

**PROTECTIVE COVENANTS FOR
Las Hurdes**

A RESIDENTIAL SUBDIVISION LOCATED IN ST. GEORGE
WASHINGTON COUNTY, UTAH

Richard C. Watts and Jan Watts, Trustees of THE WATTS REVOCABLE TRUST, dated July 3, 1997, as to an undivided ½ interest; and GREG G. MATHIS, a Married Man, as to an undivided ½ interest, hereinafter referred to as the "Developer," is the owner of the following described property, hereinafter referred to as the "Property," located in Washington County, State of Utah, to-wit:

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

Developer hereby includes all of the Property in the plat recorded herewith of Las Hurdes, a multi family subdivision (the "Plat") and divides the Property into Lots as shown on said plat(s) and dedicates the streets shown on said plat(s) to the public. The easements indicated on said plats are hereby perpetually reserved for public utilities and for any other uses as designated thereon or set forth herein, and no structures other than for such utility or other indicated purposes are to be erected within the lines of said easements.

Developer further declares that all of the Property described herein is held and shall be held, conveyed, hypothecated or encumbered, leased, rented, used, occupied, and improved subject to the following limitations, restrictions, covenants and conditions, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement and sale of the Property, and are established and agreed upon for the purposes of enhancing and protecting the value, desirability and attractiveness of the Property and every Lot, part or portion thereof. The acceptance of any deed to or conveyance of any Lot, part or portion of the Property by the grantees therein named or by their legal representatives, heirs, executors, administrators, successors or assigns, shall constitute their covenant and agreement with the Developer and with each other to accept, hold, improve, use and convey the Property described and conveyed in or by such deed or conveyance subject to said restrictions, covenants and conditions. These restrictions, covenants and conditions shall run with the land.

These Covenants contemplate that there may be other subdivision of existing Lots, all of which shall be governed by these Covenants and by covenants specific to each subdivision

The further subdivision of Lots may include condominium or planned unit development subdivisions, subject to any applicable laws, ordinances, rules, and regulations. Subdivision of Lots requires the consent of the owner(s) of those Lots. The Lots so subdivided remain subject to these Covenants. In the event of a conflict between these Covenants and covenants prepared for subsequent subdivision, the provisions in these Covenants shall control.

ARTICLE 1 - USE RESTRICTIONS

1.1 LAND USE AND BUILDING TYPE. All Lots shall be used only for single or multi-family residential purposes. No professional, business or commercial use shall be made of the same, or any portion thereof; provided, however, that the Lot restrictions contained in this section shall not be construed in such a manner as to prohibit an owner or resident from (a) maintaining a personal professional library therein; (b) keeping personal business or professional records or accounts therein; or (c) handling personal, business or professional telephone calls or correspondence therefrom.

"Family" is defined to mean persons related by blood or marriage, by legal adoption, or by operation of law.

1.2. SOILS. The Lot purchaser is encouraged to obtain a soils test and recommendation on foundation from a Utah registered engineer prior to construction. The Architectural Control Committee may require that the Lot owner obtain a soils test and recommendation on foundation prior to the final approval. Furthermore, the Architectural Control Committee may condition final approval following the recommendations set forth in the soils test document.

1.3. CARE AND MAINTENANCE OF LOT. The owner of each Lot shall keep the same free from rubbish, litter and noxious weeds. All structures, landscaping and improvements shall be maintained in good condition and repair at all times. Each Lot shall be subject to an easement for access to make repairs upon adjoining Lots and structures; provided however, that:

(a) Any damage caused by such entry shall be repaired at the expense of the owner whose property was the subject of the repair work which caused the same;

(b) Any such entry shall be made only at reasonable times and with as little inconvenience as possible to the owner of the entered Lot; and

(c) In no event shall said easement be deemed to permit entry into the interior portion of any dwelling.

Each owner shall be responsible for the maintenance of his Lot. In the event any owner fails to perform this maintenance such that his Lot detracts from the appearance of the Property, or adversely affects the value or use of any other Lot, the Directors of the Owners Association ("Association") shall have the right to have maintenance performed on the Lot and the cost of said maintenance shall be assessed against the Owner of said Lot and shall be added to and become part of any assessment to which such Lot is otherwise subject.

1.4. EASEMENTS. Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation, maintenance or replacement of utilities, or which may change the direction or flow of drainage channels

in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility company is responsible. The title holder of each Lot shall from time to time as may be reasonably required grant rights over, across, on, under and upon these easements for such additional uses and services as may be provided from time to time by a public authority or private utility company.

1.5. **NO HAZARDOUS ACTIVITIES.** No activities shall be conducted on the Property and no improvements shall be constructed on the Property which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property and no open fires shall be lighted or permitted on the Property except in a contained barbecue or fire pit unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace.

1.6. **MOTORBIKES.** All motorcycles, trail bikes, three-wheel powered devices, automobiles, and two or four-wheel drive recreational type vehicles are to be operated only by individuals with driver's licenses and only on established streets and parking areas and are specifically prohibited from all other portions of the Property, and are to be used on said streets only for ingress, egress, and access purposes and not for recreational purposes anywhere within the Property.

