

REQUEST: DIXIE TITLE CO.

BOOK 413 PAGE 830-843

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DOCUMENT NO. 295091

DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
RIVERWOOD CONDOMINIUMS

This Declaration for the RIVERWOOD CONDOMINIUMS (the "Declaration") made this 27 day of May, 1986, by CROCKETT & CASEY INC., a Utah Corporation (the "Declarant"), acting by and through its Officers, T. Michael Crockett and J. Gordon Casey.

WITNESSETH,

Whereas, the Declarant is the owner of certain real property in Washington County, Utah, which is more particularly described as:

Beginning at a point 1421.33 feet South 1 degree 01' East and 701.85 feet West from the Northeast corner of Section 35, Township 42 South, Range 16 West, Salt Lake Base and Meridian; thence South 29 degrees 47' West 554.80 feet; thence North 67 degrees 55' 51" West 171.30 feet; thence North 23 degrees 40' East 126.40 feet; thence North 66 degrees 20' West 88.00 feet; thence North 23 degrees 40' East 250.69 feet; thence South 72 degrees 10' 30" East 30.20 feet; thence North 17 degrees 49' 30" East 35.00 feet, thence Northeasterly 37.42 feet along the arc of a 25.00 foot radius curve to the left with a $\Delta = 85$ degrees 45' 30" (Note: Tangent bearing South 72 degrees 10' 30" East), thence North 22 degrees 04' East 98.60 feet to the point of tangency with a 15.00 foot radius curve to the left; thence Northerly 25.05 feet along the arc of said curve with a $\Delta = 95$ degrees 41' 27"; thence South 56 degrees 02' East 146.71 feet to the point of beginning.

Containing 3.352 acres.

such land and improvements thereon being hereafter referred to as the "Project", and

Whereas, the Declarant desires to provide for the preservation of the values and amenities in said Project and for the maintenance of open spaces; and to this end, desires to subject the real property described herein to the covenants, restrictions; easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and the subsequent owners thereof, and

Whereas, the Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said Project, to create an Association to which will be delegated and assigned the powers and duties of maintaining and administering and enforcing the within covenants and disbursing the charges and assessments hereinafter created; and

Whereas, the Declarant intends that the provision of U. C. A. 57-8-1 et seq. shall apply to the Project; and

Whereas, the Declarant is in the process of forming Riverwood Condominium Homeowners Association;

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

295091

ARTICLE 1

DEFINITIONS

1.1 Association. Shall mean and refer to Riverwood Condominium Homeowners Association and its successors and assigns.

1.2 Board of Directors. Shall mean the Governing Board of the Association.

1.3 Common Areas. Shall mean the entire Project, except for those portions thereof which lie within the boundaries of any unit. Common Areas shall also include:

(a) The Project outdoor lighting, fences, landscaping, sidewalks, unassigned parking spaces and driveways, not included within the dimensions of any unit.

(b) Each unit shall include a one-fifteenth (1/15) undivided interest in the Common Area, except as modified by the expansion of the Project.

(c) The improvements, other than the Units, shown on the Record of Survey Map recorded pursuant to U. C. A. 57-8-13

1.4 Common Assessment. Shall mean an assessment levied to offset Common Expenses.

1.5 Common Expenses. Shall mean any of the following:

(a) The expenses of, or reasonable reserves for, the maintenance, management, operation, repair and replacement for the Common Areas.

(b) The expenses of management and administration of the Association, including compensation paid by the Association to a manager, accountant, attorney or other employees or agents.

(c) Any other item or items designated by this Declaration or the By-Laws of the Association to be Common Expenses, and any other expenses reasonably incurred by the Association on behalf of all Owners.

1.6 Limited Common Areas. Shall mean those portions of the Common Areas which are limited to and reserved for the exclusive use of individual owners, specifically the designated parking spaces, the front porches and entries to units, and the exterior of fences separating lots from the Common Areas.

1.7 "Map". Shall mean the record of survey map described in U. C. A. 57-8-13 of Riverwood Condominiums recorded at the County Recorder's Office, County of Washington, State of Utah.

