing such action.

5. Declarant's Rights Assignable. The rights of Declarant under this Declaration or in any way relating to the Property may be assigned, whereupon the assignee of Declarant shall have all the rights of Declarant hereunder.

6. Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and 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 part thereof, and any gender shall include both genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder thereof. This Declaration shall be liberally construed to effect all of its purposes.

7. Covenants to Run With Land. This Declaration and all of the 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 Declarant, all parties who hereafter acquire any interest in a Unit or in the Common Areas, and their respective grantees, transferees, heirs, devisees, personal representatives, successors and assigns. Each Owner or occupant of a Unit shall comply with, and all interests in all Units 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. By acquiring any interest in a Unit 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.

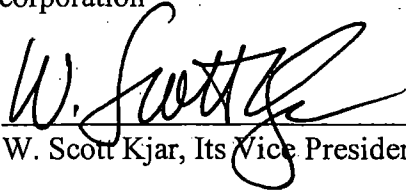
8. Lists of Owners and Eligible Mortgagees. The Board shall maintain up-to-date records showing: (i) the name of each person who is an Owner, the address of such person, and the Unit which is owned by him; (ii) the name of each person or entity who is an Eligible Mortgagee, the address of such person or entity and the Unit which is encumbered by the Mortgage held by such person or entity; and (iii) the name of each person or entity who is an insurer or governmental guarantor, the address of such person or entity, and the Unit which is encumbered by the Mortgage insured or guaranteed by such person or entity. In the event of any transfer of a fee or undivided fee interest in a Unit, either the transferor or transferee shall furnish the Board with evidence establishing that the transfer has occurred and that the Deed or other instrument accomplishing the transfer is of record in the office of the County Recorder of Davis County, Utah. The Board may, for all purposes, act and rely on the information concerning Owners and Unit ownership which is thus acquired by it or, at its option, the Board may act and rely on current ownership information respecting any Unit or Units which is obtained from the office of the County Recorder of Davis County, Utah. The address of an Owner shall be deemed to be the address of the Unit owned by such person unless the Board is otherwise advised.

9. Registered Agent. The Registered Agent for service of process for any action involving the subdivision shall be the same as the registered agent for the Association. The name and address of the initial registered agent is: W. Scott Kjar, C/O 585 West 500 South, Utah 84010.

10. Effective Date. This Declaration and any amendment or supplement hereto shall take effect upon its being filed for record in the office of the County Recorder of Davis County, Utah.

[Signatures on next page]

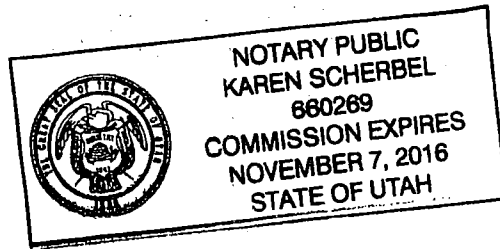
DECLARANT:
VILLAS DEVELOPMENT, INC.,
a Utah corporation

By: 
W. Scott Kjar, Its Vice President

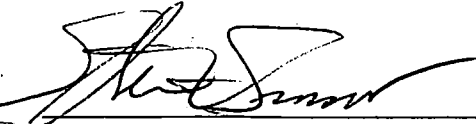
STATE OF UTAH)
 :SS.
COUNTY OF DAVIS)

On this 25th day of April, 2013, personally appeared before me **W. SCOTT KJAR**, and who, being by me duly sworn, says that he/she is the Vice President of **VILLAS DEVELOPMENT, INC.**, the corporation that executed the above and foregoing instrument and that said instrument was signed by him/her in behalf of said corporation by authority of its by-laws, (or by authority of a resolution of its board of directors, as the case may be) and said **W. SCOTT KJAR** acknowledged to me that said corporation executed the same.