1.7. **WEED CONTROL.** Each Lot Owner shall, to the extent reasonably feasible, control the growth and proliferation of noxious weeds and flammable materials on his Lot so as to minimize weeds, fire and other hazards to surrounding Lots, Living Units, the Common Areas, and surrounding properties, and shall otherwise comply with any applicable ordinances, laws, rules, or regulations pertaining to the removal and/or control of noxious weeds. Noxious weeds shall mean and refer to those plants which are injurious to crops, livestock, land, or the public health.

1.8. **NUISANCES.** No noxious or offensive activity shall be carried on upon any Lot, part or portion of the Property, nor shall anything be done thereon which may be or may become an annoyance to the neighborhood. No clothes drying or storage of any articles which are visible from any public street shall be permitted.

No resident's use of a Lot shall endanger the health or disturb the reasonable enjoyment of any other owner or resident.

1.9. **SAFE CONDITION.** Without limiting any other provision of these Covenants, each owner shall maintain and keep such owner's Lot at all times in a safe, sound and sanitary condition and repair and shall correct any condition or refrain from any activity which might interfere with the safety or reasonable enjoyment of other owners of their respective Lots.

1.10. **OIL AND MINING OPERATIONS.** No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, part or portion of the Property, nor shall any oil well, gas well, tank,

tunnel, mineral excavation or shaft be permitted upon or in any such Lot or portion of the Property.

1.11. ANIMALS, LIVESTOCK, POULTRY, AGRICULTURE. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, part or portion of the Property, except that dogs, cats or other domesticated household pets, two (2) or less in total number may be kept in a residence constructed on a Lot, provided that they are not kept, bred, or maintained for any commercial purpose. Such animals as are permitted shall be strictly controlled and kept pursuant to all applicable laws and ordinances, and shall be on a leash or inside a fence when outside the owner's residence.

1.12. GARBAGE AND REFUSE DISPOSAL. No Lot or part or portion of the Property, shall be used or maintained as dumping ground for rubbish, rubble, trash, garbage or other waste. Such trash, rubbish, rubble, garbage or other waste as produced within the Property, shall be kept only in sanitary containers inside a structure except when placed for collection. No rubbish, trash, papers, junk or debris shall be burned upon the Property except that trash may be burned in accordance with applicable laws and ordinances inside residences that are properly equipped with inside incinerator units.

1.13. WATER SUPPLY. Each residence shall be connected to and use the municipal culinary water supply. No individual culinary water supply system shall be used or permitted to be used on any Lot, part or portion of the Property.

1.14. SEWAGE DISPOSAL. Each residence shall be connected to and use the municipal sewage disposal system. No individual sewage disposal system shall be permitted on any Lot, part or portion of the Property.

1.15. RV'S, BOATS, AND VEHICLES. No boats, trailers, buses, motor homes, campers, recreational vehicles, or other such vehicles, shall be parked or stored upon any Lot except within an enclosed garage or on a cement pad behind the required front Lot line set-back area. No such vehicles shall be parked overnight on any street located within the Property. Trailers, motor homes, and trucks over 9,000 pounds GVW are not allowed to be stored upon any vacant lot or street or road area adjacent to the Property.

Motor vehicles that are inoperable shall not be permitted to remain upon any street or lot or road areas adjacent thereto. In the event an inoperable motor vehicle remains upon any Lot or road area for a period exceeding thirty (30) days, the Developer, Directors or other Lot owners residing within the Property may remove the inoperable motor vehicle after a ten (10) day written notice. The cost of such removal shall attach to the vehicle and the Lot as a valid lien in favor of the persons, entities, or parties causing such removal. For the purpose of this section, "inoperable motor vehicle" shall mean any motor vehicle that is unable to operate in a normal manner upon the streets under its own power, or is unlicensed or unregistered for a period of not less than six (6) weeks.

1.16. RULES. The Board of Directors shall have the authority to promulgate rules and regulations for the governance of the Property, and persons with the Property.

These rules of the Association shall be compiled and copies shall be made available by the Directors for inspection and copying at a reasonable cost.

1.17. BUSINESS AND SALES. Notwithstanding any provisions to the contrary herein contained, it shall be expressly permissible for Developer, or its written designee, to maintain such facilities and conduct such activities as in the sole opinion of Developer may be reasonably required, convenient or incidental to the construction of homes and sale of lots during the Development Phase, and upon such portion of the Property including lots or common area, if any, as Developer deems necessary, including but not limited to, a business office, storage areas, construction yard, signs, model units and sales offices. As part of the overall program of development of the Property into a residential community and to encourage the marketing thereof, the Developer shall have the right of use of the Property and any facilities thereon,, including any Lots, Common Area, or community buildings, without charge during the sales and construction period to aid in its marketing activities.

