

**DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
THE LINKS AT THE HOMESTEAD
(a Planned Unit Development)**

This Declaration of Covenants, Conditions and Restrictions (the "Declaration") is made and executed this 20th day of June 2006, by UTAH HOME BUILDING COMPANY, a Utah corporation (the "Declarant").

RECITALS

A. Description of Land. The planned Unit development (the "Project") that is the subject of this Declaration is situated in and upon that certain real property (the "Subject Land") located in Wasatch County, State of Utah, as specifically described in Exhibit "A" attached hereto and incorporated herein by this reference. Declarant has master planned and intends to develop a total of 57 Units in this Project, which 57 Units will be located on the Subject Land and may be developed in phases.

B. Planned Unit Development. The Declarant has constructed or intends to construct a planned Unit development upon the Subject Land, as shown on the Plat referred to and defined below.

C. Plat. Declarant has prepared and has recorded concurrently herewith, in the office of the County Recorder for Wasatch County, State of Utah, a Plat for The Links at The Homestead, a residential planned Unit subdivision (the "Plat"), and all amendments thereto, which may hereafter be recorded.

D. Association and Bylaws. The Links at The Homestead Owners' Association, Inc. (The "Association"), has been created concurrently herewith by filing Articles of Incorporation therefore with the Utah Division of Corporations and Commercial Code. The Association shall henceforth be the governing body of the Project subject hereto and shall operate in accordance with the "Bylaws of The Links at The Homestead" (the "Bylaws").

E. Intent and Purpose. The Declarant intends by recording this Declaration and the Plat to submit the Subject Land and all improvements situated upon the Subject Land to the applicable provisions of the Utah Code and the applicable ordinances and statutes of Wasatch County (the "Code"), and to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of all Units within said Project and the Owners thereof.

ARTICLE I
DEFINITIONS

- 1.1. Defined Terms. Unless the context clearly indicates otherwise, certain terms as used in this Declaration shall have the meanings set forth in this Article I.
- 1.2. “Association” shall mean The Links at The Homestead Owners’ Association, Inc., a Utah nonprofit corporation, organized to be the Association referred to herein.
- 1.3. “Board of Trustees” or “Board” shall mean the Board of Trustees of the Association.
- 1.4. “Common Areas” shall mean all physical portions of the Project except all Units and that portion of the Subject Land upon which all Units are located, including without limiting the generality of the foregoing, all perimeter walls around the Project and all areas and landscaping between said perimeter walls and any contiguous property or public streets or sidewalks, all as specifically shown on the Plat as Common Areas. The Common Areas not constituting part of a Unit shall be owned by the Association, and all Common Areas shall be managed and controlled by the Association for the common use and enjoyment of the Owners as more fully described in this Declaration.
- 1.5. “Common Expense Fund” shall mean the fund created or to be created pursuant to the provisions of Article IX of this Declaration for the payment of Common Expenses and into which all funds of the Association shall be deposited.
- 1.6. “Common Facilities” shall mean all equipment, facilities, fixtures and other personal property and real property improvements owned by the Association for the use and benefit of all Owners and all equipment, fixtures, facilities and other personal property hereafter purchased in accordance with this Declaration with monies from the Common Expense Fund. Except as otherwise expressly provided in this Declaration, Common Facilities shall be deemed to be part of the Common Areas.
- 1.7. “Declarant” shall mean Utah Home Building Company, a Utah corporation, its successors or assigns.
- 1.8. “Limited Common Areas” shall mean any Common Areas designated for the exclusive use by the Owner of a particular Unit, all as shown on the Plat. Limited Common Areas shall include all driveways, porches, patios, storage facilities and all other areas identified and designated on the Plat as reserved for the exclusive use of the Owner of a particular Unit.
- 1.9. “Manager” shall mean 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 the Project.
- 1.10. “Member” shall mean a member of the Association.

1.11. "Mortgage" shall mean any mortgage, deed of trust, or other security instrument by which a Unit or any part thereof is encumbered.

1.12. "Mortgagee" shall mean (i) any person named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, or (ii) any successor to the interest of such person under such Mortgage.

1.13. "Owner" shall mean any person or entity or combination thereof, including the Declarant, at any time owning a Unit within the Project, as shown on the records of Wasatch County, State of Utah. The term "Owner" shall not refer to any Mortgagee (unless such Mortgagee has acquired title for other than security purposes) or to any person or entity purchasing a Unit under contract until such contract is fully performed and legal title conveyed.

1.14. "Plat" shall mean the Plat for The Links at The Homestead, a residential planned Unit development, as recorded or to be recorded in the office of the County Recorder for Wasatch County, State of Utah, and all amendments thereto.

1.15. "Project" shall mean the Subject Land, all Units, all Common Areas and Facilities and Limited Common Areas.

1.16. "Subject Land" shall mean the land upon which the Project is situated, as more particularly described in Paragraph A of the Recitals above, and as may be added to by amendment.

1.17. Phase: a particular parcel of property which is or shall become part of the Project pursuant to the recordation of an appropriate Declaration of Annexation. The term "Subject" as used in this Declaration shall refer only to Phase One, unless and until a Declaration of Annexation is recorded with respect to Phase Two to the terms of this Declaration. Until such time, Phase Two shall be deemed unaffected and unencumbered by this Declaration.

1.18. "Total Votes of the Association" shall mean the total number of votes appertaining to the Units in the Project, as shown in Exhibit "B" attached hereto.

1.19. "Unit" shall mean an individual house or dwelling Unit constructed on the Project, together with the land upon which the house is located, the Limited Common Areas appurtenant to the house, and all other improvements located thereon and rights appurtenant thereto, as shown on the Plat.

ARTICLE II
DIVISION OF PROJECT

2.1. Submission to Code. All of the Subject Land is and shall be held, conveyed, hypothecated, encumbered, leased, rented, used and improved as a planned Unit development project

to be known as The Links at The Homestead. All of said Subject Land is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of the Project and in furtherance of a plan for improvement of said property and division thereof into Units. Further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns, and any person acquiring, leasing or owning an interest in the real property and improvements comprising the Project, their leases, heirs, executors, administrators, devisees, successors and assigns.

2.2. Division into Units. The Project is hereby divided into Units as more particularly described on the Plat. The Owner of each Unit, regardless of the size, purchase price or location of the Unit, shall have an equal undivided interest in, and right to use, the Common Areas. The Declarant, with the recordation of this Declaration, hereby quit claims all of its right, title and interest in and to all of the Common Areas, as more particularly shown on the Plat, without warranty, to the Association, to be held and administered in accordance with the provisions of this Declaration.

2.3. Easements. The Declarant, its successors and assigns, shall have a transferable easement over and on the Common Areas, including roads providing ingress and egress to the Project, for the purpose of doing all things reasonably necessary and proper for the construction, completion, development and sale of the Project.

