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DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
HIGHLAND HEIGHTS
A PLANNED UNIT DEVELOPMENT

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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
HIGHLAND HEIGHT PUD LLC
2213 E 2100 S STE 10
SLC UT 84109
BY: ZJK, DEPUTY - WI 21 p.

This Declaration of Covenants, Conditions and Restrictions, hereinafter referred to as the "Declaration", is made and executed this ____ day of September, 2001, by Highland Heights, L.L.C., a Utah Limited Liability Company, hereinafter referred to as the "Declarant".

RECITALS

A. Description of Land. The Declarant is the owner of the parcel of land, hereinafter referred to as the "land", which is located in the County of Salt Lake, State of Utah and described on Exhibit "A" hereto and incorporated herein by this reference.

B. Building and Improvements. Certain buildings and other improvements sometimes referred to as "Properties" have been or will be constructed on the land as shown on the Plat referred to below.

C. Plat. The Declarant intends to execute, acknowledge and record in the office of the County Recorder of Salt Lake County, State of Utah, a certain plat pertaining to the Project and entitled "Highland Heights PUD Subdivision" (the "Plat").

D. Intent and Purpose. Declarant hereby declares that all of the Properties shall be held, sold, conveyed, encumbered, hypothecated, leased, used, occupied and improved, subject to the following easements, restrictions, covenants, conditions and equitable servitude's, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Properties, in furtherance of a general plan for the protection, maintenance, subdivision, improvement and sale of the Properties, or any portion thereof. The covenants, conditions, restrictions, reservations, easements and equitable servitude's set forth herein shall run with the Properties and shall be binding upon all persons having any right, title or interest in the Properties or any part thereof, their heirs, successors and assigns and shall inure to the benefit of every portion of the Properties and any interest therein; and shall inure to the benefit of and be binding upon Declarant, its successors in interest and each Owner and his/her respective successors in interest; and may be enforced by any Owner and his/her successors in interest and by the Association.

E. Declarant's Right. Notwithstanding any of the foregoing recitals, no provisions of this Declaration shall be construed as to prevent or limit the Declarant's right to complete development of the Property and construction of improvements thereon, nor the Declarant's rights to maintain model homes, construction, sales or leasing offices, or similar facilities on any portion of the Property owned by the Declarant or the Association, nor Declarant's right to post signs incidental to such construction, sales or leasing.

22-21-279-003

BK8502PG1269

NOW THEREFORE, the Declarant does hereby make the following declaration:

**ARTICLE I
DEFINITIONS**

1.01. 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.

1.02. "Articles of Incorporation" shall mean the Articles of Incorporation of Highland Heights Owners Association, a Utah nonprofit corporation.

1.03. "Association" shall mean the Highland Heights Owners Association, a Utah nonprofit corporation, organized to be the Association referred to herein.

1.04. "Board of Trustees" shall mean the governing board or management committee of the Association, appointed or elected in accordance with the Declaration and in accordance with the Articles of Incorporation and Bylaws of the Association.

1.05. "Bylaws" shall mean the Bylaws of the Highland Heights Owners Association, a Utah nonprofit corporation.

1.06. "Common Area" shall mean all the real property and improvements, including without limitation, any recreation facilities, landscaped areas, private roadways and walkways, private alleys, visitor parking, and drainage systems which are owned by the Association for the common use and enjoyment of all the Owners. The Common Area to be so owned by the Association at the time of the conveyance of the first Lot shall also include the property described as Common Area on the Plat Map.

1.07. "Common Expense Fund" shall mean the fund created or to be created pursuant to the provisions of this Declaration and into which all monies of the Association shall be deposited.

1.08. "Declarant" shall mean and refer to Highland Heights, L.L.C., a Utah Limited Liability Company, its successors and assigns, so long as Declarant assigns such rights of Declarant hereunder to any person by an express written assignment.

1.09. "Declaration" shall mean and refer to this instrument as it may be amended from time to time.

1.10. "Dwelling Unit" shall mean and refer to a building located on a Lot designed and intended for the use and occupancy as a residence by a single family. The Dwelling Units are referred to as Lots on the recorded plat.

1.11. "Family" shall mean (1) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, or (2) a group of not more than three (3)

persons not so related, inclusive of their domestic servants, who maintain a common household in a Dwelling Unit on a Lot.

1.12. "Institutional Holder" shall mean a mortgagee which is a bank or other established mortgage lending company, or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency which has a first mortgage lien on any Lot in the Project.

1.13. "Land" shall mean the land upon which the Project is situated, as more particularly described on Exhibit "A" hereto.

1.14. "Lease" shall mean any agreement for the leasing or rental of the property.

1.15. "Lot" shall mean and refer to any residential Lot or parcel of land shown upon any recorded subdivision plat of the Project, with the exception of the Common Area and Lot 8 as shown on the Plat. Lot 8 shall not be subject to this Declaration and shall have no obligations with respect thereto.

1.16. "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.

1.17. "Plat" shall mean the Highland Heights PUD Subdivision Plat recorded or to be recorded in the office of the County Recorder of Salt Lake County, State of Utah.

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

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

1.20. "Mortgage Servicer" shall mean a Mortgagee who services any Mortgage or Deed of Trust on any individual building in the Project.

1.21. "Owner" shall mean the person or persons or other legal entity or entities, including the Declarant, holding fee simple interest of record to any Lot in the Project, as such ownership is shown by the records of the County Recorder of Salt Lake 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 persons purchasing a Lot under contract (until such contract is fully performed and legal title conveyed of record).