ARTICLE 2 - ARCHITECTURAL CONTROL

2.1. ARCHITECTURAL CONTROL COMMITTEE.

- (a) Until every Lot subject to these covenants, including Lots in any phases subsequent to the first phase, has been transferred to a bona fide purchaser, the Architectural Control Committee shall be the Developer, or any other person appointed in writing by Developer. Thereafter, the Architectural Control Committee shall consist of the Board of the Association or of three (3) persons appointed by that Board. When title to all of the Lots in said development has been transferred by the Developer, a majority of the owners of Lots subject to these covenants shall elect and appoint members of the Board, which shall thereafter be vested with the powers described herein and shall have jurisdiction over all of the Property subject to these Covenants.
- (b) The Architectural Control Committee shall adopt reasonable rules and regulations for the conduct of its proceedings and to carry out its duties and may fix the time and place for its regular meetings and such extraordinary meetings as may be necessary, and shall keep written minutes of its meetings, which shall be open for inspection upon request. The Architectural Control Committee shall, by majority vote, elect one of its members as chairman and one of its members as secretary and the duties of each will be such as usually appertain to such offices. Notice of meetings shall be given to members who have made application to the Architectural Control Committee for approval of plans.
- (c) Unless authorized by resolution of the Board, the members of the Architectural Control Committee shall not receive any compensation for services rendered. Members shall be entitled to reimbursement for reasonable expenses incurred by them in connection with the performance of any Committee function or duty. Professional consultants retained by the

Architectural Control Committee shall be paid such compensation as the Architectural Control Committee determines.

- (d) Developer shall be exempt from the provisions, restrictions, and requirements of this Article, as the same exists or as it may be amended, supplemented, or replaced in accordance with other provisions of the Declaration.
- 2.2. SUBMISSION AND APPROVAL. Prior to the commencement of any excavation, construction or remodeling of any structure or of any addition to any structure, or modification of the natural topography of any Lot, or installation of fences or landscaping elements, approval of the Architectural Control Committee is required.
- (a) Two (2) complete sets of building plans and specifications shall be filed with the Architectural Control Committee, together with a site or plot plan showing grading, landscaping and all lighting, indicating the exact part of the building site which the improvements will cover, with such a fee as the Architectural Control Committee may determine from time to time, and an application and such supporting material, such as samples of building materials, as the Architectural Control Committee deems necessary. No work shall commence unless and until the Architectural Control Committee shall endorse on one set of such plans its written approval that such plans are in compliance with the covenants herein set forth and with the standards herein or hereafter established by said Architectural Control Committee pursuant hereto. The second set of such plans shall be filed as a permanent record with the Architectural Control Committee.
- (b) Said Architectural Control Committee shall have the right to refuse to approve any such plans and specifications and shall have the right, in so doing, to take into consideration the suitability of the proposed building, the materials of which it is to be built, the site upon which it is proposed to be erected, the harmony thereof with the surroundings, and the effect of said building, or other structure so planned, on the outlook from adjacent or neighboring property.
- (c) The Architectural Control Committee shall promulgate and maintain a list of standards for guidance in approving or disapproving plans and specifications pursuant to this Article.
- (d) In the event said Architectural Control Committee fails to approve or disapprove in writing any such plans within sixty (60) days after the submission thereof to the Architectural Control Committee, then approval shall be deemed to have been given.
- (e) The Architectural Control Committee shall not be held liable for damages by reason of any action, inaction, approval, or disapproval by it with respect to any request made pursuant to this Article. Any errors or omissions in the design of any building, other improvement or landscaping and any violation of any governmental ordinance are the sole responsibility of the Lot Owner and the Lot Owner's designer, architect, or contractor. The Architectural Control

Committee's review of plans shall in no way be concerned with structural or mechanical integrity or soundness.

- (f) The approval of the Architectural Control Committee of any plans and specifications for any work done or proposed shall not constitute a waiver of any right of the Architectural Control Committee to disapprove any similar plans and specifications subsequently submitted.

2.3 GOVERNMENTAL PERMIT REQUIRED. No residence, accessory or addition to a residence, other structure or building shall be constructed or maintained, and no grading or removal of natural vegetation or change in natural or approved drainage patterns or installation of fencing or landscaping elements shall occur on a Lot until any required permit or required approval therefor is obtained from the appropriate governmental entity following submission to the appropriate governmental entity of such information as it may reasonably require. The granting of a permit or approval by any governmental entity with respect to any matter shall not bind or otherwise affect the power of the Architectural Control Committee to refuse to approve any such matter.

2.4. ARCHITECTURAL GUIDELINES AND DESIGN RESTRICTIONS. In order to promote a harmonious community development and protect the character of the neighborhood, the following guidelines, together with any guidelines hereafter established by the Architectural Control Committee, are applicable to the Property:

- (a) Purpose and Intent. The intent of these Architectural Guidelines is to encourage a blending of styles within the Property with the natural surroundings and prevailing architecture of the created environment of the Property. These standards allow design latitude and flexibility, while ensuring that the value of the property will be enhanced through the control of site planning, architecture and landscape elements.

The Architectural Guidelines serve as an evaluative aid to owners, builders, project developers, design professionals, City staff, the Planning Commission, City Council and the Architectural Control Committee in the design review of individual, private and public developments within the Las Hurdes Property. The City of St. George Zoning Regulations will apply for any area of design not addressed in these guidelines.