ARTICLE III
IMPROVEMENTS

3.1. Description of Improvements. The Project will consist of 57 Units as shown on the Plat. Each of the Units has been or shall be principally constructed of wood frame, brick, stucco, sheetrock interiors and asphalt shingle roofs, and such other materials as allowed by current building codes.

3.2. Description and Legal Status of Units. The Plat shows the number of each Unit and the Limited Common Areas which are reserved for use of each Unit's Owner. All Units and appurtenant rights shall be capable of being independently owned, encumbered and conveyed.

ARTICLE IV
NATURE AND INCIDENTS OF OWNERSHIP

4.1. Repair and Maintenance Rights and Duties of Association. Subject to provisions in this Declaration pertaining to eminent domain and destruction of improvements, the Association shall paint, maintain, repair and replace the Common Area (including all limited Common Areas) and all improvements and landscaping thereon, and the exteriors, including roofs and exterior and structural components of all Units, or shall contract for such maintenance, repair and replacement

to assure maintenance of such areas are in good condition, reasonable wear and tear excepted. However, in the event an Owner fails to maintain his Unit or to provide other maintenance or repair as provided in paragraph 4.2 in a manner which the Board deems necessary to preserve the appearance and value of the property, the Board may notify the Owner of the work required and request it be done within sixty (60) days from the giving of such notice. In the event the Owner fails to carry out such maintenance within such period, the Board may cause such work to be done and may specially assess the cost thereof to such Owner, and, if necessary, lien his Unit for the amount thereof.

For the purpose of performing any maintenance, repair or replacement as authorized by this Article, or for purposes of making emergency repairs necessary to prevent damage to the Common Area or to other Units, or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association (and its agents and employees) shall have an irrevocable easement over and onto all portions of the Common Area, and shall also have the irrevocable right, after reasonable notice to the Owner, and at reasonable hours, to enter any Unit.

Midway City shall have the right, but not the duty, to require, and, if necessary, perform, at the Association's expense, landscaping, maintenance, and snow removal within the Common Areas if the Association fails adequately to perform such. In the event Midway City exercises this right, the City shall be entitled to recover any associated costs and attorney fees from the Association. This section shall not be amended or deleted without the approval of Midway City.

4.2. Repair and Maintenance Rights and Duties of Owners. Except for those portions of the Property which the Association is required or elects to maintain and repair, each Unit Owner shall, at his sole cost and expense, maintain and repair all interior and non-structural components of his Unit, keeping the same in good condition, and shall repair all damage to the Common Area for which the Owner is responsible under Paragraph 7.8. Additionally, each Owner shall maintain, repair and replace as necessary, all doors and windows (and appurtenant hardware and accessories) to his Unit and any separate air conditioning, (water heating), or other separate utility unit which services his Unit. Each Owner shall have the exclusive right to paint, plaster, panel tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his Unit.

4.3. Snow Removal. In addition to all other responsibilities herein, the Association shall remove snow from driveways of all Units.

4.4. Title. Title to a Unit within the Project may be held or owned by any person or entity or any combination thereof and in any manner in which title to any other real property may be held or owned in the State of Utah, including without limitation, joint tenancy or tenancy in common.

4.5. Prohibition Against Subdivision of Unit or Units. No Unit Owner, by deed, plat or otherwise, shall subdivide or in any manner cause his Unit to be separated into physical tracts or parcels smaller than the whole Unit as shown on the Plat, nor shall any Owner subdivide or partition

his Unit or cause or allow more than one Unit to exist in any location where a Unit is shown to exist on the Plat.

4.6. Ownership and Use of Common Areas. The Association shall own all Common Areas for the common use and enjoyment of the Owners, subject to Section 4.5, and the Association shall have the exclusive right and obligation to manage and maintain all Common Areas. Each Owner shall have an irrevocable license and easement to use, occupy and enjoy all Common Areas in common with all other Owners. Except as otherwise provided in this Declaration, each Owner shall be entitled to the nonexclusive use of the Common Areas and Facilities in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules or regulations promulgated by the Association. Each Owner will be responsible for an equal share of the taxes, insurance, maintenance, water usage or lease of water rights and other costs and expenses relating to the Common Areas and Facilities.

4.7. Supervision of Use of Common Area. The Board can suspend the rights and easement of any Member, and the persons deriving such rights and easements from any Member, for use and enjoyment of any recreational facilities located within the Common Area, for any period during which the payment of any assessment against the Member and his Unit remains delinquent; provided, however, that any suspension for nonpayment of any assessment shall not constitute a waiver or discharge of the Member's obligation to pay assessments as provided in this Declaration;

4.7.1. The right of the Association to consent to or otherwise cause the construction of additional improvements on the Common Area and to consent to or otherwise cause the alteration or removal of any existing improvements on the Common Area for the benefit of the Members of the Association; and,

4.7.2. The right of the Association, acting through the Board, to consent to or join in the grant or conveyance of easements, licenses or rights of way in, on or above the Common Area for purposes not inconsistent with the intended use of the Property as a residential planned unit development.

4.8. Golf Course Easement. This Declaration is subject to that certain Perpetual Easement and Equitable Servitude Agreement between Declarant and The Homestead Golf Club, Inc., recorded in the office of the County Recorder for Wasatch County on _____ 2006. That Agreement provides that the Common Areas located within the golf course easement are subject to the easement and use of the Common Areas included therein and designated on the Plat exclusively for golf course purposes and requires that all maintenance and property tax responsibilities upon said Common Areas are the responsibility of The Homestead Golf Club, Inc.

4.9. Damage by Member. Each Member shall be liable to the Association for any damage upon any unit or upon the Common Area not fully reimbursed to the Association by insurance, 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 Area from the Member, or his or their respective family and guests, both minor and adult. 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 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.

4.10. Damages Relating to Golfers. Each Member shall hold the Declarant and Association harmless from and relating to any and all claims, demands, liabilities, causes of action, damages, costs, losses and expenses of every kind, nature and description or character, which arise out of, are connected with, or related to, any and all damages caused by errant golf balls from The Homestead Golf Course, any trespasses, damages, assaults or other incidents which may arise out of contact with golfers and parties accompanying them.

4.11. Limited Common Areas. All areas designated as Limited Common Areas on the Plat, including without limitation each patio, landscaped area and driveway designated on the Plat as Limited Common Area, shall be Limited Common Area for the exclusive use by the Owner of the particular Unit designated (subject to the Declarant's rights described in Section 15.1 below). Limited Common Areas shall be rebuilt, replaced, repaired or materially altered only with the approval and consent of the Board of Trustees of the Association, and in accordance with the provisions of this Declaration, including 4.12 below.