1.8 Member. Shall mean a member of the Association.

1.9 Owner. Shall mean and refer to the owners of record (in the County Recorder's Office, County of Washington, State of Utah), whether one or more persons or entities, of a Unit. The term "Owner" shall not mean or include mortgagee or beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

1.10 Rules and Regulations. Shall mean the Rules and Regulations governing the use of the Common Areas and the recreational facilities thereon, duly adopted by the Association.

1.11 Special Assessment. Shall mean an assessment for Special Expenses.

1.12 Special Expenses. Shall mean the following:

(a) The expenses incurred by the association for the repair of damage or loss to the Common Areas, or Limited Common Areas.

(b) Unanticipated expenses reasonably incurred by the Association to protect or further the interests of the Association or its Members.

1.13 Unit. A three dimensional air space shown on the map constructed on a lot and intended for the independent and private use of an owner; which Units are more particularly described as follows:

All of Units 1A-1E, 2A-2E, 3A-3D and 4A and 4B of Riverwood Condominiums, according to the official plat thereof on file with the Office of the Recorder, Washington County, State of Utah.

Each such unit consists of a living area space or spaces contained within the interior of each dwelling space including carports, yard, wall coverings, floor coverings, fixtures, interior surfaces of the perimeter walls, floors, ceilings, windows and doors of each dwelling space.

1.14 Sale. The sale of any Unit is the sale of the Unit, its limited common area, and a one-fifteenth (1/15) interest in the Common Area only, except as modified by the expansion of the Project.

ARTICLE II

PROPERTY RIGHTS

2.1 Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every lot and every Owner shall have a permanent right and easement of ingress and egress, for both the vehicular and pedestrian traffic, over such portion of the common areas as are set aside and designated on the map as streets, pedestrian walkways (sidewalks), and/or roadways, subject to the following provisions.

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

(b) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its Rules and Regulations.

(c) The right of the Association to dedicate or transfer all or any part of the Common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by 2/3rds of each class of owners has been recorded.

2.2 Delegation of Use. Any owner may designate or assign his right of enjoyment to the Common Areas to the members of his family who reside with him in his unit, or to his tenants or contract purchasers who reside in his unit. The rights and privileges of such delegatee or assignee shall be subject to suspension in the same manner and to the same extent as those of the Owner.

2.3 Use of Units. Units shall be used as residential dwellings and shall not be used as commercial space nor as hotel or transient rentals.

ARTICLE III

PROJECT ADMINISTRATION

3.1 Administration of Project. The Project shall be administered by the Association, acting by and through its Board of Directors, who shall be elected in accordance with the Articles of Incorporation of the Association, and whose duties will be governed by the terms of the Act, this Declaration, and the Articles of Incorporation and By-Laws of the Association. The Association may employ a professional management agent to perform, subject to the supervision of the Board of Directors, such duties and services as the Board of Directors shall direct, including, but not limited to, management of the Common Areas and the collection of and accounting for assessments made by the Association.

3.2 Rules and Regulations. The Association shall have the power to establish and enforce compliance with the Rules and Regulations and to amend same from time to time. A copy of such Rules and Regulations shall be delivered or mailed to each Member promptly upon the adoption thereof.

3.3 Common Utilities. The Association shall be responsible for the monthly payment of the common utility services that are provided by Public Utilities, specifically the sewer and water assessments. The Association shall prorate those costs to the Unit Owners on an equitable basis. If water and sewer are on a single master meter, then the fees for water and sewer service must be maintained in a separate account from other association funds.

ARTICLE VI

MEMBERS AND VOTING RIGHTS

4.1 Membership. Each Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of units. Ownership of a unit shall be the sole qualification for membership. The membership held by an Owner shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such unit, and then only to the purchaser or mortgagee of such unit.

4.2 Class of Voters. The Association shall have two classes of voting membership:

Class A. Class A members shall all be Owners, with the exception of the Declarant, and shall be entitled to one vote for each lot owned.

Class B. The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) one-hundred twenty (120) days after the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership, or

(b) on December 30, 1990.

4.3 Suspension of Voting Rights. The voting rights of any Member shall automatically be suspended for a maximum of 60 days during any period in which he shall be delinquent in the payment of assessments due the Association and for any period during which his right to use the recreational facilities upon the Common Areas shall have been suspended by the Board of Directors.

4.4 Proxies. An Owner may give his proxy, either specific or general, to another Owner, a third person, or to a contract purchaser of his Unit to vote on all matters coming before the Association for vote provided the same is in writing, authenticated by witnesses or a notary public and is presented to those Association officers conducting such vote.