1.22. "Project" shall mean the Land, Lots and all improvements submitted by the Declaration and the Plat.

1.23. "Reserve Funds" shall mean the fund created or to be created and into which all purchasers of a Lot shall be required as of the time of the closing of the purchase/sale of a respective Lot, to deposit a sum equal to 2 months worth of the assessment applicable to the subject Lot, as provided in this Declaration.

1.24. "Total Votes of the Association" shall mean the total number of votes appertaining to all Lots in the Project.

ARTICLE II BUILDINGS AND IMPROVEMENTS

2.01. Buildings and Improvements. The buildings and other improvements, which have been constructed on the land, are described on the Plat.

2.02. Description of Lots. The Plat contains the number, location, and dimensions of each Lot in the Project. Said dimensions are approximate as to size and space, and said dimensions are shown for the purposes of identification only. Purchaser assumes sole responsibility to confirm Lot sizes and conditions prior to closing.

2.03. Description of Common Areas. The Plat contains a description of the Common Areas of the Project.

ARTICLE III NATURE OF THE INCIDENTS OF OWNERSHIP

3.01. Interior of Dwelling Unit. Each Owner shall have the exclusive right to paint, repaint, tile, wallpaper, carpet, or otherwise decorate the interior surfaces of the walls, ceilings, floors, and doors forming the boundaries of his or her Dwelling Unit and the surfaces of all walls, ceilings, floors, and doors within such boundaries. Each Owner shall also have the right to construct interior partitions or modifications within his or her Dwelling Unit provided however, that each Owner (i) shall comply with all applicable laws, ordinances, and building codes, (ii) shall not interfere with facilities or the common area necessary for the support, use, or enjoyment of any other part of the Project, (iii) shall not impair the structural soundness or integrity of the building in which it is located, and (iv) shall not encroach upon the Common Areas or any part thereof, unless the Board of Trustees shall consent in writing to such encroachment.

3.02. Maintenance of Dwelling Units and Lots. Each Owner shall keep the interior and exterior of his or her Dwelling Unit and Lot, including without limitation, walls, windows, ceilings, floors, roofs, porches, decks, lawn, fences and permanent fixtures and appurtenances thereto, in a clean and sanitary condition and in a state of good repair. In the event that any such Dwelling Unit or Lot shall develop an unsanitary or unclean condition or fall into a state of disrepair, and in the event that the Owner of such Dwelling Unit or Lot shall fail to correct such condition or state of disrepair promptly following written notice from the Board of Trustees, the Board of Trustees on behalf of the Association shall have the right, at the expense of the Owner and without liability to the Owner for trespass or otherwise, to enter said Dwelling Unit or Lot and correct or eliminate said unsanitary or unclean condition or state of disrepair; provided,

however, that the Association shall in no event have the obligation to correct or eliminate any such condition or state of disrepair.

3.03. Title. Title to a Lot 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, but no Lot shall be owned legally or beneficially by more than eight owners. No Lot shall be separated as to ownership into time intervals. No timeshare arrangement of any kind shall be allowed in the Project.

3.04. Ownership of Common Areas. Each Lot in the Project is hereby allocated an equal undivided interest in the Common Areas in the Project. Except as otherwise provided in this Declaration, any Owner shall be entitled to nonexclusive use of the Common Areas (other than Limited Common Areas) in any manner that does not hinder or encroach upon the rights of other Owners and is not contrary to any rules and regulations promulgated by the Association.

3.05. Inseparability. Title to no part of a Lot within the Project may be separated from any other part thereof, and each Lot and the undivided interest in the Common Areas appurtenant to each Lot shall always be conveyed, devised, encumbered, and otherwise affected only as a complete disposition of a Lot. Every devise, encumbrance, conveyance, or other disposition of a Lot, or any part thereof, shall be construed to be a devise, encumbrance, conveyance, or other disposition, respectively, of the entire Lot, together with all appurtenant rights created by law or by this Declaration, including appurtenant Membership in the Association as hereinafter set forth.

3.06. No Partition. The Common Areas shall be owned in common by all of the Owners, and no Owner may bring any action for partition thereof.

3.07. Separate Mortgage by Owners. Each Owner shall have the right separately to mortgage or otherwise encumber his/her Lot. No Owner shall attempt to or shall have the right to mortgage or otherwise encumber the Common Areas or any part thereof, except the undivided interest therein appurtenant to his/her Lot. Any mortgage or other encumbrance of any Lot within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure by private power of sale, judicial foreclosure, or otherwise.

3.08. Separate Taxation. Each Lot and the appurtenant undivided interest in the Common Areas within the Project, shall be deemed to be a separate parcel and shall be assessed separately for all taxes, assessments, and other charges of the State of Utah, or of any political subdivision, or of any special improvement district, or of any other taxing or assessing authority. For purposes of such assessment, the valuation of the Common Areas shall be apportioned among the Lots in proportion to the undivided interest in Common Areas appurtenant to such Lots. All such taxes, assessments, and other charges on each respective Lot shall be separately levied against the Owner thereof. No forfeiture or sale of any Lot for delinquent taxes, assessments, or other governmental charges shall divest or in any way affect the title to any other Lot.

3.09. Mechanics Liens. No labor performed or material furnished for use in connection with any Lot with the consent or at the request of any Owner or his agent or subcontractor shall create any right to file a statement of mechanic's lien against the Lot of any other Owner not expressly consenting to, or requesting the same, or against any interest in the Common Areas, except the undivided interest therein appurtenant to the Dwelling Unit of the Owner for whom such labor shall have been performed and such materials shall have been furnished.