4.12. Maintenance of Limited Common Areas. The Association shall maintain and repair all Limited Common Areas. Without limiting the generality of the foregoing, the Association shall [a] maintain, repair and keep in a sanitary condition and in a state of good repair all Limited Common Areas, including without limitation all landscaped areas, decks, driveways, sidewalks and patios; [b] remove all snow from all driveways; and [c] re-landscape, re-construct and repair all landscaped areas, driveways and other Limited Common Areas at such time as the same are in a state of disrepair and require replacement. The Association shall not be obligated to remove snow from any patios or entry ways.

4.13. Inseparability. Title to any part of a Unit within the Project may not be separated from any other part thereof. Every devise, encumbrance, conveyance or other disposition of a Unit, or any part thereof, shall be construed to be a devise, encumbrance, conveyance or other disposition, respectively, of the entire Unit, together with an appurtenant rights created by law or by this Declaration, including appurtenant membership in the Association as hereinafter set forth, and an irrevocable license to use, occupy and enjoy the Common Areas and Facilities in common with all Owners.

4.14. No Partition. The Common Areas and Facilities shall be owned by the Association and Owners, in accordance with the provisions of this Declaration, and no Owner nor the Association may bring any action for partition thereof except as allowed by law.

4.15. Separate Mortgages by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber his Unit. No Owner nor the Association shall attempt to or shall have the right to separately mortgage or otherwise encumber the Common Areas and Facilities or any part thereof except as to the undivided interest therein appurtenant to the Unit. Any mortgage or other encumbrance of any Unit within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise.

4.16. Separate Taxation. Each Unit within the Project shall be deemed to be a parcel and shall be assessed separately for all taxes, assessments and other charges of the State of Utah or of any political subdivision thereof or of any special improvement district or of any other taxing or assessing authority. The Common Areas shall be deemed to be a parcel and shall be assessed separately for all taxes, assessments and other charges of the State of Utah or of any political subdivision thereof or of any special improvement district or of any other taxing or assessing authority. All such taxes, assessments and other charges on each respective Unit shall be separately levied against the Owner thereof. All such taxes, assessments and other charges on the Common Areas owned by Association shall be separately levied against the Association except the Common Areas dedicated to the golf course. No forfeiture or sale of any Unit for delinquent taxes, assessments or other governmental charges shall divest or in any way affect the title to any other Unit.

4.17. Mechanics' Liens. No labor performed or material furnished for use in connection with any Unit with the consent or at the request of an Owner or his agent or contractor shall create any right to file a statement, claim or notice of mechanic's lien against the Unit of any other Owner not expressly consenting to or requesting the same.

4.18. Description of Unit. Every contract for the sale of a Unit and every other instrument affecting title to a Unit within the Project may describe a Unit by its identifying number or symbol as indicated in this Declaration or as shown on the Plat. Such description will be construed to describe the Unit and to incorporate all the rights incident to ownership of a Unit within the Project and all of the limitations on such ownership.

4.19. Non-exclusive Easements. All entrances to, exits from and interior roads in the Project providing access to public roads outside of the Project shall be Common Areas. These easements are for the exclusive use of the Owners, their guests, occupants, lessees and invitees, except that The Homestead, Inc. has been granted the right of access over such easements to the extent of the residents of four homes located upon the golf course. In addition thereto, an emergency

exit gate will be maintained by the Association which may also be utilized by residents located below the gate for emergency exit purposes only.

4.20. Mortgages and Liens by the Association. The Association shall not attempt nor shall it have the right to mortgage or otherwise encumber the Common Areas and Facilities or any part thereof. No labor performed or material furnished for use in connection with the Common Areas and Facilities shall create any right to file a statement, claim or notice of mechanic's lien against the Common Areas and Facilities.

ARTICLE V
ARCHITECTURAL & LANDSCAPE CONTROL

5.1. Architectural Committee. The Association shall have an Architectural Committee to perform the functions assigned to it as set forth in the Declaration. The Architectural Committee shall promulgate architectural design guidelines and standards, including, but not limited to, color palettes and plant materials to be used in rendering its decisions. So long as the Declarant owns any Unit within the Project, the Architectural Committee shall consist of three (3) members, each of whom shall be appointed by, and serve at the pleasure of, the Declarant. At such time as the Declarant no longer owns any Unit within the Project, the Architectural Committee shall consist of three (3) members which shall be appointed by the Board of Trustees. Unless and until the Committee is appointed under this provision, the functions of the Committee shall be carried out by the Board.

5.2. Prohibition of Alteration and Improvement. The original architectural designs of the Units in the Project are referred to below as the "Original Project Design." Other than alterations or improvements made by the Declarant, no alteration of any kind to the Original Project Design, and no exterior painting or staining of any kind, shall be commenced, erected, or maintained upon the Property, until the same has been approved in writing by the Architectural Committee.

5.3. Plans and Approval. Plans and specifications showing the nature, kind, shape, color, size, materials and location of any alteration to the Original Project Design shall be submitted to the Board or Committee for approval as to quality of workmanship and design and harmony of external design, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to rebuild in accordance with plans and specifications for the Original Project Design, or to rebuild in accordance with plans and specifications previously approved by the Board or Committee.

The Board or Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Article and perform such other duties as from time to time shall be assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Board or Committee. Any application submitted to the Board or Committee pursuant to this Article shall be deemed denied, unless written

approval or a request or additional information or materials by the Board or Committee shall have been transmitted to the applicant within forty-five (45) days after the date of receipt by the Board or Committee of all required materials.

5.4. Non-liability of Committee Members. Neither the Architectural Committee nor any member thereof shall be liable to the Association, or to any owner for any loss, damage or injury arising out of, or in any way connected with the performance of the Committee's duties hereunder unless due to the willful misconduct or bad faith of the Committee or member. The Committee shall review and approve or disapprove all plans submitted to it for any proposed improvement or alteration, solely on the basis of aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Project generally, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

ARTICLE VI
EASEMENTS

6.1. Easements for Encroachment. If any part of a Unit encroaches or shall hereafter encroach upon any Common Area, an easement for such encroachment and for the maintenance of the same shall and does exist. Such encroachments shall not be considered to be encumbrances either on the Common Areas or the Units. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of one or more of the Units or any improvements constructed or to be constructed within the Project, by error in the Plat, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

6.2. Easements for Maintenance. The Association shall have the irrevocable right to have access from time to time to all Common Areas and to all Limited Common Areas during such reasonable hours as may be necessary for the maintenance, cleaning, repair and replacement thereof or for making emergency repairs at any time herein necessary to prevent damage to the Common Areas and Facilities.

6.3. Right to Ingress and Egress. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas as necessary for access to such Owner's Unit and to any Limited Common Areas appurtenant to such Unit, and such rights shall be appurtenant to and pass with the title to each Unit. This right of access does not extend over Common Areas within the golf course easement.

6.4. Association's Right to Use Common Areas. The Association shall have an easement to make such use of the Common Areas as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, including, without

limitation, the right to construct and maintain in the Common Areas facilities for use by Owners generally or by the Association and its agents exclusively.