- (b) Permitted Structures. The only buildings or structures permitted to be erected, placed or permitted to be located on any Lot within the Property shall be a single or multiple family dwellings placed within the building envelope for each lot and not to exceed the height requirements found in this section. All construction shall be of new materials. All structures shall be constructed in accordance with the zoning and building ordinances of the City of St. George Utah, in effect from time to time.
- (c) Minimum Area{ TC "(c) Minimum Area" \ 4 }. The minimum total square footage of living area on the ground floor located within the building envelope and foundation for any single-story residential dwelling constructed on any lot within the subdivision shall be not less than 1,000 square feet, exclusive of porches, balconies, patios and garages. Two-

story homes shall have a minimum of 700 square feet on the main level, with a total square footage of not less than 1,000 square feet, exclusive of porches, balconies, patios and garages.

- (d) Setbacks. The following minimum setback standards apply to the Lot. All measurements shall be made from the applicable Lot line to the foundation, porch or other extension of such building, whichever is nearer to such Lot line.

Front - Minimum of 25 feet Lot line to structure.

Side - All structures shall be constructed in accordance with the zoning and building ordinances of the City of St. George, Utah, then currently in effect.

Rear - All structures shall be constructed in accordance with the zoning and building ordinances of the City of St. George, Utah, the currently in effect.

- (e) Building Height. Maximum building height shall be 35 feet for a two story residence and 25 feet for a one story residence. Height is measured from a base line parallel to the existing Lot grade to a parallel line intersecting the highest point of any roof element.
- (f) Dwelling. Elevations should be consistent with the intended architectural style of the residence and carried around all four elevations of the structure.
- (g) Facades. Facades shall be stucco, masonry, brick or stone, with accents of brick, stone, or such other material as approved by the Architectural Control Committee.
- (h) Roof Materials. Roof material shall be limited to slate or clay or concrete tiles. Colors shall be subdued earth tones, or such other colors as may be allowed by the Architectural Control Committee.
- (i) Sheet metal, flashing, vents and pipes must be colored or painted to match the material to which they are attached or from which they project. No reflective exterior surfaces or materials shall be used.
- (j) Colors. Base building colors shall be subdued earth tones or such other colors as may be allowed by the Architectural Control Committee. Pastels or high gloss finishes may not be used. Complementary accent colors can be used on facia, window trim, shutters and doors.
- (k) Prohibited structures Dome Structures, Log homes, Pre-manufactured homes; Re-located homes; and Earth or Berm homes of any type are not allowed.
- (l) Temporary or Other Structures. No structure of a temporary nature, and no trailer, bus, basement, outhouse, tent, shack, garage, or other outbuilding shall be used at any time as a residence either temporarily or

permanently, nor shall any such structures be erected or placed on the Property at any time. No old or second-hand structures shall be moved onto any of said Lots. It is the Developer's intention that all dwellings and other buildings to be erected within the Property be new construction, of good quality, workmanship, and materials.

- (m) Accessory Buildings. No storage or utility buildings are allowed. All such structures intended for such uses must be built so as to be part of the residence.
- (n) Fences and Sight Obstructions. No structure, fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points thirty (30) feet from the intersection of the street lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within the (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at such height to prevent obstruction of such sight lines. No fence, wall, hedge, shrub or other structure shall be placed along any front property line. No fence, wall, hedge, tree, plant, shrub or foliage shall be planted, kept or maintained in such manner as, in the opinion of the Architectural Control Committee, shall create a serious potential hazard or an aesthetically unpleasant appearance to other residents.
- (o) Fences, walls and other barriers shall be approved by the Architectural Control Committee and constructed of block in an approved color. No fences shall be constructed in the front setback area.
- (p) Retaining Walls. Retaining walls are restricted to a maximum height of five (5) feet, unless otherwise approved by the Architectural Control Committee. In the event approval is given for a retaining wall higher than five (5) feet, the retaining wall must be tiered and landscaping must be installed to hide the retaining wall.
- (q) Light used to illuminate patios, parking areas or for any other purposes, shall be so arranged as to reflect light away from adjacent residences and away from the vision of passing motorists. Low level outdoor illumination may be used for particular landscape features (trees, rock formations, etc.).
- (r) Antennas for radio, television, or device for the reception or transmission of radio, microwaves or other similar signals are restricted to the attic or interior of the residence. It is mandatory that all homes be pre-wired for cable reception. Satellite dish antennas shall be allowed provided they are located in such areas as may be designated by the Architectural Control Committee. In no event shall satellite dish antennas be visible from neighboring property or exceed 20 inches in diameter or width.