3.10. Description of Lot. Every contract for the sale of a Lot and every other instrument affecting title to a Lot within the Project may describe the Lot 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 Lot, together with its appurtenant undivided interest in the Common Areas, and to incorporate all of the rights incident to ownership of a Lot within the Project and all of the limitations on such ownership.

ARTICLE IV EASEMENTS

4.01. Easements for Maintenance, Cleaning and Repair. The Association shall have the irrevocable right to have access to each Lot and to all Common Areas from time to time during such reasonable hours as may be necessary for the maintenance, cleaning, repair or replacement of any Common Areas or for making emergency repairs at any time therein necessary to prevent damage to the Common Areas or to any Lot. In addition, agents of the Association may enter any Lot when necessary in connection with any cleaning, maintenance, repair, replacement, landscaping, construction, or reconstruction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by the Association with funds from the Common Area Expense Fund. Permission by the Association or Declarant for the installation of a fence shall in no way affect Easements created by this Declaration.

4.02. 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 if any for use by Owners generally or by the Association and its agents exclusively.

4.03. Reservation of Easements. Reciprocal easements are hereby reserved for the benefit of adjoining Lot Owners and Salt Lake County and/or City for the control, maintenance and repair of the utilities and storm drains of adjoining Lot Owners. The Declarant expressly reserves for the benefit of all of the real property in the Property, and Owners, reciprocal easements of access, ingress and egress over all Lots, and over the Common Area, for the use and enjoyment of the Lots in accordance with this Declaration, including without limitation for installation and repair of utility services, for drainage over, across and upon adjacent Lots for water resulting from the normal use of adjoining Lots, and for maintenance and repair of any Dwelling Unit or landscaping located on any Lot or located in any landscape easement. Such easements may be used by the Declarant, its successors, purchasers and all Owners, their guests, tenants, lessees and invitees, residing on or temporarily visiting the Property, for pedestrian

walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of the Lot and the Common Area, No Owner of the Lot shall interfere with the established drainage pattern over his Lot from adjoining or other Lots. Each Owner of a Lot shall make adequate provision for drainage with the approval of any applicable governmental entity and/or the Association in the event he or she changes the established drainage over his or her Lot. All storm water or detention basins are to be kept free of obstructions or other hindrances, which would affect their intended purpose. For purposes of this Declaration, "Established Drainage" on any Lot is defined as the drainage conveyed to a purchaser from the Declarant. The Declarant further expressly reserves for the benefit of the Association, its agents and employees, easements of access, ingress and egress, over the Lots and the Common Area for the purpose of maintaining, repairing and installing sewer pipelines and laterals, cable television facilities, and telephone lines, landscaping related infrastructure in accordance with the provisions of this Declaration, and as otherwise provided by law. The Declarant, as well as Owners of Lots, and all others who shall come in contact the Property, shall use reasonable restraints with regard to the Property when exercising any rights granted under this paragraph, and due regard shall be given to the aesthetic value, beautification, upkeep and maintenance of all of the Property, and the use and enjoyment by an Owner of his Lot.

4.04. Reservation of Certain Side Yard Use Easements. Easements for the benefit of certain Lots, as the same may be set forth in the plat map or in deeds conveying title to the said Lots shall be reserved for the benefit of the adjoining Lot Owner for maintenance and repair of the adjoining Lot Owner's Dwelling Unit or landscaping. In addition, such easements may be used by the adjoining Lot Owner, its successors and purchasers and all their guests, tenants, lessees and invitees, residing in or temporarily visiting the adjoining Lot, for pedestrian access and such other purposes reasonably necessary for the use and enjoyment of the adjoining Lot.

4.05. Landscape Easements. The Declarant and/or the Association shall have an easement to make such use of the Landscape Easements as designated on the Plat as may be necessary or convenient to perform the duties and functions that it is obligated or permitted to perform pursuant to this Declaration, any agreements with governmental entities or governmental agencies including without limitation the right to construct and maintain the Landscape Easements and any infrastructure thereto.

4.06. Easement Deemed Created. All conveyances of Lots within the Project hereafter made, whether by the Declarant or otherwise, shall be construed to grant and reserve such easements as are provided herein, even though no specific references to such easements appear in any such conveyance.

ARTICLE V RESTRICTIONS ON USE

5.01. Residential Use. All Lots within the Project shall be used exclusively for residential and for no other purpose.

5.02. Nuisances. No noxious or offensive activity (including but not limited to the major repair of motor vehicles) shall be carried on, in or upon any Lot or the Common Area, nor

shall anything be done thereon which may be or become an unreasonable annoyance or nuisance to any other Owner. No loud noises or noxious odors shall be permitted on the Property, and the Board shall have the right to determine in accordance with the By-Laws if any noise, odor or activity producing such noises, odor or interference constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, satellite dishes, radio or television antennas, evaporative coolers, permanent flag poles, or items which may unreasonably interfere with television or radio reception of any Owner in the Property, shall be located, used or placed on any portion of the Property, or exposed to the view of other Owners without the prior written approval of the Board of Trustees.

5.03. Restrictions on Signs. No signs, flags (except for the United States of America Flag), or advertising devices of any nature, including without limitation, commercial, political, informational, or directional signs or devices, shall be erected or maintained on any part of the Project, without prior inspection and written approval of the Board of Trustees, except as may be necessary temporarily to caution or warn of danger or for use of the Declarant in its sales promotions. If the Association consents to the erection of any such signs or devices, the same shall be removed promptly at the request of the Association.