6.5 Easement for Completion of Project. The Declarant shall have a transferable easement over and on the Common Areas for the purpose of completing construction of the Project and improvements therein as shown on the Plat and for the purpose of doing all things reasonably necessary or appropriate in connection therewith. To the extent that damage is inflicted on any part of the Project by any person utilizing said easement, the Declarant and the person causing the damage shall be liable for the prompt repair of such damage.

6.6. Easements Deemed Created. All conveyances of Units within the Project hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reverse such reciprocal easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

6.7. Easements Reserved by Declarant and Association. The Association shall have power to grant and convey to any third party and the Declarant hereby reserves unto itself easements and rights-of-way, including but not limited to rights of ingress and egress, in, on, over and under the Common Areas and Facilities, for the purpose of constructing, erecting, operating and maintaining lines, cables, wires, conduits or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities to provide common utility services to the Project.

ARTICLE VII RESTRICTIONS ON USE

7.1. Residential Uses Only. Each Unit contained in the Project is intended to be used for single-family residential housing and is restricted to such use. No Unit shall be used for business or commercial activity; provided, however, that nothing herein shall be deemed to prevent [a] the Declarant or its duly authorized agent from using any Units owned by the Declarant or any part of the Common Areas and Facilities, or any of the Limited Common Areas existing between the roads of the Project and any units, as sales models or property management offices.

7.2. No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on in, or upon any part of the Project, nor shall anything be done or placed in or upon any part of the Project which is or may become a nuisance or may cause embarrassment, disturbance or annoyance to Owners. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project which are or may become unsafe or hazardous to any person or property. No unsightly articles shall be permitted to remain on the Project. Refuse, garbage and trash shall be kept at all times in a covered, noiseless container and any such container shall be kept within an enclosed structure or appropriately screened from view except on garbage collection days. No lumber, grass,

shrub or tree clippings or plant waste, metals, bulk materials or scrap or refuse or trash shall be kept, stored or allowed to accumulate on the Project.

7.3. Restriction on Recreational Vehicles. No boats, trailers, recreational vehicles, truck, commercial vehicles or inoperable vehicles belonging to Owners or other residents of the Project shall be parked or stored in or upon any of the Common Areas, except in such portions of the Common Areas as the Association may specify, and subject to such rules and regulations as the Association may from time to time promulgate. An exception to this rule shall be the temporary overnight parking not to exceed 24 hours for the loading or unloading of a recreational vehicle by a resident.

7.4. 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, but only in the restricted Common Area.

7.4. Restriction on Signs. Except as may be temporarily necessary to caution or warn of danger, and except for temporary signs, reasonable in size, design and location, for the sale of a Unit by the Declarant or other Owner thereof, no signs or advertising devices of any nature, including without limitation commercial, political, informational or directional signs or devices, shall be erected or maintained on any portion of the Project without the prior inspection and written approval of the Association. If the Association consents to the erection of any such signs or devices, the same shall be promptly removed at the request of the Association. None of the foregoing shall be construed as to limit any way Declarant's right and easement to locate and relocate its sales offices and all similar signs, banners or similar sales devices upon the Common Areas and Facilities as permitted under Section 6.1 and Article XIV hereof.

7.5. Antennas and Satellite Dishes. No Owner shall be permitted to construct, use or operate his own external radio, television antenna, or other electronic antenna without the consent of the Association. No satellite dish shall exceed three feet in diameter and the location must be approved by the Association.

7.6. No Obstructions. There shall be no obstruction of the Common Areas by any Owner. Except with the prior written consent of the Association, Owners shall neither store nor leave any of their property in the Common Areas. Specifically, without limiting the generality of the foregoing, no vehicles of any kind may be parked at any time on any of the Common Areas, which include without limitations all of the roads within the Project subject to the exception in Paragraph 7.3 above. No permanent parking (more than 48 hours in any 7-day period) shall be allowed in the front of the Unit.

7.7. Clotheslines. No exterior clotheslines shall be erected or maintained and there shall be no outside laundering or drying of clothes.

7.8. Prohibition of Damage and Certain Activities. Except with the prior written consent of the Association, nothing shall be done or kept in or on any Unit, in the Common Areas, or in any other part of the Project which may result in cancellation of any insurance on the Project or any part thereof, nor shall anything be done or kept in or on any Unit which may increase the rate of insurance on the Project or any part hereof over that which the Association, but for such activity, would have to pay. Nothing shall be done or kept in or on any Unit or in the Common Areas or any part thereof which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental authority. No damage to, or waste of, the Common Areas or any part thereof shall be committed by any Owner or guest or invitee of any Owner, and each Owner shall indemnify and hold the Association and other Owners harmless against all loss resulting from any such damage or waste caused by such Owner, his guests, lessees, licensees or invitees.

7.9. Rules and Regulations. The owners shall comply with all of the rules and regulations governing use of the Units and Common Areas and Facilities, as such rules and regulations may from time to time be adopted, amended or revised by the Association, in the sole discretion of its Board of Trustees.

7.10. Construction Period Exemption. During the course of actual construction of any structures or improvements which are permitted to be located on the Project, the provisions, covenants, conditions and restrictions contained in this Declaration shall be deemed waived to the extent necessary or convenient to permit such construction; provided, however, that during the course of such construction, nothing shall be done which would result in a violation of any of said provisions, covenants, conditions or restrictions following completion of such construction.

7.11. Pets and Animals. No animals or birds of any kind shall be raised, bred or kept in or on any Unit or in the Common Areas, except that small or medium-sized domestic dogs and cats, and common household birds, may be kept in or on units, subject to rules and regulations adopted by the Association and provided that they are not kept, bred or maintained for any commercial purpose and provided further that any such pet causing or creating a nuisance or disturbance shall be permanently removed from the Project upon ten (10) days' written notice from the Association. No large dogs, such as Great Danes or St. Bernards, that exceed 18 inches in height measured at the back hips may be kept in or on a Unit. Any pet allowed by the preceding portions of this Section 6.10 may be present on the Common Areas only if on a leash held by a person.

7.12. No Short-term Rentals or Leases. Owners may freely rent or lease their Units provided that such rental or lease period shall not be less than thirty (30) days in duration and subject to all terms and conditions of this Declaration and all rules and regulations adopted by the Association.

7.13. 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.

7.14. Sculptures / Flags. No outdoor sculptures and/or flags shall be permitted except by written approval of the Architectural Committee.

7.15. No Patio / Deck Storage. No storage of any kind shall be permitted on decks or patios. Patio furniture and portable barbecue grills in good condition may be maintained on decks and patios.

7.16. No Warranty of Enforceability. While Declarant has no reason to believe that any of the restrictive covenants contained in this Article 8 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.