- (s) Air conditioning, heating equipment, and soft water tanks must be screened from view so as not to be visible from neighboring property or from the streets of the development, and shall be insulated for sound attenuation. Air conditioning units are not permitted on roofs or through windows.
- (t) Utility meters shall be placed in as inconspicuous a location as possible. Locations of meters are to be shown on the plans, and meters must be screened from view from neighboring property. Exposed piping should be painted to match exterior colors of the dwelling structure. The area immediately around the meters should be cleared to allow for access. Electric meters, switches, or circuit breaker boxes are not to be located in the same enclosure with the gas meter and regulator. Enclosures for gas meters and regulators are to be vented in compliance with the Uniform Building Code.
- (u) Mailboxes Cluster Mailboxes shall be installed by Developer and are the only allowed mail receptacles.
- (v) External Apparatus No lot owner shall cause or permit anything (including, without limitation, awnings, canopies or shutters) to hang, be displayed or otherwise affixed to or placed on the exterior walls or roof or any part thereof, or on the outside of windows or doors, without the prior written consent of the Architectural Control Committee.
- (w) Landscaping. Front Yard landscaping shall be completed prior to occupancy, in accordance with the Landscape plan submitted to and approved by the Architectural Control Committee prior to construction, and may include but shall not be limited to the preparation for the planting of lawn, grass or other appropriate ground cover, and appropriate shrubbery.
Within twelve (12) months after the completion of the construction upon a Lot, the Owner must have substantially completed the landscaping of the rear portion of the Lot. All rear-yard landscaping shall be done appropriately with lawn, trees, shrubs, etc., and all rear-yard landscaping shall be maintained at a reasonable standard compatible with other homes in the Property, it being the intent of this covenant that the responsibility for and cost of front and rear yard maintenance shall solely belong to each Lot Owner. Shrub and tree planting on corner Lots shall be located so as not to create a hazard for the movement of vehicles along streets, in accordance with local ordinances. All landscaping must be approved by the Architectural Control Committee.
- (x) Planting and Gardening No planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon any property except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Architectural Control Committee.

- (y) Slope and Drainage Control. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels. The slope control areas of each Lot and all improvements in them shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility company is responsible. Lot owners are responsible to see that no nuisance or damage is created by drainage location or flow to any adjacent property.
- (z) Easements. Easements for installation and maintenance of utilities, drainage facilities and ingress and egress are reserved as shown upon the recorded plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow or drainage channels in the easements or which may impede ingress and egress. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the Lot, except for those improvements for which a public authority or utility company is responsible.
- (aa) Lateral and Subjacent Support and Drainage. Any owner who conducts activities which affect the lateral or subjacent support, or both, of adjacent landowners shall be responsible for damages proximately caused by such activities. Owners shall be responsible for all damage proximately caused by drainage from their lot(s) to adjacent landowners.
- (bb) Signs; Commercial Activity Except for one "For Rent" or "For Sale" sign of not more than two (2) square feet, no advertising signs, billboards, objects of unsightly appearance, or nuisances shall be erected, placed, or permitted to remain on any lot or any portion of the properties. No commercial activities of any kind whatever shall be conducted in any building or on any portion of the properties. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Developer or its agents during the construction and sales period or by the Association in furtherance of its powers and purposes set forth hereinafter and in its Articles of Incorporation, Bylaws and Rules and Regulations, as the same may be amended from time to time.

2.5. **CONSTRUCTION AND CONTRACTOR PROVISIONS.** In order to promote a harmonious community development and protect the character of the Property, the following guidelines are applicable to the Property:

- (a) Completion of Construction. The construction of any building on any portion of the Property shall be continuously and diligently pursued from and after the commencement of such construction, and in any event shall be substantially completed within twelve (12) months after such commencement.

- (b) Building Materials Storage. No Lot, part or portion of the Property shall be used or maintained as storage for building materials except during a construction phase. Once a dwelling is occupied or made available for sale all building materials shall be removed or stored inside such dwelling, out of public sight.
- (c) Landscaping. Front yard landscaping shall be complete prior to occupancy. Rear yard landscaping shall be complete within twelve (12) months of completion of construction.
- (d) Soils Test. The Lot purchaser is encouraged to obtain a soils test and recommendation on foundation from a Utah registered engineer prior to construction. The Architectural Control Committee may require that the Lot owner obtain a soils test and recommendation on foundation prior to the final approval. Furthermore, the Architectural Control Committee may condition final approval following the recommendations set forth in the soils test document.
- (e) Damages. Any damage inflicted on existing improvements such as curbs, gutters, streets, concrete sidewalks and such, by any purchaser or owner and/or their agents of any particular Lot in the Property must be repaired within thirty (30) days after such damage is discovered, and the expense of such repair shall be borne by the purchaser or owner.
- (f) Maintenance of Lot During Construction. Contractors or subcontractors as owner/builders must provide on-site dumpsters during construction and are required to clean up the site daily to maintain a clean work site during construction. Dirt or mud from the construction site or elsewhere, dispersed, directly or indirectly, on the public streets within the Property must be cleaned up within twenty-four (24) hours by the contractor or subcontractor as owner/builder. The Architectural Control Committee may levy up to a Five Hundred Dollar (\$500) fine against a violator and/or the owner of the Lot for each day of a such violation of this subsection continues. The fine shall be a charge on the land and shall be a continuing lien on the Lot.

ARTICLE 3 -- MEMBERSHIP AND VOTING RIGHTS

Each Owner of a Lot within the Property as that Lot is defined by this or later subdivision plats, shall be a member of the Las Hurdes Owners Association ("Association") by virtue of these Covenants.