5.04. Pets and Animals. No animals, pets, livestock or poultry of any kind shall be raised, bred or kept in or around any Lot or Dwelling Unit or in the Common Areas except with the express permission of the Board of Trustees. Each Owner who desires to keep a pet in his Dwelling Unit or Lot shall apply in writing to the Board of Trustees for written permission to keep such pet. In no event shall any pet be permitted in any portions of the Common Areas or Lot unless carried or on a leash. Each Owner who keeps a pet shall indemnify and hold all other Owners harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having a pet in the Project. If a pet disturbs other owners by barking or biting or in other ways becoming obnoxious, the Board of Trustees will give notice to the Owner of such pet to cause such annoyance to be discontinued; and if such annoyance is not discontinued and corrected, the Board of Trustees may revoke its permission to keep the pet in the Project and notify the Owner of the pet to remove the pet from the Project. In the event the Owner fails to remove the pet from the Project within 10 days from the date of notice from the Board, the Board shall have the right to cause the pet to be removed from the Project and to charge the cost thereof to the Owner.

5.05. Alterations and Fencing. No Owner shall, without the prior written consent of the Board of Trustees in each specific instance, make or cause to be made any alteration, addition, removal, or improvement in or to the Common Areas, the exterior of his or her Dwelling Unit and/or Lot or any part thereof or install any fencing. In the event that consent is given for a fence, the Board of Trustees in its sole discretion and on a case by case basis shall establish the design guidelines and specifications therefore.

5.06. No Obstructions. No Owner shall obstruct the Common Areas or any part thereof. No Owner shall store or cause to be stored in the Common Areas any property

whatsoever, unless the Board of Trustees shall consent thereto in writing. No Owner shall obstruct or divert water draining into any designated retention basin area.

5.07. No Overloading. No Owner shall bring anything into his Dwelling Unit or permit anything to be done that will cause damage to the Dwelling Unit. No Owner shall overload the floor of his Dwelling Unit. No Owner shall permit the use or operation in his or her Dwelling Unit of any equipment, machinery, or other apparatus that will in any manner injure, vibrate, or shake the Dwelling Units, or portions thereof.

5.08. Prohibition of Damage and Certain Activities. Except with the prior written consent of the Board of Trustees, nothing shall be done or kept on any Lot or in any Dwelling Unit, or Common Areas, or in any other part of the Project that would result in cancellation of any insurance on the Project, any Dwelling Unit, or any part thereof, nor shall anything be done or kept that would increase the rate of insurance on the Project, any Dwelling Unit, or any part thereof over that which the Association or other owners, but for such activity, would pay. Nothing shall be done or kept 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 of any Owner, and each Owner shall indemnify and hold harmless the Association and the other Owners from and against all loss resulting from any such damage or waste caused by such Owner or by the guests, tenants, licensees, or invitees of such Owner.

5.09. Business Uses. No portion of the Project may be used for any commercial business use; provided however, that nothing in this provision is intended to prevent (a) the Declarant from using one or more Lots or Dwelling Units for purposes of a construction office or sales office, or (b) the use by any Owner of his or her Dwelling Unit for a home occupation. No home occupation will be permitted, however, which requires or encourages the Owner's clients, customers, patients or others to come to the Dwelling Unit to conduct business, or which requires any employees outside of the Owner's immediate family or household. No retail sales of any kind may be made in the Project. No materials, machinery, equipment, or inventory associated with any Dwelling Unit occupation may be stored outside any Dwelling Unit. No signs associated with any home occupation are permitted.

5.10. Lease Restrictions. Any tenancy agreement shall be required to provide that the terms of the tenancy shall be subject in all respects to the provisions of the Declaration, the Articles, and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be in default.

5.11. Rules and Regulations. Each Owner shall comply strictly with all rules and regulations adopted by the Association for the governance of the Dwelling Units, the Common Areas, and the Project, as such rules and regulations may be created, modified, amended, and construed from time to time by the Association in the sole discretion of its Board of Trustees.

5.12. No Annoying Lights. Any outdoor lighting shall be subject to approval by the Board of Trustees, and no outdoor lighting shall be permitted except for lighting that is designed to aim downward and limit the field of light to the immediate vicinity of the Building or

Improvement it is intended to serve.

5.13. Detention Basin. All owners and the Association shall continuously maintain and properly water any retention basins so as not to change the direction of or retard the flow of water through drainage channels. All improvements located within the detention basin areas, such as landscaping and sprinklers shall be maintained in a safe condition and a state of good repair. Failure to maintain such improvements located on the detention basins shall be considered unlawful and a public nuisance endangering the health, safety and general welfare of the public and a detriment to the surrounding community. No fencing shall be installed on any detention basin area without the approval of the Architectural Committee.

5.14. Declarant's Exemption. The Declarant or its successors or assigns may undertake the work of constructing Dwelling Units and developing all of the Lots included within the Property. The completion of that work and sale, rental and other disposal of Dwelling Units is essential to the establishment and welfare of the Property as a residential community. As used in this Section and its subparagraphs, the words "its successors or assigns" specifically do not include purchasers of Lots improved with completed Dwelling Units. In order that said work may be completed and the Property be established as a fully occupied residential community as rapidly as possible, no Owner nor the Association shall do anything to interfere with, and nothing in this Declaration shall be understood or construed to:

(a) Prevent the Declarant, its successors or assigns, or its or their contractors or subcontractors, from doing on any Lot owned by Declarant, whatever it determines to be necessary or advisable in connection with the completion of said work, including without limitation the alteration of its construction plans and designs and the Declarant deems advisable in the course of development; or