ARTICLE V

MAINTENANCE OF PROJECT

5.1 Duties of Association. The Association shall have the responsibility of maintaining, repairing, replacing and otherwise keeping in a first-class condition all portions of the Project, not required in this Article to be maintained by the Owners, specifically the Common Areas.

5.2 Exterior Maintenance. The Association will provide maintenance upon the exterior of each home, fencing, garage and the Common Area as follows: paint, repair, replace, and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, streets and other exterior improvements except glass surfaces. In the event an owner of any Unit in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, after a resolution is passed by two thirds of the Board of Directors, the Association shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the unit and the exterior of the Unit and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Unit is subject.

5.3 Books and Records. During normal business hours the Association shall make available for inspection by owners, prospective purchasers, beneficiaries of trust deeds secured by any Unit, and lenders, holders, insurers and guarantors of any mortgage or trust deed on any Unit, current copies of the Declaration, Bylaws, Association Articles of Incorporation, Rules and Regulations and other books, records and financial statements of the Association.

ARTICLE VI

ASSESSMENTS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Unit owned in the Properties, hereby covenants and each Owner by acceptance of a deed therefor whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. All assessments on a unit must be brought current upon the transfer, sale or further encumbrance of any Unit.

6.2 Purpose of Assessments. The assessments levied by the association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties and for the management, improvement and maintenance of the Common Area, and of the Units situated upon Project.

6.3 Annual Budget. Not less than thirty (30) days prior to the commencement of each fiscal year the Board of Directors (or those named herein as constituting the original Board of Directors in the event the Association has not been formed at such time) shall establish an annual budget for such fiscal year, including therein all anticipated items of Common expense together with a reasonable reserve for contingencies.

6.4 Annual Common Assessment. By the adoption of the annual budget by the Board of Directors there shall be established an annual Common Assessment for the payment of which each Owner (including Declarant) shall be personally liable in the same percentage as his percentage ownership in the Common Areas. Each Owner shall pay his percentage share in even monthly installments of one-twelfth (1/12) thereof on the first day of each month during the fiscal year. The first monthly installment, or pro rata portion thereof, of such annual Common Assessment shall be due and payable by an Owner upon delivery of his deed to a unit. In addition, each Owner (other than Declarant), shall be required to deposit at time of purchase three (3) monthly installments of his share of the annual Common Assessment, for purchase of equipment or supplies and for working capital. Such advance payment shall not relieve an Owner from making the regular monthly payment. Upon the sale of his unit, an Owner shall be entitled to a credit from his grantee for any unused portion thereof. If the annual budget is not adopted as herein required, the previous fiscal year's monthly payment shall continue to be due until such time as the annual budget for the current year is established, at which time the annual Common Assessment shall become retroactive to the commencement of such current fiscal year.

6.5 Maximum Annual Assessment. Until January 1, of the year immediately following the conveyance of the first Unit to an Owner other than Declarant, the maximum annual assessment shall be \$100.00 per Unit.

(a) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner other than Declarant, the maximum annual assessment may be increased each year not more than fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Unit to an Owner, the maximum annual assessment may be increased above fifteen percent (15%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

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

6.7 Notice and Quorum for Any Action Authorized Under Sections 6.5 and 6.6. Written Notice of any meeting called for the purpose of taking any action authorized under Sections 6.5 or 6.6 shall be sent to all members not less than 30 days nor more than 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 of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

6.8 Uniform Rate of Assessment. Both annual and special assessment must be fixed at a uniform rate for all units and may be collected on a monthly basis.

