

FOR REVIEW

ORIGINAL

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,
AND RESERVATION OF EASEMENTS
FOR
GREYHAWK TOWNHOMES SOUTH PRUD,
an Expandable Utah Planned Unit Development Project**

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LAYTON CITY
COMMUNITY DEVELOPMENT

**DECLARANT
GREYHAWK TOWNHOMES SOUTH PRUD**

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RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
01/30/2009 08:49 AM
FEE \$269.00 Pgs: 62
DEP RTT REC'D FOR LAYTON CITY

WHEN RECORDED RETURN TO:

**GREYHAWK TOWNHOMES SOUTH PRUD
2150 N. Valley View Drive
Layton, Utah 84040
(801) 540-3400**

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,
AND RESERVATION OF EASEMENTS
FOR
GREYHAWK TOWNHOMES SOUTH PRUD
(an Expandable Utah Planned Unit Development Project)**

This Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Greyhawk Townhomes South PRUD, an Expandable Utah Planned Unit Development, is made and executed by GREYHAWK TOWNHOMES SOUTH PRUD, of 2150 N. Valley View Drive, Layton, Utah 84040 (the "Declarant").

RECITALS:

A. Declarant is the owner of the real property located in Davis County, Utah and described with particularity on Exhibit "A" attached (the "Property").

B. The Property is an area of unique natural beauty, featuring distinctive terrain;

C. By subjecting the Property to this Declaration, it is the desire, intent and purpose of Declarant to create a community in which beauty shall be substantially preserved, which will enhance the desirability of living on that real estate subject to this Declaration, and which will increase and preserve the attractiveness, quality and value of the lands and improvements therein.

D. This Declaration of Covenants, Conditions and Restrictions affects the real Property.

E. Declarant has constructed, is in the process of constructing, or will construct upon the Property a Planned Residential Unit Development which shall include certain privately owned Townhome Lots and Townhomes, Common Area, and other improvements. All of such construction has been, or is to be, performed in accordance with the plans contained in the Final Plat to be recorded concurrently herewith.

F. Declarant intends to sell to various purchasers the fee title to the individual Townhomes, together with an appurtenant undivided ownership interest in the Association, subject to the Final Plat and the covenants, conditions and restrictions set forth herein.

G. Declarant desires, by filing this Declaration of Covenants, Conditions and Restrictions, to submit the South Phase and all improvements now or hereafter constructed thereon.

H. The Property is to be known as "Greyhawk Townhomes South PRUD" (the "Project").

I. Since the completion of the Project may be in phases, the completed Project will consist of the original phase and all subsequent phases.

AGREEMENT

NOW, THEREFORE, Declarant hereby declares that the Property is and shall henceforth be owned, held, conveyed, encumbered, leased, improved, used, occupied and enjoyed subject to the following uniform covenants, conditions, restrictions and equitable servitudes. The said covenants, conditions, restrictions and equitable servitudes are in furtherance of, and the same shall constitute a general plan for the ownership, improvement, sale, use and occupancy of the Property; they are also in furtherance of and designed to accomplish the desires, intentions, and purposes set forth above in the Recitals.

I. DEFINITIONS

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

1. Additional Land shall mean and refer to any additional real property the Declarant decides to add to the Project.
2. Articles of Incorporation shall mean and refer to the Articles of Incorporation of the Greyhawk Townhomes South Homeowners Association on file or to be filed with the Utah Department of Commerce.
3. Assessment shall mean and refer to any amount imposed upon, assessed or charged a Townhome Owner or Resident at the Project.
4. Association shall mean and refer to all of the Townhome Owners at Greyhawk Townhomes South PRUD taken as or acting as, a group in accordance with the Declaration.
5. Board of Directors shall mean and refer to the Management Committee.
6. Building shall mean and refer to any of the structures constructed in the Project.
7. Business Use and Trade shall mean and refer to any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (a) such activity is engaged in full or part-time; (b) such activity is intended to or does generate a profit; or (c) a license is required therefore.
8. ByLaws shall mean and refer to the ByLaws of the Association, a copy of which is attached to and incorporated in this Declaration by reference as Exhibit "D".