The Association shall have one class of voting membership. All members are entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, the group of such persons shall be a member. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

ARTICLE 4 -- FINANCES AND OPERATIONS

4.1. **CREATION OF LIEN AND PERSONAL OBLIGATION OF ASSESSMENT.** The Developer and each subsequent owner of any Lot by acceptance of a deed or conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, covenants and agrees to pay to the Association, assessments or charges and interest, costs of collection and a reasonable attorney's fee, as hereinafter provided. All such amounts shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment or amount is charged. Such assessments and other amounts shall be the personal obligation of (a) the person who was the owner of such property at the time when the assessment fell due and (b) successors-in-title who took title when assessments were delinquent.

4.2. **PURPOSE OF ASSESSMENTS.** The assessments levied by the Association shall be for the purposes outlined in this Declaration

4.3. **UNIFORM RATE OF ASSESSMENT; PERIODIC ASSESSMENT.** Assessments must be fixed at a uniform rate for all Lots; provided, however, that assessments shall not accrue against the Developer or Lots owned by the Developer.

4.4. **DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS; DUE DATES.** The assessment provided for herein shall commence to accrue on the first day of the month following conveyance of the first Lot to a purchaser.

4.5. **EFFECT OF NON-PAYMENT OF ASSESSMENT—REMEDIES OF THE ASSOCIATION.** Any assessment or installment thereof not paid within thirty (30) days after the due date therefor shall be delinquent and shall bear interest from the due date at the rate of twelve percent (12%) per annum (or such lesser rate as the Directors shall set by resolution) until paid. In addition, a late fee of \$25.00 for each delinquent installment shall be imposed.

The Directors may, in the name of the Association, (a) bring an action at law against the owner personally obligated to pay any such delinquent assessment without waiving the lien of assessment, or (b) may foreclose the lien against the property in accordance with the laws of the State of Utah applicable to the exercise of powers of sale in deeds of trust or to the foreclosure of mortgages, or in any other manner permitted by law, and/or (c) may restrict, limit, or totally terminate any or all services performed by the Association in behalf of the delinquent member.

There shall be added to the amount of any delinquent assessment the costs and expenses of any action, sale or foreclosure, and a reasonable attorney's fee.

A power of sale is hereby conferred upon the Association which it may exercise. Under the power of sale the Lot of an owner may be sold in the manner provided by Utah law pertaining to deeds of trust as if said Association were beneficiary under a deed of trust. The Association may designate any person or entity qualified by law to serve as Trustee for purposes of power of sale foreclosure.

No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any common areas or by abandonment of that owner's Lot.

4.6 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage held by an institutional lender. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu thereof, shall extinguish the assessment lien as to payments which became due prior to such sale or transfer. No sale or transfer, however, shall relieve a Lot or owner from personal liability for assessments coming due after he takes title or from the lien of such later assessments.

4.4. BOOKS, RECORDS AND AUDIT. The Association shall maintain current copies of the Protective Covenants, Articles, Bylaws, Rules and other similar documents, as well as its own books, records and financial statements which shall all be available for inspection by Lot owners and insurers as well as by holders, insurers and guarantors of first mortgages during normal business hours upon reasonable notice. Charges shall be made for copying, researching or extracting from such documents. A Lot owner or holder, insurer or guarantor of a first mortgage may obtain an audit of Association records at its own expense so long as the results of the audit are provided to the Association.

ARTICLE 5 - DURATION, ENFORCEMENT, AMENDMENT

5.1. DURATION OF RESTRICTIONS. The covenants and restrictions contained herein shall run with and bind the land for a period of fifty (50) years from the date this document is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, subject to amendment as herein set forth. Until the Developer or its designee ceases to act as the Architectural Control Committee, the covenants and restrictions contained herein may be modified, amended or repealed in whole or in part at any time and from time to time by the Developer or its successor or assigns by recorded instrument.

5.2. AMENDMENT. After every Lot subject to these covenants, including Lots in any phases subsequent to the first phase, has been transferred to a bona fide purchaser, the covenants and restrictions contained herein may be amended by a recorded instrument signed by no less than the owners of seventy-five percent (75%) of the number of Lots, provided that all signatures must be notarized and obtained within a 180 day period. After the Developer or its designee ceases to act as the Architectural Control Committee, written notice of any such proposed amendment shall be sent to every owner of any Lot, part or portion of the Property at least 30 days in advance. Notwithstanding the foregoing, the Developer reserves the right to unilaterally amend the Declaration until every Lot subject to these covenants, including Lots in any phases subsequent to the first phase, has been transferred to a bona fide purchaser.

5.3. ADDITIONAL PROPERTY. Additional property may be subjected to these covenants, conditions and restrictions by the Developer. The Developer shall indicate its intent to have such property bound by these covenants, conditions and restrictions on the plat of such property, or by recording an additional set of covenants, and thereafter such additional property shall be considered as part of the Property in all

respects, and Lots therein shall constitute Lots under this agreement. This right of the Developer shall be assignable to one or more assignees.