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

6.10 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

INSURANCE

7.1 Property Insurance. The Association shall obtain and pay the premiums upon, as a Common Expense, a policy of insurance on all Common Area improvements in the Project and all personal property within the Common Areas (except the personal property individually owned by one or more Owners and improvements to Units added by the Owners thereof) in an amount equal to the maximum insurable replacement value thereof, affording protection against loss or damage by fire, flood and other hazards covered by a standard extended coverage endorsement, and such other risks as may from time to time be customarily insured against with respect to improvements similarly in construction, location and use, including by way of example, vandalism and malicious mischief. Such policy shall be issued in the name of the Association, as insured, with loss payable in favor of the Association, as Trustee for each Owner and his Mortgagee, if any, who shall be beneficiaries thereof (even though not named therein) in the percentages of Common Area Ownership established as to each Unit. Certificates of insurance shall be issued to each Owner and Mortgagee upon request. Such policy shall not be cancellable until after thirty (30) days' notice to each Owner and Mortgagee. The proceeds of such policy shall be received by the Association and held in a separate account for distribution to the Owners and their Mortgagees (subject to the provisions of the Act, this Declaration and the Association By-Laws) as their interests may appear; provided, however, when repair or reconstruction of the Project shall be required as provided in Article VIII hereof, such proceeds shall be applied to such repair or reconstruction.

7.2 Public Liability and Property Damage. The Association shall purchase broad form Comprehensive Liability coverage in such amounts and in such forms deemed appropriate by it. This coverage shall be issued in the name of the Association and shall include Owners in their capacity as Members of the Association as additional insureds and evidence thereof shall be furnished upon request to each additional insured. Coverage under this policy shall include, but not be limited to, legal liability of the Association for bodily and personal injuries, property damage, operation of the automobiles on behalf of the Association and activities of the Association in connection with the operation, maintenance or use of the Common Areas.

7.3 Owner's Insurance. Each Owner, and not the Association, shall have the responsibility of obtaining and keeping in full force and effect, at his sole expense, (a) standard fire, flood, hazard and extended risk insurance on his own Unit and personal property and furnishings contained in his Unit or located on his respective Limited Common Areas, and on any improvements added to his Unit by any Owner thereof; (b) broad form Comprehensive Liability coverage for his Unit (which shall be in addition to and not in lieu of the Comprehensive Liability coverage required to be purchased by the Association), and (c) such other insurance as he may elect to purchase in addition to the insurance coverage purchased by the Association, provided, however, that in no event is the insurance coverage purchased by the Association to be brought

into contribution with insurance purchased by Owners. Certificates of insurance shall include the Association as an additional insured. A certificate of insurance and evidences of renewals shall be furnished to the Association and must remain on file with the Association. In the event an Owner fails to deliver the certificate of insurance and/or evidence of current renewals to the Association, the Association may, at its option, purchase such insurance on the Owner's behalf, the cost of which shall become an Assessment on such Owner and his Unit(s), as more fully set forth in paragraph 7.5

7.4 Waiver of Subrogation. In the event of loss or damage to the Common Areas or the property of an Owner which shall be covered by insurance, the insurance company paying such claim shall have no right of subrogation against the Association, its agents and employees, nor the Owners, their tenants, or members of their respective households.

7.5 Power of Attorney. Each Owner hereby irrevocably names, constitutes and appoints the Association as his true and lawful attorney-in-fact and for the purposes of maintaining such insurance policies. Without limiting any generality of the foregoing, the Association, as said attorney-in-fact, shall have full power and authority, in the name, place and stead of each Owner, to purchase and maintain such insurance, to collect and remit the premiums thereof (which shall be considered Common Expenses) to collect the proceeds thereof, and to distribute the same to the Association, the Owners and their respective Mortgagees (subject to the provisions of the Act and this Declaration) as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of the Association and such Owners as shall be necessary or convenient to accomplish the powers herein granted, any insurer may deal exclusively with the Association in regard to such matters. The Association shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any Unit nor the liability of any Owner for occurrence therein not caused by or connected with the Association's operation, maintenance or use of the Common Area or assets owned by the Association.

ARTICLE VIII

PARTY WALLS

8.1 General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the units shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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

8.3 Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

8.4 Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

8.5 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title

8.6 Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

ARTICLE IX

MORTGAGES

9.1 Notices. Any Owner who mortgages his unit shall furnish the Association the name and address for such Mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association shall report to such Mortgagee any unpaid assessments due from the Owner of such unit at the same time as the Association makes demand on the Owner thereof for payment of such assessment. Each Mortgagee shall also be entitled to written notification from the Association of any other default by its Owner-Mortgagor in the performance of such Owner's obligations under the term and provisions of this Declaration which shall not have been cured within thirty (30) days after written notice to such Owner-Mortgagor by the Association specifying such default.