9. Capital Improvement shall mean and refer to all new improvements intended to add to, enhance or upgrade the nature, scope, utility, value, or beauty of the Project, as opposed to ordinary repair and maintenance.

10. City shall mean and refer to the City of Layton, Utah.

11. Class B Control Period shall mean and refer to the Period of Declarant's Control.

12. Committee shall mean and refer to the Management Committee.

13. Common Areas shall mean and refer to all real property in the Project owned in common by the Townhome Owners including but not limited to the following items:

a) The real property and interests in real property submitted hereby, including the entirety of the Tract and all improvements constructed thereon, excluding the individual Townhome Lots and Townhomes.

b) All Common Areas and Facilities designated as such in the Final Plat;

c) All utility installations and all equipment connected with or in any way related to the furnishing of utilities to the Project and intended for the common use of all Townhome Owners, such as telephone, electricity, gas, water, and sewer;

g) The Project's outdoor grounds, open space, private roads, driving lanes, parking amenities, sidewalks, entry and monument;

h) All portions of the Project not specifically included within the individual Townhome Lots; and

i) All other parts of the Project normally in common use or necessary or convenient to the use, existence, maintenance, safety, operation or management of the Property owned by the Association for the common benefit of its Members.

Provided, however, utility installations such as telephone, electricity, gas, water, and sewer may be dedicated to the City and, if so, this definition shall not be construed to allow the Association to exclude the City from the ownership and control of the utility systems so dedicated.

14. Common Expense shall mean and refer to: (a) The expense of all irrigation water; (b) All sums lawfully assessed against the Owners; (c) Expenses of administration, maintenance, repair or replacement of the Project; (d) Expenses allocated by the Association among the Owners; (e) Expenses agreed upon as common expenses by the Association; and (f) Expenses declared common expenses by the Declaration.

15. Community shall mean and refer to the Project.

16. Community Wide Standard shall mean and refer to the standard of conduct, maintenance, or other activity generally prevailing in the Community, as determined by the Management Committee from time to time.

17. County Recorder shall mean and refer to the Davis County Recorder in the State of Utah.

18. Covenant to Share Costs shall mean and refer to the covenant to share the costs of maintaining the Shared Amenities and any other contract, agreement, declaration of easements, licenses and/or agreement to share costs executed by the Declarant or the Association to share the costs of maintaining certain real, personal or mixed property described therein.

19. Declaration shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Greyhawk Townhomes South PRUD.

20. Design Guidelines shall mean and refer to the architectural and engineering plans and specifications and guidelines prepared by the Declarant for the construction of the Buildings, Townhomes, and other physical improvements in the Project, including by way of illustration but not limitation all structural components and Exterior Materials.

21. Eligible Insurer shall mean and refer to an insurer or governmental guarantor of a mortgage or trust deed who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

22. Eligible Mortgagee shall mean and refer to a mortgagee, beneficiary under a trust deed, or lender who has requested notice in writing of certain matters from the Association in accordance with this Declaration.

23. Eligible Votes shall mean and refer to those votes available to be cast on any issue before the Association or the Committee. A vote which is for any reason suspended is not an "eligible vote".

24. Exterior Materials shall mean and refer to stone, rock, stucco, wood, finished lumber, brick, or other similar materials but shall not mean cinder block or concrete block or aluminum or vinyl siding. Exterior residence materials shall be of a noncombustible material. The determination whether any specific material constitutes an acceptable Exterior Material shall be made by Declarant or its designee.