5.4 ZONE CHANGE; NO CONTEST. Las Hurdes Subdivision is currently zoned R-3 for multiple family housing. Notwithstanding this current zoning, Developer shall have the right to continue the subdividing process for multiple family housing as contemplated by these protective covenants. By accepting a deed and title to any Lot within the Property, all Lot Owners hereby agree not to and specifically waive any right to oppose, challenge or otherwise contest any further subdivision or rezoning of Developer's property or additional property hereunder. This covenant not to contest placed upon Lot Owners hereby shall be effective for seven (7) years from the date Las Hurdes Subdivision is recorded.

5.5. NOTICES. Any notice required under the provisions of this document to be sent to any Lot owner shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of such owner.

5.6. CONSTRUCTION AND SEVERABILITY. All of the restrictions, covenants and conditions contained in this document shall be construed together. Invalidity of any one of said restrictions, covenants or conditions, or any part thereof, shall not affect the enforceability or applicability any of the remaining restrictions, covenants or conditions, or parts thereof.

5.7. GENDER AND GRAMMAR. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully express.

5.8. VIOLATION CONSTITUTES NUISANCE. Every act or omission whereby any restriction, covenant or condition in this document set forth is violated in whole or in part, is declared to be and shall constitute a nuisance, and may be abated by appropriate legal action by the Developer, the Association, or a Lot owner or owners. Remedies hereunder shall be deemed cumulative and not exclusive.

5.9. ENFORCEMENT. Each and all of the restrictions, covenants and conditions contained in this document is and are for the benefit of the Developer, the Association and of the Lot owner or owners from time to time of any Lot, part or portion of the Property. Each such restrictive covenant and condition shall inure to the benefit of and pass with each and every Lot, part or portion of the Property and shall apply to and be binding upon each and every successor in interest. Said restrictions, covenants and conditions are and shall be deemed covenants of equitable servitude, and the actual or threatened breach thereof, or the continuance of any such breach, or compliance therewith, may be enforced, enjoined, abated, or remedied by appropriate proceedings at law or in equity by the Developer, the Association, or a Lot owner or owners; provided, however, that no such breach shall affect or impair the lien of any bona fide mortgage or trust deed which shall have been given in good faith and for value, except that any subsequent owner of said Lot, part or portion of the Property shall be bound and obligated by the said restrictions, covenants and conditions, whether such ownership is obtained by foreclosure, at a trustee's sale, or otherwise. The Architectural Control Committee may levy a fine or penalty not to exceed 50% of

the amount of the maximum annual assessment against any owner who fails to refrain from violation of these covenants or a rule of the Association, after three (3) days written notice, and opportunity for hearing. A fine may be levied for each day of a continuing violation. All attorney fees and costs incurred in any such action, and all expenses incurred and any fines levied, shall constitute a lien on such Lot owner's Lot, and shall also be a personal obligation of said Lot owner, enforceable at law, until such payment therefor is made.

5.10. RIGHT TO ENFORCE. The provisions contained in these covenants shall bind and inure to the benefit of and be enforceable by the Developer, the Association or a Lot owner or owners, and each of their legal representative, heirs, successors and assigns, and failure to enforce any of said restrictions, covenants, or conditions shall in no event be deemed a waiver of the right to do so thereafter.

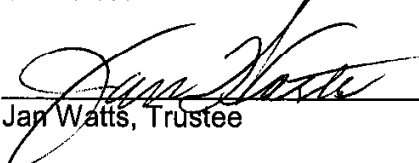
5.11. ASSIGNMENT OF POWERS. Any and all rights and power of the Developer herein contained may be delegated, transferred or assigned. Wherever the term "Developer" is used herein, it includes Developer and its successors and assigns.


IN WITNESS WHEREOF, the undersigned has hereunto executed this document this 19th day of AUGUST, 2003.

THE WATTS REVOCABLE TRUST
UAD 7/3/97


Richard C. Watts, Trustee

THE WATTS REVOCABLE TRUST
UAD 7/3/97


Jan Watts, Trustee

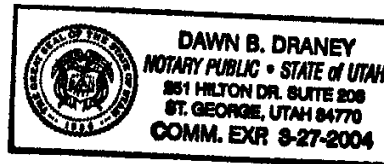

Greg G. Mathis, individually

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

On this 19th day of AUGUST, 2003, before me personally appeared Richard C. Watts and Jan Watts, whose identities are personally known to me or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn did say that they are Trustees of the Watts Revocable Trust under agreement dated 7/3/97, and that the foregoing instrument was signed by proper authority, and acknowledged before me that they executed the document in the capacity and for the purposes stated in it.


NOTARY PUBLIC

#3099053-0200



STATE OF UTAH)
COUNTY OF WASHINGTON) ss.

On this 19th day of AUGUST, 2003 before me personally appeared Greg G. Mathis personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is signed on the preceding document, and acknowledged before me that he/she/they signed it voluntarily for its stated purpose.