9.2 Delinquent Assessments. A Mortgagee may, but shall not be required to, pay any delinquent assessments due upon the mortgaged unit, and the amount of such payment shall be added to the mortgage indebtedness.

9.3 Right to Examine. The mortgagee shall have the right to examine the books and records of the Association upon request and to require annual reports of the financial status of the Association.

ARTICLE X

ARCHITECTURAL CONTROL.

10.1 Creation of Committee. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Project, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE XI

RESTRICTIONS

11.1 Residential Use. Each unit may be occupied by its owner only as a private dwelling for the Owner, his family, tenants and social guests. All leases shall be for a minimum of sixty (60) days and shall be evidenced by a writing executed by the Owner and the tenant or their agents.

11.2 Alterations. Notwithstanding the above, no Owner shall make structural alterations or modifications to his Unit or to any of the Common Areas or Limited Common Areas, including but not limited to, the erection of antennas, aerials, awnings, the placement of any reflective or other materials in the windows of his Unit or other exterior attachments and signs or other advertising devices without the written approval of the Association. The Association shall not approve any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Project.

11.3 Improper Activities. No unlawful activities shall be carried on in any Unit or upon the Common Areas, nor shall anything be done which may be a nuisance to the Owners. No Owner shall store any dangerous explosives or inflammable materials either in his Unit or upon the Common Areas, or permit anything to be done or keep or permit to be kept in his Unit or on the Common Areas anything that will increase the rate of insurance on the Project.

11.4 Signs No signs or other advertising devices shall be displayed which are visible from the exterior of any Unit or on the Common Areas, including "For Sale" signs, except in conformity with the Rules and Regulations promulgated by the Board of Directors.

11.5 Use of Common Areas. The Common Areas shall not be used for storage of supplies, personal property or trash or refuse of any kind except common trash receptacles placed at the discretion of the Association, nor shall the Common Areas be used in any way for the drying, shaking or airing of clothes or other fabrics. Stairs, entrances, sidewalks, yards, driveways or parking areas shall not be obstructed in any way nor shall unauthorized persons use them for other than their intended purposes.

11.6 Pets. No animals shall be kept in the Project except household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions. No savage or dangerous animals shall be kept. No more than one household pet may be kept in any Unit without the written permission of the Association. No pets shall be permitted to run loose upon the Common Areas.

11.7 Encroachments. In the event any portion of the Common Areas encroaches upon any Unit, or is encroached upon by any Unit as a result of the construction, reconstruction, repair, shifting, settlement or movement of any portion of the Project or improvements thereon, a valid easement for such encroachment and its maintenance shall exist for so long as the encroachment exists. Except as otherwise set forth in this Declaration, such easements shall have a maximum life of one year.

ARTICLE XII

ABANDONMENT

12.1 Abandonment. Except as provided by statute in the case of condemnation or substantial loss to the units and/or common elements of the condominium project, unless at least two-thirds (2/3) of the first mortgagees and beneficiaries of first deed of trust secured by units (based upon one vote for each unit or segment of common area encumbered), and at least two-thirds (2/3) of the owners (other than the declarant) of individual units have given their prior written approval, the Association shall not be entitled to:

- a. By act or omission, seek to abandon or terminate the project;
- b. Change the prorata interest or obligation attached to any unit for the purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or determining the prorata share of ownership of each unit in the common areas or the limited common areas (except as is provided for in this Declaration to allow for the expansion of the project);
- c. Partition or subdivide any unit;
- d. By act or admission seek to abandon, partition, subdivide, encumber, sell or transfer the common areas except that the granting of easements for public utilities or other public purposes consistent with the intended use of the common areas by the condominium project shall not be deemed a transfer within the meaning of this clause,

e. Use hazard insurance proceeds or property insurance proceeds for losses to any property within the project (or any expansion of the project), whether to units, to limited common areas or to common areas, for other than the repair, replacement or reconstruction of the property damaged.

ARTICLE XIII

DEFAULT

13.1 Definition. Failure to comply with any of the terms of this Declaration, the Articles of Incorporation or By-Laws of the Association or the duly adopted Rules and Regulations of the Association, shall constitute an event of default and shall be grounds for relief, which may include without limitation an action to recover sums due for damages and injunctive relief, or any combination thereof.

13.2 Costs. In any proceeding arising because of any alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceedings and reasonable attorneys fees from such Owner.