(b) Prevent the Declarant, its successor or assigns, or its or their representatives, from erecting, constructing, or maintaining on any Lot, or portion thereof, owned or controlled by the Declarant, or its successors or assigns or its or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing said work and establishing the Property as a residential community and disposing of the same in Lots by sale, lease or otherwise; or

(c) Prevent the Declarant, its successors or assigns, or its contractors or subcontractors, from conducting on any Lot, or any portion thereof, owned or controlled by the Declarant, or its successors or assigns, its business of developing, subdividing, grading and constructing Dwelling Units and other improvements in the Project as a residential community and of disposing of Dwelling Units thereon by sale, lease or otherwise; or

(d) Prevent the Declarant, its successors or assigns, or its contractors or subcontractors, from maintaining such sign or signs on any Lot owned by or controlled by it as may be necessary in connection with the sale, lease or other marketing of Lots and Dwelling Units; or

(e) Prevent the Declarant, at any time prior to acquisition of title to a Lot by a purchaser from the Declarant, to establish on that Lot additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Property. The Declarant shall repair at its own cost or expense any damage cause by the Declarant to the Common Area as well as such damages caused to Lots or Property still under the Declarant's control; or

(f) Prevent the Declarant from having unrestricted access to the Property until all Dwelling Units have been constructed and sold. The Declarant shall have the right to control all access gates until all Dwelling Units have been constructed and sold.

5.15. Parking. No long-term parking (over 48 hours) of any vehicle shall be permitted on the Common Area, street or on any Lot, except in a garage.

5.16. Rubbish. No rubbish shall be stored or allowed to accumulate anywhere on the Project, except in sanitary containers and at such locations as the Board shall determine form time to time.

5.17. Front Window Treatment. No blinds, draperies, or other window coverings or treatments shall be permitted with respect to Dwelling Unit windows which face any road, whether public or private, except those which are conservative in style and neutral in color or otherwise approved by the Board of Trustees.

ARTICLE VI THE ASSOCIATION

6.01. 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 a title to a Lot is held by more than one person, the Membership appurtenant to that Lot shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Lot is held. An Owner shall be entitled to one Membership for each Lot owned by him or her. Each Membership shall be appurtenant to the Lot to which it relates and shall be transferred automatically by conveyance of that Lot. Ownership of a Lot within the Project cannot be separated from Membership in the Association appurtenant thereto, and transfer of the Lot by devise, encumbrance, conveyance, or other disposition, respectively transfers the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association, and Membership in the Association may not be transferred except in connection with the transfer of a Lot.

6.02. Board of Trustees. Until such time as the responsibility for electing the Trustees of the Association is turned over to the Owners in accordance with Utah law, the Declarant shall have the exclusive right to appoint and to remove all such trustees. This exclusive right shall terminate after the first to occur of the following:

- (a) Five years from the date on which this Declaration is recorded, or

(b) After Lots to which ninety percent (90%) of the undivided interest in the Common Areas appertain have been conveyed.

6.03. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all 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 (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) Five years from the date on which this Declaration is recorded, or

(b) After Lots to which ninety percent (90%) of the undivided interest in the Common Areas appertain have been conveyed.

6.04. Amplification. The provisions of this Article VI may be amplified by the Articles of Incorporation and Bylaws of the Association.

**ARTICLE VII
CERTAIN RIGHTS AND OBLIGATIONS OF THE ASSOCIATION
AND BOARD OF TRUSTEES**

7.01. The Common Areas. The Board of Trustees, acting on behalf of the Association and, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and all improvements thereof, and shall keep the same in good, clean, attractive, safe, and sanitary condition, order, and repair. The Association shall be responsible for the maintenance and repair of any fences and landscaping. The Board of Trustees shall also be responsible for maintenance, repair, and replacement of any Common Areas, including without limitation landings, stairways, walkways, driveways, parking areas, utility lines, Common Facilities, and all improvements and other items located within or used in connection with the Common Areas. The specification of duties of the Board of Trustees with respect to particular Common Areas shall not be construed to limit its duties with respect to other Common Areas. All goods and services procured by the Board of Trustees in performing its responsibilities under this Section shall be paid for with funds from the Common Expense Fund.

7.02. Manager. The Board of Trustees may by written contract delegate in whole or in part to a Manager such of the duties, responsibilities, functions, and powers hereunder of the Board of Trustees as are delegable. The services of any Manager retained by the Board of Trustees shall be paid for with funds from the Common Expense Fund. Appropriate fidelity bond coverage may be required for any employee of the Manager who handles funds of the Association. Any management agreement or contract providing for services of Declarant for the

Project will be terminable by the Board of Trustees for cause upon thirty (30) days written notice thereof, and such agreement may be terminated by either party without cause and without payment of a termination fee on ninety (90) days written notice. The term of any such agreement may not exceed three years, renewable by agreement of the parties for successive three year periods.

7.03. Miscellaneous Goods and Services. The Board of Trustees may, in behalf of the Association, obtain and pay for the services of such personnel as the Board of Trustees 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 or entity with whom or with which it contracts. The Board of Trustees may, on behalf of the Association, obtain and pay for legal and accounting services necessary or desirable in connection with the operation of the Project or the enforcement of this Declaration. In addition to the foregoing, the Board of Trustees may, on behalf of the Association, acquire and pay for out of the Common Expense Fund: water, snow removal, sewer, garbage collection, electrical, gas, other necessary or desirable utility services for the Common Areas (and for the Lots to the extent not separately metered or billed), insurance, bonds, and other goods and services common to the Lots.