25. Family shall mean one of the following: (1) a single person living alone; (2) a group of natural persons related to each other by blood or legally related to each other by marriage or adoption, such as a parent, child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, great-grandparent or great-grandchild, with an additional person or persons as domestic help or a caretaker; or (3) a group of not more than three unrelated persons living and

cooking together as a single housekeeping unit and maintaining a common household, but not as a boarding or rooming house.

26. Final Plat shall mean and refer to the recorded Final Plat for the Project.

27. Guest shall mean and refer to a visitor, guest, invitee, or any other person whose presence within the Project is approved by or is at the request of a particular Owner or Permittee.

28. Individual Charges shall mean and refer to a charge levied by the Management Committee against an Owner or Permittee for all expenses resulting from the act or omission of such Owner or Permittee, excepting the Owner's failure to pay any Assessment.

a) The act or negligence of any Permittee shall be deemed to be the act or negligence of the Owner responsible for the Permittee.

b) Individual Charges shall include, by way of illustration but not limitation, any expense resulting from the act or omission of any Owner or Permittee;

1) The cost to repair any damage to any portion of the Project on account of loss or damage caused by such Owner or Permittee; or

2) the cost to satisfy any expense to any other Owner or Owners or to the Association due to any intentional or negligent act or omission of such Owner or Permittee, or resulting from the breach by such Owner or Permittee of any provisions of the Project Documents;

3) Any transient occupancy tax, sales tax, use tax or other tax levied pursuant to the laws of the State of Utah and payable by any Owner or Permittee which the Association is or shall be required or entitled to collect on behalf of the levying authority, although this subsection is not considered an acknowledgment that any such tax may be levied;

4) Administrative costs and expenses incurred by the Committee in enforcing the Project Documents;

5) Any other fine, charge, fee, due, expense, or cost designated as an Individual Charge in the Project Documents or by the Management Committee;

6) Attorney fees, interest, and other charges relating thereto as provided in this Declaration; and

7) Individual a la carte services provided, such as cable television, additional lawn, yard or garden care, the cost of insurance covering the deductible on the master Association all-risk policy, and so forth.

While Individual Charges are not Assessments, they are secured by a lien in the same manner as Assessments, as set forth below. The Association and Management Committee also shall have all other remedies, both legal and equitable, described in this Declaration available against any Owner for nonpayment of such Owner's other monetary obligations.

29. Land shall mean and refer to all of the real property subject to this Declaration.
30. Majority shall mean and refer to those eligible votes of Owners or other groups as the context may indicate totaling more than fifty (50%) percent of the total eligible number.
31. Management Committee shall mean and refer to the Management Committee.
32. Manager shall mean and refer to the person or entity appointed or hired by the Association to manage and operate the Project and/or assist in the administration of the Association.
33. Map shall mean and refer to the Final Plat.
34. Member, unless the context clearly requires otherwise, shall mean and refer to the Owner of a Townhome, each of whom is obligated, by virtue of his ownership to be a member of the Association.
35. Mortgage shall mean and refer to both a first mortgage or first deed of trust on any Townhome, but shall not mean or refer to an executory contract of sale.
36. Mortgagee shall mean and refer to a mortgagee under a first mortgage or a beneficiary under a first deed of trust on any Townhome, but shall not mean or refer to a seller under an executory contract of sale.
37. Owner shall mean and refer to a Townhome Owner.
38. Period of Declarant's Control shall mean and refer to a period of time commencing on the date this Declaration is recorded and terminating on the occurrence of the earliest of the following events: (a) five (5) years from the effective date of this Declaration, (b) not less than 120 days after any Additional Land has been added and Townhomes to 75% of the Townhomes have been conveyed, or (c) the Declarant executes and records a written Waiver of his right to control.
39. Permanent Resident shall mean and refer to anyone who resides in the Project for more than four (4) consecutive weeks or for more than eight (8) total weeks in any calendar year.
40. Permittee shall mean and refer to a tenant, renter, lessee, or Guest of the Townhome Owner.