ARTICLE VIII THE ASSOCIATION

8.1. Membership. Each Owner shall be entitled and required to be a Member of the Association. Membership shall 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 interests 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 said Owner. Each Unit shall have only one vote appurtenant thereto. 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 a Unit shall be construed to be a devise, encumbrance, conveyance or other disposition, respectively, of the Owner's membership in the Association, and the 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.

8.2. Board of Trustees. The Board of Trustees shall initially consist of three (3) members which can be increased up to as many as five (5) members upon the majority vote of the existing Board of Trustees or the majority vote of the Owners at a duly called meeting of the Owners. The Declarant reserves the right to appoint all of the Board of Trustees until the first of the following occurs:

- (a) Seven (7) years from the date of recordation of this Declaration.
- (b) The date on which forty-five (45) of the Units in the Project have been conveyed to Owners than the Declarant.

8.3. Amplification. The provisions of this Article VII may be amplified by the Articles of Incorporation and Bylaws of the Association; 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 IX
CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

9.1. The Common Areas. The Association shall be responsible, as described in Section 4.6, and subject to the rights and duties of the Owners as set forth in this Declaration, for the exclusive management and control of the Common Areas and Facilities and all improvements thereon, including the payment of all Common Expenses defined herein. In particular, the Association shall be responsible for the maintenance of the private road and associated improvements located in the Project. The Association shall also be responsible for maintenance, repair and replacement of all Common Facilities, exteriors and roofs of each Unit, improvements or other material located within or used in connection with the Common Areas. The specification of duties of the Association with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas, as set forth in the first sentence of this Section. All goods and services procured by the Association in performing its responsibilities under this Section shall be paid for with funds from the Common Expense Fund. Notwithstanding anything herein, the Association will be charged with snow removal from the private road which will include maintaining any gated area free of any snow or other impediment that may interfere with the use of such gate as an emergency exit. Further, that the Association will enforce its agreement with adjoining property owners to maintain any gated area and emergency right-of-way free of snow or other impediments to such right-of-way, which enforcement may be in addition to any enforcement by Midway City.

9.2. Manager. The Association may by written contract delegate in whole or in part to a professional Manager such of the Association's duties, responsibilities, functions and powers hereunder as are properly delegable. The services of any Manager retained by the Association shall be paid for with funds from the Common Expense Fund.

9.3. Miscellaneous Goods and Services. The Association may obtain and pay for the services of such personnel as the Association shall determine to be necessary or desirable for the proper operation of the Project, whether such personnel are furnished or employed directly by the Association or by any person entity with whom or which it contracts. The Association may obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project, the enforcement of this Declaration, or any other matter. In addition to the foregoing, the Association may acquire and pay for out of the Common Expense Fund water, sewer, garbage collection, electrical, gas and other necessary or desirable utility services for the Common Areas and insurance, bonds and other goods and services common to the Units.

9.4. Real and Personal Property. The Association may acquire, hold and own real, personal and mixed property of all types for the use or benefit of all of the Owners and may dispose of such property by sale or otherwise. All of the Common Areas and Facilities, including private water lines, shall be deeded by the Declarant to the Association. The maintenance, repair and replacement of all such property, including Common Facilities, shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall become part of such Fund.

9.5. Rules and Regulations. The Association, by action of its Board of Trustees, may make reasonable rules and regulations governing the use of the Units and of the Common Areas and Facilities, which rules and regulations shall be consistent with the rights and duties established in this Declaration. The Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of Owners arising hereunder, or to obtain damages for noncompliance therewith, as permitted by law. In the event of such judicial action, the Association shall be entitled to recover its costs, including reasonable attorneys' fees, from the offending Owner.

9.6. Granting of Easements. The Association may, without the vote or consent of the Owners or of any other person, grant or create, on such terms as it deems advisable, utility, ingress, egress, construction and similar easements over, under, across and through the Common Areas.

9.7. Implied Rights. The Association may exercise any right or privilege given to it expressly by this Declaration or by law, and every other right or privilege reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

9.8. Reserves. The Association shall maintain an adequate reserve fund for maintenance, repairs and replacement of those Common Areas and Facilities that must be replaced on a periodic basis, and such reserves shall be funded from the monthly assessments described in Article IX below.

ARTICLE X
ASSESSMENTS

10.1. Agreement to Pay Assessments. The Declarant, for and as the Owner of the Project and every part thereof on the date hereof, hereby covenants, and each Owner of a Unit by the acceptance of instruments of conveyance and transfer therefor, whether or not it be so 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, both regular and special, 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 X.

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

(a) Common Expenses

(i) Annual Budget. On or before the 1st day of December of each year, the Association shall prepare, or cause to be prepared, an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the coming calendar year and taking into account the general condition of the Project. Each such budget, together with a written statement from the Association outlining a plan of operation for the year in question and justifying in every important particular the estimates made, shall be submitted to the Members on or before the 15th day of December of each year. Such budget, with any changes therein, shall be adopted by the Members at each annual meeting of the Members. Said operating budget shall serve as the basis for the schedule of proposed monthly assessments for the annual period for which it is prepared. Said budget shall also constitute a major guideline under which the Association shall operate during such annual period.

(ii) Basis of Annual Budget. The annual budget shall be based upon the Association's estimates of the cash required to provide for payment of expenses (the "Common Expenses") arising out of or connected with maintenance and operation of the Common Areas. Such actual expenses and estimated expenses may include, among other things, the following: expenses of management, governmental taxes and special assessments; premiums for all insurance that the Association is required or permitted to maintain; repairs and maintenance; wages for Association employees, including fees for a Manager, if any; utility charges; legal and accounting fees; any deficit remaining from a previous period; creation of a reasonable contingency reserve; sinking or reserve funds required or allowed herein; and any other expenses and liabilities which may be incurred by the Association for the benefit of all of the Owners or by reason of this Declaration or the Code.

(iii) Annual Assessments. The Association shall establish a regular, monthly assessment to be paid by each Owner (the "Common Expense Fund"). The dates and manner of payment shall be determined by the Association. The foregoing method of assessing the

Common Expenses to the Owners may be altered by the Association so long as the method it adopts is consistent with good accounting practice and requires that the portion of Common Expenses borne by each Owner to be equal. Each monthly installment of the regular assessment shall bear interest at the rate of one and one-half percent (1-1/2%) per month from the date it becomes due and payable until paid. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of any Unit for such assessment.

(b) 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 Association may levy additional assessments in accordance with the procedure set forth in Section 9.3 below, except that the vote therein specified shall not be necessary.

(c) Declarant's Obligations. Notwithstanding the preceding provisions of this Section 10.2 to the contrary, until forty-five (45) Units have been conveyed by Declarant to purchasers thereof, each Unit Owner shall pay a monthly assessment of \$250.00 and Declarant shall pay each month an amount equal to the remaining balance of the Common Expenses of the Project.