NOTARY PUBLIC

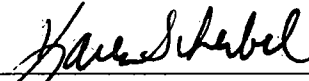


ASSOCIATION:
VILLAS AT BELLA VIDA HOMEOWNERS
ASSOCIATION, INC.,
a Utah non-profit corporation

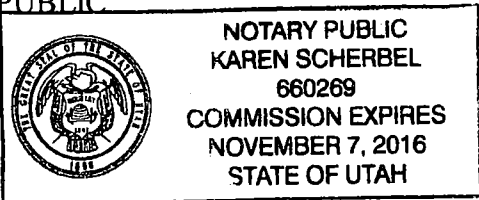
By: 
Steven E. Smoot, Its President

STATE OF UTAH)
 :SS.
COUNTY OF DAVIS)

On this 25th day of April, 2013, personally appeared before me **STEVEN E. SMOOT**, and who, being by me duly sworn, says that he/she is the President of **VILLAS AT BELLA VIDA HOMEOWNERS ASSOCIATION, INC.**, the non-profit corporation that executed the above and foregoing instrument and that said instrument was signed by him/her in behalf of said corporation by authority of its by-laws, (or by authority of a resolution of its board of directors, as the case may be) and said **STEVEN E. SMOOT** acknowledged to me that said corporation executed the same.



NOTARY PUBLIC



Exhibits to This Declaration:

- EXHIBIT "A" Legal Description of Phase 1 and Phase 2
- EXHIBIT "B" List of Units, Votes and Assessment Percentages
- EXHIBIT "C" Master Plan
- EXHIBIT "D" Legal Description of Expansion Area
- EXHIBIT "E" Estimated Number of Units in Each Phase Including Expansion Phases

EXHIBIT "A"
TO
DECLARATION OF COVENANTS, CONDITIONS, & RESTRICTIONS

LEGAL DESCRIPTION OF THE PROPERTY

Phase 1

Beginning at a point on the Westerly Boundary of the Park Parcel of Bella Vida at Eaglewood Planned Unit Development, Amended which point is N0°04'00"E 1,286.88 ft. along the Quarter Section Line and West 1,517.72 ft. from the South Quarter Corner of Section 12, T.1N., R.1W., S.L.B.& M. said point of beginning being also N23°26'06"E 188.40 ft. and West 72.11 ft. from an existing brass monument at the intersection of Edgewood Drive and Edgemont Drive and running thence along the boundary of said Park Parcel in the following two courses: (i) S20°34'28"W 80.85 ft. and (ii) S69°44'02"W 237.68 ft.; thence N86°03'48"W 135.92 ft.; thence N19°17'48"E 130.71 ft.; thence N18°13'29"E 32.25 ft.; thence N30°03'40"E 75.01 ft.; thence along the boundary of Bella Vida at Eaglewood Condominiums Phase 2, Amended in the following three courses: (i) S50°28'11"E 28.45 ft., (ii) S72°06'00"E 12.51 ft., (iii) N67°29'55"E 109.17 ft.; thence along the boundary of Bella Vida Club House at Eaglewood P.U.D. in the following three courses: (i) S69°25'31"E 29.72 ft., (ii) S20°16'00"E 7.49 ft., (iii) S69°25'31"E 130.66 ft.; thence along said West boundary of the Park Parcel in the following three courses to the point of beginning: (i) S20°34'28"W 17.92 ft., (ii) Southeasterly 6.28 ft. along the arc of a 4.00 ft. radius curve to the left through a central angle of 90°00'00" (chord bears S24°25'32"E 5.66 ft.), (iii) S69°25'32"E 13.50 ft.

Containing 1.445 Acres.

Also described as:

ALL OF UNITS 1 THROUGH 11, THE VILLAS AT BELLA VIDA, PHASE 1, a planned unit development, according to the official plat thereof on file and of record in the Davis County Recorder's Office.

Phase 2

Beginning at the Southeast Corner of Bella Vida at Eaglewood Planned Unit Development, Amended which point is N0°04'00"E 1,076.71 ft. along the Quarter Section Line and West 1,616.17 ft. from the South Quarter Corner of Section 12, T.1N., R.1W., S.L.B.& M. said point being also N23°08'55"E 87.96 ft. from and existing brass monument at the intersection of Edgewood Drive and Edgecrest Lane and running thence along the boundary of Edgewood Estates Planned Unit Development Phase 1 in the following four courses: (i) Southwesterly 61.94 ft. along the arc of a 209.00 ft. radius curve to the left through a central angle of 16°58'44"