41. Person shall mean and refer to a natural person, corporation, partnership, trust, limited liability company, or other legal entity.
42. Phase shall mean and refer to a particular stage or area of development within the Project so designated by the Declarant.
43. Plat shall mean and refer to the Final Plat.
44. Project shall mean and refer to Greyhawk Townhomes South PRUD Project.
45. Project Documents shall mean and refer to the Declaration, ByLaws, Rules and Regulations, and Articles of Incorporation.
46. Property shall mean and refer to all of the land or real estate, improvements and appurtenances submitted to this Declaration.
47. Recreational, Oversized or Commercial Vehicle shall mean and refer to any recreational, commercial or oversized vehicle, motor home, commercial vehicle, tractor, golf cart, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other recreational or commercial transportation device of any kind.
48. Repair shall mean and refer to merely correcting the damage done sometimes by accident or fire or other cause, but more often due to the ravages of time and the deterioration resulting from ordinary wear and tear, by substituting for the damage, decayed or worn-out parts, new material, usually similar to that replaced, and so restoring the structure to its original sound condition.
49. Resident shall mean and refer to any person living or staying at the Project.
50. Shared Amenities shall mean and refer to the common facilities and amenities shared with the North and South Town Homes Subdivision, including by way of illustration and not limitation all Common Area and Facilities located in Greyhawk Townhomes South PRUD and Greyhawk Townhomes North PRUD, as shown on the Final Plats, including all recreational amenities such as the swimming pool, roads and landscaping.
51. Shared Expense shall mean and refer to: (a) Expenses of maintaining the Shared Amenity; (b) All sums lawfully assessed against the Owners pursuant to the Covenant of Shared Costs; (c) Expenses of administration, maintenance, repair or replacement of the Shared Amenities; (d) Expenses allocated by the Association among the Owners for the cost of maintaining the Shared Amenities; (e) Expenses agreed upon as Shared Expenses by the Association and the Townhome Owners at Greyhawk Townhomes North PRUD; and (f) Expenses declared Shared Expenses by the Declaration.
52. Single Family shall mean one Family unit.

53. Single Family Residence shall mean and refer to both the architectural style of a Townhome and the nature of the residential use permitted.

54. Townhomes shall mean and refer to a separate physical part of the Property intended for independent use, including one or more rooms or spaces located in one or more floors or part or parts of floors in a Building, the airspace above and the ground below. Mechanical equipment and appurtenances located within any one Townhome, or located without said Townhome but designated and designed to serve only that Townhome, such as appliances, electrical receptacles and outlets, air conditioning compressors, furnaces, water heaters, apparatus, systems or equipment, fixtures and the like, shall be considered part of the Townhome; so shall all decorated surfaces of interior walls, floors and ceilings, including but not limited to all paint, wallpaper, wall coverings, windows, window units and window frames, doors, door units and door frames, trim, carpeting, tile, linoleum and so forth. All pipes, wires, conduits, or other utility lines or installations constituting a part of the Townhome or serving only the Townhome, and any structural members, parts, components or any other property of any kind, including fixtures or appliances within any Townhome, which are removable without jeopardizing the integrity, soundness, safety or usefulness of the remainder of the Building within which the Townhome is located shall be deemed to be part of the Townhome. Where the context requires the term "Townhome" may refer to a "Townhome Lot".

55. Townhome Lot shall mean and refer to a privately owned Lot as shown on the Final Plat.

56. Townhome Number shall mean and refer to the number, letter or combination thereof designating a particular Townhome.

57. Townhome Owner shall mean and refer to the person who is the owner shown of record in the office of the County Recorder of Davis County, Utah of a fee or an undivided fee interest in a Townhome. The term Townhome Owner does not mean or include a mortgagee or a beneficiary or trustee under a deed of trust unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof.

58. Visible From a Neighboring Property shall mean with respect to any object, that such object is or would be visible to an individual 6' tall, standing at ground level on any portion of the neighboring property.