10.3. Special Assessments. In addition to the regular assessments authorized by Sections 10.1 and 10.2 above, the Association may levy, at any time and from time to time, upon affirmative vote of at least fifty-one percent (51%) of the Total Votes of the Association, special assessments, payable over such periods of time as the Association 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. 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 apportioned equally among and assessed equally to all Owners. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners. No payment shall be due less than thirty (30) days after such notice shall have been mailed. All unpaid portions of any special assessments shall bear interest at the rate of one and one-half percent (1-1/2%) per month from the date such portions become due until paid.

10.4. Reserve Fund. A portion of the Annual Assessments shall be used to fund an adequate Reserve Fund. Until otherwise modified by the Board of Trustees, five percent (5%) of all Annual Assessments collected shall be applied to the Reserve Fund. At the Closing of the first sale of each Unit on a one-time only basis, the Owner shall pay \$750.00 (the equivalent of three (3) months' dues), which shall be deposited in the Reserve Fund and shall be non-refundable.

10.5. Allocation of Assessments. All Units shall be assessed equally.

10.6. Lien for Assessments. All sums assessed to the Owner of any Unit within the Project pursuant to the provisions of this Article IX, together with 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 IX, the Association 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 and may be recorded in the office of the County Recorder for Wasatch 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 judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in the State of Utah. 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 assessments against the Unit which shall become due during the period of foreclosure. The Association shall have the right and power to bid-in at any foreclosure sale, and to own, lease, mortgage or convey the subject Unit.

10.7. Personal Obligation of Owner. The amount of any regular 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 and Facilities or by abandonment of his Unit, or by waiving any services or amenities. In the event of any suit to recover a money judgment for unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

10.8. Statement of Account. Upon written request of any Owner, Mortgagee, prospective Mortgagee, or prospective purchaser of a Unit and payment of any reasonable fee assessed, the Association shall issue a written statement setting forth the following: (a) The amount of the unpaid assessments, if any, with respect to such Unit, and (b) the amount of the current regular assessment with respect to such Unit and the date such assessment becomes or became due. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith.

10.9. Personal Liability of a Purchaser. A purchaser of a Unit shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Unit up to the time of the grant of conveyance; provided, however, that the provisions of this Section shall not prejudice the purchaser's right to recovery from the seller of the amount of such assessments paid by the purchaser for such assessments.

10.10. Assessments Part of Common Expense Fund. All funds received from assessments under this Article IX shall be a part of the Common Expense Fund.

10.11. Amendment of Article. Except as may be necessary to conform to the law, as it may be amended from time to time, this Article IX shall not be amended unless the Owners of all Units in the Project unanimously consent and agree to such amendment by a duly recorded instrument.

ARTICLE XI
INSURANCE

11.1. Types of Insurance. The Association shall obtain and keep in full force and effect at all times the following types of insurance coverage, provided by companies licensed to do business in the State of Utah:

(a) Fire and Casualty Insurance. A policy or policies of insurance on the Common Areas of the Project in such amounts as shall provide for replacement thereof in the event of damage or destruction from casualty against which such insurance is customarily maintained by other projects similar in construction, design and use. Such insurance shall include fire and extended coverage, vandalism and malicious mischief, and such other risks and hazards against which the Association shall deem it appropriate to provide insurance protection as to the Common Areas. 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.

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

(c) Workers' Compensation Insurance. Workers' compensation and employers' liability insurance and all other similar insurance with respect to employees of the association, if any, in the amounts and in the forms now or hereafter required by law.

(d) Fidelity Insurance or Bond. Fidelity insurance or a bond in such amounts and in such forms as the Association deems appropriate to cover against dishonesty of employees or the Manager, destruction or disappearance of money or securities, and forgery.

11.2. Form of Insurance. Insurance coverage on the Project, insofar as possible, shall be in the following form:

(a) Casualty and Flood Hazard Insurance. Casualty and hazard insurance in a form or forms naming the Association as the insured, as trustee for the Owners and for the Declarant whether or not the Declarant is an owner, and which policy or policies shall specify the interest of each Owner (Owner's name and Unit number), and shall contain a standard, noncontributory mortgage clause in favor of each Mortgagee which from time to time shall give notice to the Association of its Mortgage. The Association shall furnish to each Owner, and to each Mortgagee requesting in writing the same, a certificate of coverage, including an identification of the Owner's interest.

(b) Public Liability and Property Damage Insurance. Public liability and property damage insurance which names the Association as the insured, as trustee for each Owner, for the Manager, if any, and for the Declarant, whether or not the Declarant is an Owner, and which protects each Owner, the Manager, if any, and the Declarant against liability for acts or omissions of any of them in connection with the ownership, operation, maintenance or other use of the Project.

11.3. 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 from time to time deem appropriate.

11.4. Adjustment and Contribution. Exclusive authority to adjust losses under the insurance 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.

11.5. Insurance Carried by Owners. Each Owner is responsible for and may obtain insurance, at his own election and expense, providing coverage upon his Unit, and all improvements and personal property located thereon, and for general liability coverage, including without limitation, coverage for personal injury, property damage, and such other risks as each Owner may deem appropriate; provided that if the insurer under said policy is the insurer under any policy issued pursuant to Section 11.1 through 11.3 above, then any insurance policy obtained by an Owner shall provide that it does not diminish the insurance carrier's coverage for liability arising under any of the insurance policies obtained by the Association pursuant to this Article. The Association shall have no obligation or responsibility to carry insurance on the Units, or any other improvements a part of or appurtenant to the Units.

11.6. Review of Insurance. The Association shall review annually the coverage and policy limits of all insurance on the Project and shall adjust the same at its discretion. Such annual review may include an appraisal of the improvements in the Project by a representative of the insurance carrier or carriers providing the policy or policies on the Project, or such other qualified appraisers as the Association may select.

ARTICLE XII DAMAGE OR DESTRUCTION

12.1. Association as Attorney in Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place and stead for the purpose of dealing with the Common Areas or Limited Common Areas of the Project upon their damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from the Declarant or any Owner shall constitute an appointment by said grantee of the Association as his attorney in fact as herein provided. As attorney in fact, the Association shall have full and complete authorization,

right, and power to make, execute, and delivery any contract, deed or other instrument with respect to the interest of an Owner which may be necessary or appropriate to execute the powers herein granted.