(chord bears S43°11'33"W 61.71 ft.), (ii) Southwesterly 21.05 ft. along the arc of a 20.00 ft. radius curve to the right through a central angle of 60°17'44" (chord bears S64°51'08"W 20.09 ft.), (iii) N85°00'00"W 209.58 ft., (iv) Southwesterly 187.83 ft. along the arc of a 375.00 ft. radius curve to the left through a central angle of 28°41'59" (chord bears S80°39'02"W 185.88 ft.); thence N23°41'59"W 157.48 ft.; thence S85°39'36"E 228.27 ft.; thence S86°03'48"E 135.92 ft. along the extended south boundary of The Villas at Bella Vida Phase 1; thence N69°44'02"E 23.88 ft. along said south boundary of Phase 1; thence along the South boundary of ^{*}Bella Vida at Eaglewood PUD, Amended in the following two courses to the point of beginning: (i) S85°00'00"E 102.38 ft., (ii) S28°47'04"E 58.76 ft.
Containing 1.143 Acres. * The Park Parcel of

Also described as:

ALL OF UNITS 12 THROUGH 20, THE VILLAS AT BELLA VIDA, PHASE 2, a planned unit development, according to the official plat thereof on file and of record in the Davis County Recorder's Office.

EXHIBIT "B"
TO
DECLARATION OF COVENANTS, CONDITIONS, & RESTRICTIONS

List of Units, Votes and Assessment Percentages

<u>Unit</u>	<u>Votes</u>	<u>Ownership & Assessment Percentages</u>
1	1	5.00%
2	1	5.00%
3	1	5.00%
4	1	5.00%
5	1	5.00%
6	1	5.00%
7	1	5.00%
8	1	5.00%
9	1	5.00%
10	1	5.00%
11	1	5.00%
12	1	5.00%
13	1	5.00%
14	1	5.00%
15	1	5.00%
16	1	5.00%
17	1	5.00%
18	1	5.00%
19	1	5.00%
20	1	5.00%
TOTALS	20	100.00

EXHIBIT "C"
TO
DECLARATION OF COVENANTS, CONDITIONS, & RESTRICTIONS

The Villas at Bella Vida Master Plan

EXHIBIT "D"
TO
DECLARATION OF COVENANTS, CONDITIONS, & RESTRICTIONS

Legal Description of Expansion Area

Beginning at the Northwest Corner of Bella Vida at Eaglewood Condominiums Phase 2, Amended which point is N0°04'00"E 1,551.93 ft. along the Quarter Section Line and West 1,186.36 ft. to an existing brass monument at the intersection of Edgewood Drive and Eagleridge Drive and N71°54'18"W 520.98 ft. to the point of beginning of said Phase 2, Amended and along the north boundary of said Phase 2, Amended in the following two courses: N89°58'06"W 210.07 ft. and S75°30'50"W 15.26 ft. from the South Quarter Corner of Section 12, T.1N., R.1W., S.L.B.& M. and running thence along the boundary of said Phase 2 in the following five courses: (i) S17°19'57"E 143.44 ft., (ii) Southwesterly 41.13 ft. along the arc of a 75.00 ft. radius curve to the left through a central angle of 31°25'26" (chord bears S48°23'07"W 40.62 ft.), (iii) S27°36'56"E 45.40 ft., (iv) S12°57'55"E 126.97 ft., (v) S50°28'11"E 39.38 ft. to the Northwest Corner of The Villas at Bella Vida Phase 1; thence along the west boundary of said Villas at Bella Vida Phase 1 in the following three courses: (i) S30°03'40"W 75.01 ft., (ii) S18°13'29"W 32.25 ft., (iii) S19°17'48"W 130.71 ft.; thence N85°39'36"W 228.27 ft. along the north boundary of the Villas at Bella Vida Phase 2; thence N23°41'56"W 296.61 ft.; thence N27°30'32"W 192.53 ft.; thence N75°30'50"E 448.61 ft. to the point of beginning.

Containing 4.4073 acres.

EXHIBIT "E"
TO
DECLARATION OF COVENANTS, CONDITIONS, & RESTRICTIONS

Estimated Number of Units in Each Phase Including Expansion Phases

<u>Phase</u>	<u>Units</u>
Phase 1	11
Phase 2	9
Phase 3	23
Total Units for Phases 1-3	43

If all Phases are fully developed the Ownership and Assessment Percentages for each unit shall be equal to 1/43 or 2.3259% per unit.