13.3 No Waiver. The failure of the Association or of any Owner to enforce any right, provision, covenant or condition which may be granted by this Declaration, the Articles of Incorporation or By-Laws of the Association, or the Rules and Regulations, shall be deemed to be cumulative and the exercise of any one or more of such rights, remedies and privileges shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges, as may be available to such party at law or in equity.

ARTICLE XIV

GENERAL PROVISIONS

14.1 Acceptance of Governing Rules. The Association, all present or future Owners, tenants or future tenants, or any other persons using the facilities of the Project are subject to and shall comply with this Declaration, the Articles of Incorporation and By-Laws of the Association, and the Rules and Regulations, and the acquisition, occupancy or rental of a Unit shall signify that all such documents are accepted and ratified. In the event of a conflict in any of the provisions of any such documents, the documents shall govern or control in the following order or preference: (a) this Declaration; (b) the Articles of Incorporation of the Association; (c) the By-Laws of the Association; and (d) the Rules and Regulations.

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

14.3 Delivery of Notices. All notices or other documents required herein to be delivered by the Association or Owners may be delivered either personally or by mail. If delivered personally, same shall be deemed to have been delivered when actually received by the Owner or when left at the front door of his Unit. If mailed, same shall be deemed delivered when deposited in the United States Mail addressed to the Owner at his address as it appears on the records of the Association with postage thereon prepaid.

14.4 Severability. If any of the provisions of the Declaration or any paragraph, sentence, clause, phrase or work, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any provisions, paragraph, sentence, clause, phrase or work in any other circumstances shall not be affected thereby.

14.5 Annexation. Additional land within the area described on Exhibit "A" may be annexed by the Declarant or the owner thereof without the consent of the Members within two (2) years of the date of the recordation of this instrument. In that event, each Owner of any Unit contained in the additional land annexed pursuant to this paragraph shall become a member of the Association and all Common Areas and Limited Common Areas in such annexed property shall become Common Areas and shall be governed by this Declaration, the Articles of Incorporation, Bylaws, Rules and Regulations and Association as if included in the property description found on page one (1) of this Declaration. All Units constructed on such annexed land shall be substantially identical to the Units depicted on the record of survey map recorded in compliance with U. C. A. 58-8-13(1). The proportion of the common area included with each Unit (regardless of location), shall, upon annexation, be altered to a fraction, the denominator of which is the number of Units governed by this instrument and the numerator of which is one (1).

14.6 Priority. All taxes, assessments and charges which may become liens prior to the first mortgage or first deed of trust under local law shall relate only to individual units and not to the project as a whole. Nothing contained in this Declaration or the other associated documents contemplated by this Declaration, shall give a unit owner, or any other party, priority over any rights of the first mortgagee or the beneficiary of the first deed of trust of any unit (as it relates to that unit) in the case of distribution to such owner of insurance proceeds or condemnation awards for lossess to or a taking of units, limited common areas and/or common areas.

14.7 Management. Any agreement for the professional management of this project, or any other contract providing for service of the declarant, developer, sponsor or builder may not exceed a term of three (3) years. Any such agreement must provide for termination by either party without cause and without payment of a termination fee upon ninety (90) days written notice.

14.8 Paragraph Titles. Paragraph titles are used in this Declaration for convenience of reference and are not intended to limit, enlarge or change the meaning of the contents of the various paragraphs.

14.9 Easements. During the annexation period defined in paragraph 14.5, Declarant shall have an easement over and upon the Common Areas for the purpose of constructing improvements, repairs on the Project or the property described on Exhibit "A".

14.10 Marketing. The Declarant shall be entitled to maintain facilities in the Project, as annexed, reasonably necessary to market the Units including, but not limited to: sales and management offices; model units; parking areas; and advertising signs. The Declarant may also invite third parties upon the Project as part of the marketing of the Units.

14.11 Annual Meeting. The first annual meeting of the Association shall be held December 5, 1986. At this meeting, the Board of Directors of the Association shall be elected by the Members.

14.12 Service of Process. Thomas W. Seiler, 2696 North University Avenue, Suite 220, Provo, Utah 84604 is designated to receive service of process in accordance with Utah Code Annotated 58-8-10(2) (h).