12.2. Total Destruction. If damage or destruction occurs in or to the Project that is so extensive that every Owner of every Unit in the Project votes to not rebuild, repair or reconstruct the Common Areas and Limited Common Areas damaged or destroyed, then in such event and upon written agreement of every Owner, this Declaration shall be terminated and each Owner shall own his Unit, and all owners together shall own all Common Areas as tenants in common, and there shall be no obligation to repair or reconstruct the damaged portions of the Common Areas or Limited Common Areas. Upon the dissolution of the Project as herein provided, a notice of such shall be filed with the Wasatch County Recorder, and upon filing of such notice, the following shall occur:

(a) The Common Areas shall be deemed to be owned in common by the Owners as tenants in common on an equal, undivided basis;

(b) Any liens affecting any of the Units shall remain a lien on their respective lots, but also shall be deemed to be transferred, in accordance with the existing priorities, to the undivided interest of the respective Owner in the Common Areas;

(c) If a majority of the Total Votes so elects within ninety (90) days after the damage has occurred, and if allowed by the applicable governmental authorities, the Common Areas shall be dedicated as public roads in accordance with applicable statutes and ordinances, and all Owners shall join in such dedication; and

(d) If the option described in Section 12.2(c) above is not elected, the Common Areas shall be subject to an action for partition at the suit of any Owner, in which event the net proceeds of any sale resulting from such suit for partition, together with the net proceeds of the insurance on the Project, if any, shall be considered as one fund and shall be divided equally among all the Owners, after first paying out of the respective share of each Owner, to the extent sufficient for such purpose, all liens on the undivided interest in the Project owned by such Owner.

12.3. Partial Destruction. As long as any one Owner of any Unit so elects, upon the damage or destruction of any portion of the Common Areas or Limited Common Areas, the Association shall proceed to repair and reconstruct the Common Areas, and at such time as a house constituting any Unit, if damaged, is reconstructed or repaired, the Association also shall reconstruct and repair all Limited Common Areas as to that Unit so damaged. The Association shall use insurance proceeds from the insurance it is obligated to carry to accomplish such repair and reconstruction. In the event insurance proceeds are insufficient to accomplish the repair and reconstruction as required herein, then the Association shall levy a special assessment against all Owners pursuant to the provisions of Article X above to collect funds necessary to accomplish such repairs and reconstruction.

12.4. Repair or Reconstruction. As soon as possibility after receiving estimates on the cost of repair or reconstruction, the Association shall, if repair or restoration is to occur, diligently pursue to completion the repair or reconstruction of that part of the Project damaged or destroyed. The Association may take all necessary or appropriate action to effect repair or reconstruction, as attorney in fact for the Owners, and no consent or other action by any Owner shall be necessary in connection therewith.

12.5. Disbursement of Funds for Repair or Reconstruction. If repair or reconstruction is to occur, then the insurance proceeds held by the Association and any amounts received from assessments shall constitute a fund for the payment of the costs of such repair and reconstruction. It shall be deemed that the first monies disbursed in payment for the costs of such repair or reconstruction shall be made from insurance proceeds; if there is a balance after payment of all of the costs of such repair or reconstruction, such balance shall be distributed equally to the Owners.

ARTICLE XIII
CONDEMNATION

13.1. Condemnation. If at any time or times all or any part of the Common Areas 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 Common Areas in lieu of condemnation, but under threat of condemnation, shall be deemed to be taken by power of eminent domain.

13.2. Proceeds. All compensation, damages and other proceeds from any such taking by power of eminent domain shall be allocated among and distributed to the Owners in proportion to their respective undivided interests in the Common Areas. Such distribution shall be made by check payable jointly to the respective Owners and their respective Mortgagees, as appropriate.

ARTICLE XIV
COMPLIANCE WITH DECLARATION AND BYLAWS

14.1. Compliance. Each Owner shall comply with the provisions of this Declaration, the Articles of Incorporation and Bylaws of the Association, rules and regulations promulgated by the Association, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due and for damages or injunctive relief or both, maintainable by the Association or by an aggrieved Owner, including costs and reasonable attorneys' fees.

14.2. Enforcement and Remedies. The obligations, provisions, covenants, restrictions and conditions contained in this Declaration, or any supplemental or amended Declaration, with respect to the Association or Units within the Project, shall be enforceable by the Declarant or by any Owner

of a Unit within the Project subject to this Declaration, by a proceeding for a prohibitive or mandatory injunction. The obligations, provisions, covenants, restrictions and conditions contained in this Declaration, or in any supplemental or amended Declaration, with respect to a person or entity or property of a person or entity other than the Association or the Declarant, shall be enforceable by the Declarant or the Association by a proceeding for a prohibitive or mandatory injunction or by a suit or action to recover damages or to recover any amount due or unpaid, including costs and reasonable attorneys' fees.

ARTICLE XV
DECLARANT'S SALES PROGRAM

15.1. Declarant's Right to Promote and Sell the Project. Notwithstanding any other provisions of this Declaration, until Declarant ceases to be a Unit Owner (hereinafter referred to as the "Occurrence"), Declarant, its successors or assigns shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of Units owned by Declarant.

(a) Sales Offices and Model Units. Declarant, its successors and assigns, shall have the right to maintain sales offices and model units. Sales offices may be located in Units (at any location) owned by Declarant or may be located on any of the Common Areas of the Project or any of the Limited Common Areas existing between the roads of the Project and any Units. Declarant shall have the right to maintain any number of model units it may desire using the Units Declarant owns.

(b) Promotional Devices. Declarant, its successors and assigns, shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners and similar devices at any place or places on the Project, but any such devices shall be of sizes and in locations as are reasonable and customary.

(c) Right to Use the Common Areas and Facilities. Declarant shall have the right to use the Common Areas and Facilities of the Project and any of the Limited Common Areas existing between the roads of the Project and any Units, to entertain prospective purchasers or to otherwise facilitate Unit sales, provided said use is reasonable as to both time and manner.

15.2. Declarant's Rights to Relocate Sales and Promotional Activities. Declarant shall have the right from time to time to locate or relocate its sales offices, model units and signs, banners and similar devices, but in connection with each such location or relocation, Declarant shall observe the limitations imposed by the preceding portions of this Article. Within a reasonable period of time after the Happening of the Occurrence, Declarant shall have the right to remove from the Project any sales structures not a part of a Unit, fixtures, improvements, signs, banners and similar sales materials and properties.

15.3. Limitation on Improvements by Association During Sales Program. Prior to the Occurrence, the Association shall not, without the written consent of the Declarant, make any improvement to or alteration in any of the Common Areas and Facilities or any of the Limited Common Areas, other than such repairs, replacements or similar matters as may be necessary to properly maintain the Common Areas and the Limited Common Areas as they existed when initially constructed.

ARTICLE XVI
MORTGAGEE PROTECTION

16.1. Mortgage Protection. No breach of any of the covenants, conditions, restrictions and limitations contained herein shall defeat or render invalid the lien of any Mortgage made in good faith and for value; provided, however, that all such covenants, conditions, restrictions and limitations contained herein shall be binding upon an Owner whose title is derived through foreclosure or trustee's sale.

16.2. Priority of Liens. No enforcement of any lien provision herein contained shall defeat or render invalid the lien of any Mortgage. All sums assessed in accordance with the provisions herein shall constitute a lien on each respective Unit prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (2) the lien or charge of any recorded Mortgage on such Unit made in good faith and for value and recorded prior to the date on which any such assessment or assessments become due.