7.04. Real and Personal Property. The Board of Trustees may acquire and hold on behalf of the Association, 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; provided that any disposition of any real, personal or mixed property by the Board of Trustees wherein the value of such property exceeds \$5,000 must be approved by a vote of at least fifty one percent (51%) of the Total Votes of the Association at a meeting duly called for that purpose. All common property shall be paid for out of the Common Expense Fund and all proceeds from the disposition thereof shall be part of the fund.

7.05. Rules and Regulations. The Board of Trustees may, from time to time, make reasonable rules and regulations governing the use of the Lots, the Common Areas, and all parts of the Project, which rules and regulations shall be consistent with the rights and duties established by this Declaration. The Board of Trustees on behalf of the Association may take judicial action against any Owner to enforce compliance with such rules and regulations or other obligations of such Owner 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.

7.06. Granting Easements. The Board of Trustees 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 and similar easements and rights way over, under, across, and through the Common Areas.

7.07. Implied Rights. The Association may exercise any right, power, or privilege given to it expressly by this declaration or by law, and every other right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

**ARTICLE VIII
ASSESSMENTS**

8.01. Agreement to Pay Assessments. The Declarant, for each Lot owned by it within the Project, and for and as the Owner of the Project and every part thereof, hereby covenants and each Owner of any Lot by the acceptance of instruments of conveyance and transfer therefore, 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 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 herein. Notwithstanding any provisions herein to the contrary, the obligation of the Declarant to pay assessments on any Lot owned by it shall not commence or begin to accrue until such time as the Sixth Lot in the Project is conveyed and transferred to a third person or entity pursuant to a purchase sale contract, and the developer holds title to a fully developed Lot containing a completed Dwelling Unit that has been fully landscaped.

8.02. Annual Assessments. Annual Assessments shall be computed and assessed against all Lots in the Project as follows:

(a) Common Expense. Annual Assessments shall be based upon advance estimates of the Association's cash requirements to provide for payment of all estimated expenses arising out of or connected with maintenance and operation of the Common Areas. Such estimated expenses may include, among other things, the following: expenses of management; real property taxes and special assessments; premiums for all insurance that the Association is required or permitted to maintain hereunder, repairs and maintenance, wages for Association employees, including fees for a Manager (if any); utility charges, including charges for utility services to the Dwelling Units to the extent not separately metered or billed, legal and accounting fees, any deficit remaining from a previous period, creation of an adequate contingency reserve, major maintenance reserve, and/or sinking fund; creation of an adequate reserve fund for maintenance repairs, and replacement of those Common Areas that must be replaced on a periodic basis, and such extraordinary special assessments, and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration. At a minimum, the Association shall maintain a reserve fund of two month's of the Owner's common expense assessments. Such shall constitute the Common Expense, and all funds received from assessments shall be part of the Common Expense/Operating Fund.

(b) Apportionment. Except as otherwise provided for herein, expenses attributed to the Common Expense or to the Project as a whole, including the funding of a separate reserve fund, shall be apportioned among and assessed to all Owners in proportion to their respective undivided interests in the Common Areas.

(c) Annual Budget. Annual Assessments shall be determined on the basis of a fiscal year as shall be determined by the Board of Trustees. The Board of Trustees shall prepare and furnish to each Owner, or cause to be prepared and furnished to each Owner, an operating budget for the upcoming fiscal year. The budget shall itemize the estimated expenses of

Common Expense for such fiscal year, anticipated receipts (if any), and any deficit or surplus from the prior operating period. The budget shall serve as the supporting document for the Annual Assessment for the upcoming fiscal year and as the major guideline under which the Project shall be operated during such annual period.

(d) Notice and Payment. The Board of Trustees shall notify each Owner as to the amount of the Annual Assessment against his Condominium. Each Annual Assessment shall be payable in advance and in such installments and at such times as the Association, in the sole discretion of its Board of Trustees, may determine. The time for and interval of payment of installments shall be established by the Board of Trustees. All unpaid installments of any Annual Assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date each such installment becomes due, until paid. In addition, in the event that any installment of any Annual Assessment is not paid on the date such installment becomes due, it shall be subject to a penalty for late payment of ten dollars (\$10.00) per day from the date each such installment becomes due until paid. The failure of the Board of Trustees to give timely notice of any Annual Assessment as provided herein shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay such assessment or any other assessment; but the date when the payment shall become due in such case shall be deferred to a date fifteen (15) days after notice of such assessment shall have been given to the Owner in the manner provided in this Declaration.

(e) Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including non payment of any Owner's assessment, the Board of Trustees may, on behalf of the Association: (i) use such a portion of the Reserve Fund as the Board deems necessary; and/or (ii) levy additional assessments in accordance with the procedures set forth herein, except that the vote therein specified shall be unnecessary. Any additional assessments may be used to replenish the Reserve Fund to the amount existing therein just prior to the Board's use of the same.

8.03. Special Assessments. In addition to the Annual Assessments authorized by this Article, the Board of Trustees may, on behalf of the Association, levy, at any time and from time to time, upon affirmative vote of at least fifty one percent (51%) of the Total Votes of the Association, Special Assessments, payable over such periods as the Board of Trustees may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including without limitation Common Expenses). This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections or Articles hereof. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective undivided interests in the Common Areas. Notice in writing of the amount of each such Special Assessment and the time for payment shall be due less than fifteen (15) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate of eighteen percent (18%) per annum from the date such portions become due until paid. In addition, in the event that any Special Assessment is not paid on the date such Special Assessment becomes due, it shall be subject to penalty for late payment of ten dollars (\$10.00) per day from the date each

such Special Assessment becomes due until paid. All funds received from assessments under this Section shall be a part of the Common Expense Fund.