ARTICLE XV

AMENDMENT

15.1 Expansion and Annexation. This Declaration may be expanded to annex additional property as is set forth in paragraph 14.5

15.2 Other. Except as may be otherwise required by this Declaration, this Declaration may be amended only in compliance with Utah Condominium Ownership Act and upon approval of 2/3 of all Members of each class.

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ARTICLE XVI

DEVELOPMENTAL PLAN

16.1 Proposed Condominiums. The Declarant proposes to annex to the Project one or more of the Plats to be included in an area as described and shown on Exhibit "A", attached. In the event all of the Plats which would encompass the area as described in Exhibit "A" are annexed, a total of eighty-eight (88) units, with appropriate Common Areas and Limited Common Areas, will be constructed and be governed by this Declaration. The Declarant will, in consultation with its advisors and lenders, determine which Plats shall be annexed to the Project.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration on the day and year herein first above written

ATTEST.

BY

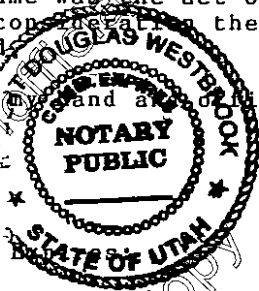
Anderson County
Secretary

[Signature]
President

STATE OF UTAH)
COUNTY OF Wasatch) ss

Subscribed and sworn to before me, a Notary Public, in and for Wasatch County, State of Utah, personally appeared T. Brock Crockett, President of Crockett & Casey, Inc a Utah corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledge to me that the same was the act of the said corporation for the purposes and consideration therein expresses and in the capacity therein stated.

WITNESS my hand and official seal this 27 day of Nov, 1986.



My commission expires July 1, 1987

[Signature]
Notary Public

Residing at Santa Cruz, AZ

Beginning at a point 914.988 ft. S. 1°01'E. and 1292.142 ft. West from the Northeast Corner of Section 35, T. 42 S., R. 16 W., S.L.B. & M.; thence N. 71°19'20" W. 147.37 ft.; thence S. 18°24'28"W. 15.33 ft.; thence N. 73°46'14" W. 108.43 ft. to the point of tangency with a 300.00 ft.-radius curve to the right, thence Westerly 75.07 ft. along the arc of said curve through a central angle of 14°20'15"; thence N 59°26' W 74.40 ft. to the Easterly boundary line of Southwood Meadows Subdivision, thence S. 25°00' W. 223.77 ft.; thence S. 25°45'30" W. 206.48 ft.; thence S. 2°30' W. 86.77 ft. thence N. 87°30' W. 80.06 ft. to a point of tangency with a 365.00 foot-radius curve to the right; thence 152.89 ft. along the arc of said curve through a central angle of 24°00', thence N. 63°30' W. 87.00 ft. to a point of tangency with a 400.00 foot-radius curve to the right; thence 76.79 ft. along the arc of said curve through a central angle of 11°00'; thence N. 37°30' E. 165.70 ft., thence N. 63°30' W. 36.80 ft., thence N. 33°33'15" W. 151.37 ft., thence N. 29°00' W. 252.54 ft., thence N. 21°40' W. 153.00 ft.; thence S. 31°19' W. 429.10 ft.; thence West 10.00 ft.; thence S. 6°00' W. 502.90 ft., thence S. 43°00' E. 512.35 ft.; thence N. 88°30' E. 495.00 ft., thence N. 83°00' E. 110.40 ft., thence N. 10°14' W. 251.91 ft., thence N. 18°48'16" E. 91.83 ft.; thence S. 67°55'51" W. 171.45 ft.; thence N. 23°40' E. 126.40 ft., thence N. 66°20' W. 88.00 ft., thence N. 23°40' E. 250.69 ft.; thence S. 72°10'30" E. 30.20 ft., thence N. 17°49'30" E. 35.00 ft., thence Northeasterly 37.42 ft. along the arc of a 25.00 ft.-radius curve to the left through a central angle of 85°45'30"; thence N. 22°04' E. 98.60 ft. to the point of tangency with a 15.00 ft.-radius curve to the left; thence Northwesterly 16.39 ft. along the arc of said curve which has a central angle of 95°41'27"; thence N. 16°22'33" E. 16.39 ft. to the point of beginning, containing 18.81 acres.