16.3. Prior Liens Relate Only to Individual Units. All taxes, assessments and charges which may become liens prior to the first Mortgage under local law shall relate only to the individual Unit and not to the Project as a whole.

16.4. Mortgage Holder Rights in Event of Foreclosure. Any Mortgagee of a Mortgage of record which obtains title to a Unit by the foreclosure of the Mortgage on the Unit or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale, shall take the Unit free of any claims for unpaid assessments and charges against the Unit which accrued prior to the date of the acquisition of title to such Unit by such acquirer (except for claims for the pro rata reallocation of such assessments or charges to all Units in the Project, including the mortgaged Unit). Any unpaid assessments shall be deemed to be Common Expenses collectible from all of the Units in the Project, including the Unit that has been acquired in accordance with the provisions of this Section.

16.5. Amendment. No provision of this Article XVI shall be amended without the prior written consent of at least two-thirds of all first Mortgagees as appear on the official records of Salt Lake County, State of Utah, as of the date of such amendment.

ARTICLE XVII
GENERAL PROVISIONS

17.1. Intent and Purpose. The provisions of this Declaration and any Supplemental or Amended Declaration shall be liberally construed to effectuate the purpose of creating a uniform plan for the development and operation of a planned unit development project. Failure to enforce any provision, restriction, covenant or condition in this Declaration, or in any supplemental or Amended Declaration, shall not operate as a waiver of any such provision, restriction, covenant or condition or of any other provisions, restrictions, covenants or conditions.

17.2. Construction. The provisions of this Declaration shall be in addition and supplemental to all applicable provisions of law. Wherever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural shall include the singular and the use of any gender shall include all genders. The Article and Section headings set forth herein are for convenience and reference only and are not intended to describe, interpret, define or otherwise affect the context, meaning, or intent of this Declaration or any Article, Section or provision hereof. The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

17.3. Registration of Mailing Address. Each Owner shall register from time to time with the Association his current mailing address. All notices or demands intended to be served upon any Owner may be sent by first class U. S. Mail, postage prepaid, addressed to the Owner at his registered mailing address, or, if no address has been registered, to the Unit of each Owner. All notice or demands intended to be served upon the Association may be sent by first class U. S. Registered or Certified Mail, postage prepaid, addressed to the Association at the address of its offices as may be furnished to the Owners in writing from time to time. Any notice or demand referred to in this Declaration shall be deemed given when deposited in the U.S. Mail, postage prepaid, and in the form provided for in this Section.

17.4. Audit. Any Owner may at any reasonable time, upon appointment and at his own expense, cause an audit or inspection to be made of the books and records maintained by the Association.

17.5. Litigation. The Association shall not maintain any legal action against any party in behalf of the Association without the vote of 75% of the total votes.

17.6. Amendment. Except as otherwise provided herein, this Declaration may be amended if Owners holding at least fifty-one percent (51%) of the Total Votes of the Association consent and agree to such amendment at a meeting of the Owners duly held in accordance with the provisions of the Articles, Bylaws and this Declaration, which properly approved amendments shall be evidenced by instruments which are duly recorded in the office of the Country Recorder for Salt Lake County, State of Utah.

Notwithstanding the foregoing, the following special voting provisions shall apply:

- (a) Until such time as Declarant has conveyed greater than 75% of the Units within the Project, the Declarant may amend any portion of this Declaration without holding a meeting of the Members. In such cases, the Declarant shall notify the Members of the amendment to the Declaration. A certificate, signed and sworn to by two (2) officers of the Association, that the Declarant adopted the amendment, as provided above, when recorded, shall be conclusive evidence of that fact.

17.7. Effective Date. This Declaration shall take effect upon recording.

17.8. Agent for Service. The person to receive service of process shall be the then current registered agent of the Association as shown on the records maintained in the office of the Division of Corporations and Commercial Code of the State of Utah.

17.9. Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service to be obtained and paid for by the Association hereunder, or for injury or damage to any person or property caused by the elements or by another Owner or person in the Project, or resulting from electricity, water, rain, snow or ice. No diminution of abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs, maintenance or improvements to the Project or any part thereof, or from any action taken to comply with any law, ordinance or order of a governmental authority.

17.10. Owner's Obligations. All obligations of an Owner under and by virtue of the provisions contained in this Declaration shall continue, notwithstanding that he may be leasing, renting or selling his Unit under contract. The Owner of a Unit within the Project shall have no obligation for expenses or other obligations accruing after he conveys title to such Unit.

IN WITNESS WHERE OF, the undersigned Declarant has executed this Declaration the day and year first above written.

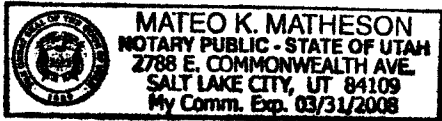
DECLARANT:

UTAH HOME BUILDING COMPANY, a Utah corporation

By: [Signature]
Jeff Peterson, President

STATE OF UTAH)
 :ss
COUNTY OF SALT LAKE)

The foregoing document was acknowledged before me this 20th day of June ~~2005~~²⁰⁰⁶ by Jeff Peterson, President of Utah Home Building Company, a Utah corporation.



[Signature]
NOTARY PUBLIC

My Commission Expires:
3/31/08

Residing at: 2788 E. Commonwealth
SLC UT

LINKS AT THE HOMESTEAD P.U.D.

BEGINNING AT A POINT WHICH IS SOUTH 214.49 FEET AND EAST 1053.51 FEET FROM THE FOUND BRASS MONUMENT FOR THE SOUTHWEST CORNER OF SECTION 27, TOWNSHIP 3 SOUTH, RANGE 4 EAST, SALT LAKE BASE AND MERIDIAN.

THENCE SOUTH 89°58'24" EAST 313.50 FEET; THENCE SOUTH 00°49'36" WEST 78.38 FEET; THENCE SOUTH 89°58'24" EAST 560.99 FEET; THENCE NORTH 87°39'07" EAST 129.07 FEET; THENCE NORTH 09°20'30" EAST 895.18 FEET; THENCE NORTH 212.68 FEET; THENCE EAST 197.77 FEET; THENCE SOUTH 699.74 FEET; THENCE SOUTH 29°15'03" WEST 325.39 FEET; THENCE SOUTH 09°01'36" WEST 408.50 FEET; THENCE NORTH 86°58'36" EAST 277.55 FEET; THENCE SOUTH 03°01'30" EAST 205.30 FEET; THENCE SOUTH 04°23'23" WEST 120.41 FEET; THENCE SOUTH 58°08'58" WEST 458.40 FEET; THENCE NORTH 68°55'56" WEST 292.29 FEET; THENCE NORTH 68°34'46" WEST 560.39 FEET; THENCE SOUTH 89°00'36" WEST 234.77 FEET; THENCE NORTH 01°38'04" EAST 611.49 FEET TO THE POINT OF BEGINNING.

CONTAINS: 26.14 AC