8.04. Lien for Assessments. All sums assessed to Owners of any Lot within the Project pursuant to the provisions of this Article VIII, together with penalties and interest thereon as provided herein, shall be secured by a lien on such Lot in favor of the Association. To evidence a lien for sums assessed pursuant to this Article VIII, the Board of Trustees may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot, and a description of the Lot. Such a notice shall be signed and acknowledged by a duly authorized officer or agent of the Association and may be recorded in the office of the County Recorder of Salt Lake County, State of Utah. No notice of lien shall be recorded until: (i) there is a delinquency in payment of the assessment, and (ii) the subject Owner has been sent via certified mail to Owner's address, a Notice of Delinquency which provides Owner a period of 30 days within which to cure the delinquency in assessments and said Owner fails to cure the delinquency within the 30 days. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted under the laws of the State of Utah. In any 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 Lot, which shall become due during the period of foreclosure, and all such assessments shall be secured by the lien being foreclosed. The Board of Trustees shall have the right and power on behalf of the Association to bid in at any foreclosure sale, and to hold, lease, mortgage, or convey the subject Lot in the name of the Association.

8.05. Personal Obligation of Owner. The amount of any Annual or Special Assessment against any Lot shall be the personal obligation of the Owner of such Lot to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas or by abandonment of his or her Lot or by waiving any services or amenities provided for in this Declaration. 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.

8.06. Statement of Account. Upon payment of a reasonable fee not to exceed \$25.00 and upon written request of any Owner, Mortgagee, or prospective purchaser of a Lot, the Board of Trustees shall issue a written statement setting forth the following: The amount of the unpaid assessments, if any, with respect to such Lot; the amount of the current Annual Assessments and the date or dates upon which installments thereof become due, less credit for advanced payments or prepaid items, including without limitation the Owner's share of prepaid insurance premiums. Such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. In the event that the Board of Trustees fails upon written request to issue such a written statement, any unpaid assessments with respect to such Lot which become due prior to the written receipt of such written request by the Board of Trustees shall become subordinate to a lien held by the person or entity requesting such statement.

8.07. Personal Liability of Purchaser. Subject to the provisions of this Article VIII, a purchaser of a Lot shall be jointly and severally liable with the seller thereof for all unpaid assessments against such Lot up to the time of the grant or conveyance; provided, however, that the provisions of this Section shall not prejudice the purchasers right to recover from the seller the amount paid by the purchaser for such assessments.

8.08. Amendment of Article. This Article VIII shall not be amended unless the Owners of at least two thirds (2/3) of the Lot in the Project consent and agree to such amendment in a duly recorded instrument.

ARTICLE IX INSURANCE

9.01. 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) Public Liability Insurance. The Association shall obtain and maintain a comprehensive policy of public liability insurance covering all of the Common Areas and Facilities, commercial spaces and public ways (if any) in the Project, with a Severability of Interest Endorsement or equivalent coverage which would preclude the insurer from denying the claim of a Lot owner because of the negligent acts of the Association or another Lot owner, with limits as the Association shall deem desirable covering all claims for personal injury and/or property damage arising out of a single occurrence including protection against water damage liability, liability for non owned and hired automobiles, liability for property of others, and such other risks as are customarily covered in similar projects. The scope of coverage also includes all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use.

(b) Workmen's Compensation Insurance. The Association may, in its discretion, obtain and maintain workmen's compensation and employers liability insurance (if applicable) and all other similar insurance with respect to employees of the Association in the amounts and in the forms now or hereafter required by law.

(c) Fidelity Insurance or Bond. The Association may, in its discretion, obtain and maintain adequate fidelity coverage to protect against dishonest acts by its officers, members of the Board of Trustees, and employees and all others who are responsible for handling funds of the Association.

(d) Other Insurance. Notwithstanding any other provisions contained herein to the contrary, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for development projects established by the Federal National Mortgage Association and the Government National Mortgage Association, so long as either is a Mortgagee or Owner of a Lot

within the Project, except to the extent such coverage is not available or has been waived in writing by the Federal National Mortgage Association or the Government National Mortgage Association.

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

9.03. Owner's Own Insurance. Unless the Board of Trustees elects to insure each Dwelling Unit (in which case the individual Owner shall be responsible for any co-insurance or deductible with respect to any losses), each Owner, at his or her own expense, shall procure and maintain at all times property insurance on the Dwelling Unit equal to the full replacement value of the Dwelling Unit. Such insurance shall afford protection against loss by fire and other casualties, including without limitation vandalism and malicious mischief typically covered by such policies required by private institutional lenders for projects similar in construction, and location. All policies providing such casualty insurance shall provide that they do not diminish the insurance carrier's coverage for liability arising under insurance policies obtained by the Association pursuant to this Article. If obtainable under industry practice without an unreasonable additional charge for such waiver, all such insurance shall contain a waiver of the insurance company's right of subrogation against the Association, the Declarant, the Manager, other Owners, and their respective servants, agents and guests. All policies shall contain a provision that the same shall not be cancelled or terminated, except upon at least thirty (30) days written notice to the Association.

9.04. Review of Insurance. The Board of Trustees shall review annually the coverage and policy limits of all insurance on the Project and 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 by such other qualified appraisers as the Association may select.

ARTICLE X COMPLIANCE WITH DECLARATION AND BYLAWS

10.01. Compliance. Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation, Bylaws of the Association and any Rules and Regulations promulgated by the Association, and the decisions and resolutions of the Association adopted pursuant thereto, as the same may lawfully be modified and amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or for injunctive relief or for both, maintainable by the Association or, in a proper case, by an aggrieved Owner.