II. SUBMISSION

The Property described with particularity on Exhibit "A" attached hereto and incorporated herein by this reference is hereby submitted to the Act.

The Property is hereby made subject to, and shall be governed by the the covenants, conditions and restrictions set forth herein. The Property is also subject to the right of the City to access the roads within the Project for emergency vehicles, service vehicles, and to all of the utility installations up to the residential meters.

The Property is SUBJECT TO the described easements and rights of way. Easements and rights-of-way in favor of the City include any dedicated roadways and public utility easements and are depicted on the Final Plat.

TOGETHER WITH all easements, rights-of-way, and other appurtenances and rights incident to, appurtenant to, or accompanying the above-described parcel of real property, including by way of illustration and not limitation all easements and rights-of-way in and to the detention basin, entry way, monument, and park.

ALL OF THE FOREGOING IS SUBJECT TO: All liens for current and future taxes, assessments, and charges imposed or levied by governmental or quasi-governmental authorities; all Patent reservation and exclusions; any mineral reservations of record and rights incident thereto; all instruments of record which affect the above-described Tract or any portion thereof, including, without limitation, any mortgage or deed of trust; all visible and necessary easements and rights-of-way; all easements and rights-of-way of record; any easements, rights of-way, encroachments, or discrepancies shown on or revealed by the Final Plat or otherwise existing; an easement for each and every common area improvement, equipment, pipes, lines, cables, wires, utility systems, or similar facilities which traverse or partially occupy the above-described Tract; and all easements necessary for servicing, repairing, ingress to, egress from, maintenance of, and replacement of all such common area improvements, equipment, pipes, lines, cables, wires, utility systems, and similar facilities.

III. COVENANTS, CONDITIONS, AND RESTRICTIONS

The foregoing submission is made upon, under and subject to the following covenants, conditions, and restrictions:

1. Description of Improvements. It is intended that the Project will consist of 137 Townhomes if all of the intended improvements are made. Each Townhome will have an appurtenant patio, balcony or deck and garage. The Buildings will be constructed principally of concrete foundations with exterior walls of stucco veneer, tile roofing, interior walls of wood studs, plywood, and dry wall plaster. The Common Area and Facilities will include open space, pool, play area, roads, walkways, entry and monument, and other improvements of a less significant nature. The location and configuration of the improvements referred to in the foregoing sentence are depicted on the Final Plat.

2. Description and Legal Status of the Property. The Final Plat shows the Townhome Number of each Townhome, its location, and the Common Areas and Facilities to which it has immediate access. All Townhomes shall be capable of being independently owned, encumbered and conveyed; and shall have an appurtenant undivided percentage of ownership interest in the Common Areas and Facilities, subject to the rights of Declarant, the City, and all easements of record. Title to the Common Area and Facilities, including the Building

foundations, exterior surfaces and roofs, is hereby granted to and shall be owned by the Association for and in behalf of the Owners.

3. Membership in the Association. Membership in the Association is mandatory. Each Townhome Owner is a member of the Association. Membership may not be partitioned from the ownership of a Townhome.

4. Allocation of Losses and Voting Rights.

a) Losses and voting rights (subject to subsection (b) below) shall be distributed among the Owners equally. The percentage of ownership interest in the Common Areas and Facilities appurtenant to each Townhome is equal. The undivided interest of each Townhome Owner in the Common Areas and Facilities shall have a permanent character and shall not be altered without the consent of two-thirds (2/3) of the Townhome Owners expressed in an amended declaration duly recorded.