NOTARY PUBLIC

#3099053 - 0200



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EXHIBIT A**LEGAL DESCRIPTION**

Beginning at a point being on the east line of Valley View Drive said point being South $00^{\circ}44'15''$ West 1621.40 feet along the section line and East 573.99 feet from the North Quarter Corner of Section 26, Township 42 South, Range 16 West, Salt Lake Base & Meridian, and running;

thence northeasterly the following (3) courses along the east line of said Valley View Drive;
 thence North $25^{\circ}18'29''$ East 297.49;
 thence South $89^{\circ}08'46''$ East 7.56 feet;
 thence North $25^{\circ}18'29''$ East 1.20 feet;
 thence Easterly 31.42 feet along an arc of a 20.00 foot radius curve to the right (center bears South $66^{\circ}41'31''$ East long chord bears North $68^{\circ}18'50''$ East 28.29 feet with a central angle of $90^{\circ}00'42''$);
 thence South $66^{\circ}41'31''$ East 31.45 feet to the 1/16 line;
 thence South $89^{\circ}08'46''$ East 378.33 feet along said 1/16 line and to and along the south line to the southeast corner of Sandstone Shadows Phase II Subdivision, said point also being on the west line of Shadow Mountain Subdivision Phase IV-C;
 thence South $00^{\circ}30'30''$ West 597.28 feet along the west line of said Shadow Mountain Subdivision Phase IV-C and to and along Shadow Mountain Subdivision Phase VII;
 thence North $75^{\circ}36'57''$ West 575.15 feet;
 thence North $47^{\circ}54'26''$ West 246.43 feet;
 thence North $64^{\circ}46'03''$ West 217.34 feet to the Point of Beginning.
 Containing 7.572 acres 22 Lots

Less and excepting the following:

Beginning at a point being on the east line of Valley View Drive, said point being South $00^{\circ}44'15''$ West 1625.89 feet along the section line and East 580.60 feet from the North Quarter Corner of Section 26, Township 42 South, Range 16 West, Salt Lake Base & Meridian, and running;
 thence North $25^{\circ}18'29''$ East 296.20 feet;
 thence Easterly 34.27 feet along an arc of a 25.00 foot radius curve to the right (center bears South $66^{\circ}41'31''$ East long chord bears North $68^{\circ}18'50''$ East 33.93 feet with a central angle of $90^{\circ}00'01''$);
 thence South $66^{\circ}41'31''$ East 37.47 feet;
 thence Easterly 37.32 feet along an arc of a 340.00 foot radius curve to the left (center bears North $23^{\circ}18'29''$ East long chord bears South $71^{\circ}31'17''$ East 37.23 feet with a central angle of $04^{\circ}34'31''$);
 thence Southeasterly 29.31 feet along an arc of a 20.00 foot radius curve to the right (center bears South $15^{\circ}38'58''$ West long chord bears South $34^{\circ}05'15''$ East 26.90 feet with a central angle of $84^{\circ}31'35''$);
 thence Southerly 27.06 feet along an arc of a 75.00 foot radius curve to the right (center bears North $81^{\circ}49'27''$ West long chord bears South $18^{\circ}30'38''$ West 26.91 feet with a central angle of $20^{\circ}40'10''$);
 thence South $28^{\circ}30'44''$ West 43.78 feet;
 thence Southerly 146.29 feet along an arc of a 125.00 foot radius curve to the left (center bears South $61^{\circ}09'16''$ East long chord bears South $04^{\circ}40'30''$ East 138.08 feet with a central angle of $67^{\circ}03'08''$);
 thence South $51^{\circ}42'39''$ West 126.68 feet;
 thence North $64^{\circ}46'03''$ West 144.93 feet to the Point of Beginning.
 Containing 52,723 square feet or 1.20 acres.

Less and excepting the following:

Beginning at a point being South $00^{\circ}44'15''$ West 1717.06 feet along the section line and East 574.37 feet from the North Quarter Corner of Section 26, Township 42 South, Range 16 West, Salt Lake Base & Meridian, and running;
 thence North $71^{\circ}52'37''$ West 25.49 feet;
 thence Northwesterly 52.30 feet along an arc of a 100.00 foot radius curve to the right (center bears North $12^{\circ}07'23''$ East long chord bears North $62^{\circ}55'39''$ West 31.71 feet with a central angle of $29^{\circ}57'56''$);
 thence North $47^{\circ}54'41''$ West 170.36 feet;
 thence Northerly 100.47 feet along an arc of a 75.00 foot radius curve to the right (center bears North $42^{\circ}03'14''$ East long chord bears North $04^{\circ}51'34''$ West 93.15 feet with a central angle of $76^{\circ}48'25''$);
 thence North $28^{\circ}30'44''$ East 43.78 feet;
 thence Northerly 47.29 feet along an arc of a 125.00 foot radius curve to the left (center bears North $61^{\circ}09'16''$ West long chord bears North $18^{\circ}00'27''$ East 47.01 feet with a central angle of $21^{\circ}40'35''$);
 thence Northeasterly 29.21 feet along an arc of a 20.00 foot radius curve to the right (center bears South $82^{\circ}44'51''$ East long chord bears North $49^{\circ}00'42''$ East 26.68 feet with a central angle of $83^{\circ}41'05''$);
 thence South $89^{\circ}08'46''$ East 178.87 feet;
 thence South $00^{\circ}30'30''$ West 250.02 feet;
 thence South $12^{\circ}15'15''$ West 84.91 feet to the Point of Beginning.
 Containing 61,034 square feet 1.401 acres.