10.02. Enforcement and Remedies. The obligations, provisions, covenants, restrictions, and conditions contained in this Declaration, or in any Supplemental or Amended Declaration, Rules and Regulations, with respect to the Association or Lots within the Project shall be enforceable by the Declarant or by any Owner of a Lots 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 by the Association or, in a proper case, by an aggrieved Owner 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.

ARTICLE XI GENERAL PROVISIONS

11.01. No Representation or Warranties. No representations or warranties of any kind, express or implied, have been given or made by the Declarant or its agents or employees in connection with the Property or any portion of the Property, or any improvement thereon, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, costs of maintenance, taxes or regulation thereof as a planned Lot development, except as specifically and expressly set for the in this Declaration and except as may be hereafter filed by the Declarant from time to time.

11.02. 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 the Project. Failure to enforce any provision, restriction, covenant, or condition contained in this Declaration, or in any Supplemental or Amended Declaration, or Rules and Regulations, shall not operate as a waiver of any such provision, restriction, covenant, or condition or of any other provisions, restrictions, covenants, or conditions.

11.03. Construction. Whenever used herein, unless the context shall otherwise require, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The Article and Section headings set forth herein are for convenience and reference only and are not intended to expand, limit, or otherwise affect the meaning or interpretation of this Declaration or any provision hereof. The provisions hereof shall be deemed independent and severable, and the invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provisions hereof.

11.04. Notices and Registration of Mailing Address. Each Owner shall register from time to time with the Association his current mailing address. All notices, demands, and other communications to any Owner as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. certified Mail, postage prepaid, addressed to the Owner at his registered mailing address or, if no address has been registered, to the Lot address of such Owner. All notices, demands, and other communications to the Association as provided for in this Declaration shall be in writing and shall be sufficient for all purposes if personally served or if sent by first class U.S. Certified mail, postage prepaid, addressed to the Association, c/o its registered agent. Any notice, demand or communication referred to in this Declaration shall be deemed to have been given and received when personally

served or when deposited in the U.S. Certified mail, postage prepaid and in the form provided for in this Section, as the case may be.

11.05. 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. The Association, at the expense of the Common Expense Fund, shall obtain an audit, by public accountants, of all books and records pertaining to the Project at no greater than annual intervals, and copies thereof shall be furnished to the Owners.

11.06. Amendment. Except as otherwise provided herein, this Declaration may be amended if Owners holding at least two thirds (2/3) of the Total Votes in the Association consent and agree to such amendment by instruments which are duly recorded in the office of the County Recorder of Salt Lake County, State of Utah.

11.07. Effective Dated. This Declaration shall take effect upon recording.

11.08. Agent for Service. The name and address of the person to receive service of process in all cases shall be the registered agent and address of the association as shown on the official corporate records maintained in the office of the Division of Corporations of the Utah Department of Commerce.

11.09. Limitation on Association's Liability. The Association shall not be liable for any failure of water service or other utility service (if any) 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 or upon the Project, or resulting from electricity, water, rain, snow, or ice which may leak or flow from outside or from any parts of the Building or its drains, pipes, conduits, appliances, or equipment, or from any other place, unless caused by the grossly negligent or willful misconduct of the Association. No diminution or abatement of any assessments under this Declaration shall be claimed or allowed for inconvenience or discomfort arising from the making of any repairs or improvements to or maintaining the Project or any part thereof, or from any action taken to comply with the provisions of this Declaration or with the laws, ordinances, regulations, rules, or order of any governmental authority.

11.10. Owner's Obligation. 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 under contract his Dwelling Unit. The Owner of a Dwelling Unit within the Project shall have no obligation for expenses or other obligations accruing after he conveys such Dwelling Unit.

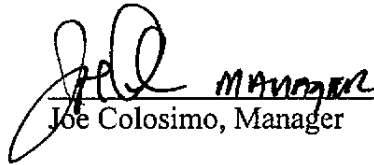
11.11. Model Dwelling Units, Sales Offices and Advertising Signs. Declarant and Declarant's duly authorized agents, representatives and employees shall have the right to establish and maintain model Dwelling Units and sales offices on the land within the Project, and the right to use such model Units and sales office during the period that Dwelling Units in the Project remain unsold. Declarant reserves the right to relocate the same from time to time within the Project. Declarant further reserves the right to maintain advertising signs on the Project and to place the same in any location, and to relocate, replace, and remove the same at the sole

discretion of Declarant during the period that Lots in the project remain unsold.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration of Covenants, Conditions and Restrictions for Highland Heights, A Planned Unit Development the day and year first above written.

DECLARANT:
Highland Heights, L.L.C.

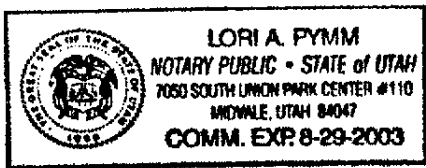
RUD



Joe Colosimo, Manager

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this 20 day of September, 2001, personally appeared before me Joe Colosimo, the Manager of Highland Heights, L.L.C., whose identity is personally known to me, or proved to me on the basis of satisfactory evidence, and who by me duly sworn, did say that he is the Manager of Highland Heights, L.L.C., and that said document was signed by him in behalf of said limited liability company by authority of its Operating Agreement and Resolutions of Highland Heights, L.L.C., and said Joe Colosimo acknowledged to me that said limited liability company executed the same.





NOTARY PUBLIC