b) The Association shall have Class A and Class B members. Class A Members shall be all Owners with the exception of the Class B Members. Class A Members shall be entitled to vote on all issues before the Association. Each Townhome shall have one (1) vote. No vote shall be cast or counted for any Townhome not subject to Assessment. When more than one person or entity holds such interest in a Townhome, the vote for such Townhome shall be exercised as those persons or entities themselves determine and advise the Secretary of the Association prior to any meeting. In the absence of such advice, the vote of the Townhome shall be suspended in the event more than one person or entity seeks to exercise it. Any Owner who has leased his Townhome may, in the lease or other written instrument, assign the voting right appurtenant to that Townhome to the lessee, provided that a copy of such instrument is furnished to the Secretary prior to any meeting. Class B Member shall be the Declarant and any successor of Declarant who takes title for the purpose of development and sale of Townhomes, and who is designated as such in a recorded instrument executed by Declarant. The Class B Member shall be entitled to three (3) votes per Townhome owned. The Class B membership shall terminate and Class B membership shall convert to Class A membership upon the termination of the Period of Declarant's Control.

5. Transfer of Control of the Association. upon the termination of the Period of Declarant's Control, the Declarant shall call a meeting, in the manner described in Section 34 below to advise the membership of the termination of Class B status and, if it has not already occurred, to schedule transition of the operation and management of the entire Project to the Association.

6. Conveyancing. Any deed, lease, mortgage, deed of trust, or other instrument conveying or encumbering a Townhome shall describe the interest or estate involved substantially as follows:

All of Townhome No. ___ in Building No. ___ contained within
Phase ____, Greyhawk Townhomes South PRUD, as the same is

identified in the Final Plat recorded in Davis County, Utah as Entry No. ____ in Book ____ at Page ____ of the official records of the County Recorder of Davis County, Utah (as said Final Plat may have heretofore been amended or supplemented) and in the Declaration of Covenants, Conditions and Restrictions for Greyhawk Townhomes South PRUD recorded in Davis County, Utah as Entry No. ____ in Book ____ at Page ____ of the official records of the County Recorder of Davis County, Utah (as said Declaration may have heretofore been supplemented), together with an undivided percentage of ownership interest in the Common Areas and Facilities.

Regardless of whether or not the description employed in any such instrument is in the above-specified form, all provisions of this Declaration shall be binding upon and shall inure to the benefit of any party who acquires any interest in a Townhome. Neither the membership in the Association nor percentage of ownership interest in the Common Areas shall be separated from the Townhome to which it appertains; and, even though not specifically mentioned in the instrument of transfer, such mandatory membership in the Association and such right of exclusive use shall automatically accompany the transfer of the Townhome to which they relate.

7. Architectural and Design Guidelines. The Declarant has prepared or will prepare Design Guidelines for the Project. The approved Design Guidelines shall apply to all construction activities within the Project. The Declarant shall have sole and full authority to change, amend, and supplement the Design Guidelines as long as it owns any of the Property. The Declarant or, after transition of the Project, the Association must stamp all proposed plans and specifications to construct or remodel a Building or Townhome "approved and in compliance with the Declaration and Design Guidelines" before presenting such plans and specifications to the City for the issuance of a Building permit.

8. Ownership and Use Restrictions. Each Owner shall be entitled to the exclusive ownership and possession of his Townhome Lot, to an undivided percentage of ownership interest in the Association, which owns the Common Area and Facilities, as set forth herein, subject to these use restrictions which may be modified from time to time:

a) Nature and Restrictions on Ownership and Use in General. Each Owner shall have and enjoy the privileges of fee simple ownership of his Townhome. There shall be no requirements concerning who may own a Townhome, it being intended that they may and shall be owned as any other property rights by persons. The Common Areas shall only be used in a manner consistent with the residential nature of the Project.

b) Title to the Common Area. The Association shall own the Common Areas and Facilities. The Declarant represents that the Common Area will be free and clear of all liens (other than current years taxes, if any) prior to the Declarant's first conveyance of a Townhome Lot.

c) Mandatory Association. Each purchaser of a Townhome, by virtue of accepting a deed or other document of conveyance thereto, shall automatically become a member of the Association.

d) Member's Easements and Rights of Way. Every Member of the Association shall as an Owner have the right and non-exclusive easement to use and enjoy the Common Area and Facilities. Such right and easement shall be appurtenant to and shall pass with the title to every Townhome Lot, subject to the following restrictions:

(1) The right of the Association to limit the number of Guests, and to adopt administrative rules and regulations from time to time governing the use and enjoyment of the Common Area;

(2) The right of the Association to suspend the voting rights and the privilege to use the recreational amenities by a member for: (a) any period during which his Assessment remains delinquent, and (b) a period not to exceed thirty (30) days after notice and hearing as may be set forth hereinafter for any infraction of the Association rules;

(3) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for the purpose of providing utilities and similar or related purposes; provided, however, if a Patio Home Lot has been financed by a government agency, such as VA, FHA or HUD, the consent of said agency will be required. During the Declarant's Period of Control, any such dedication or transfer shall be effective only if approved in writing by the Declarant; and

(4) The right of the Association to charge a reasonable admission or other user fee for the use of any recreational facility situated upon the Common Area.

e) Rules and Regulations. The Association, acting through its Management Committee, shall have the power and authority to adopt administrative and/or house rules and regulations and, in its sole discretion, to impose reasonable user fees for the amenities. Such rules, regulations and use restrictions shall be binding upon all Owners and Residents, their guests and invitees.

(1) Parties Bound. All provisions of the Project Documents shall be binding upon all Owners, Guests and Permittees.

(2) Nuisance. It shall be the responsibility of each Owner to prevent the creation or maintenance of a nuisance in, on or about the Project. The term "nuisance" includes but is not limited to the following:

a. The development of any unclean, unhealthy, unsightly, or unkempt condition on, in or about his Townhome or the Common Areas;

b. Maintaining any plants, animals, devices or items, instruments, equipment, machinery, fixtures, or things of any sort whose activities or existence in any way is illegal, noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community by other residents, their guests or invitees;

c. Unreasonable amounts of noise or traffic in, on or about any Townhome or the Common Area, especially after 10:00 p.m. and before 7:00 a.m. during the week and midnight and 8:00 a.m. during weekends; and

d. Drug houses and drug dealing; the unlawful sale, manufacture, service, storage, distribution, dispensing or acquisition occurs of any controlled substance; gambling; criminal activity; parties which occur frequently which bother, annoy or disturb other reasonable residents or interfere with their quiet and peaceful enjoyment of the premises; prostitution; or other violation of U.C.A., Section 78-38-9 (1999) as amended or supplemented.

(3) Removing Garbage, Dust and Debris. All rubbish, trash, refuse, waste, dust, debris and garbage shall be deposited in sealed plastic bags or other authorized containers, shall be regularly removed from the Townhome, not being allowed to accumulate therein so as to create a sanitation, health or safety hazard, and shall be disposed of within dumpsters provided by the Association.

(4) Subdivision of a Townhome Lot. No Townhome Lot may be subdivided.

(5) No Severance. The elements of a Townhome and other rights appurtenant to the ownership of a Townhome, including interest in Common Areas and Facilities and Facilities, if any, are inseparable, and each Owner agrees that he shall not, while this Declaration is in effect, make any conveyance of less than an entire Townhome and such appurtenances. Any conveyance made in contravention of this Subsection, including under any conveyance, encumbrance, judicial sale or other transfer (whether voluntary or involuntary) shall be void.

(6) Firearms, Incendiary Devices and Graffiti. The use of firearms and incendiary devices, or the painting or graffiti, within the Project is prohibited. The term firearms includes but is not limited to all guns, pistols, handguns, rifles, automatic weapons, semi-automatic weapons, BB guns, pellet guns, sling shots, wrist-rockets, blow-dart guns, and other firearms of all types, regardless of size.

(7) Temporary Structures. No Owner or occupant shall place upon any part of the Project any temporary structures, including but not limited to dog runs, storage Townhomes, tents, trailers and sheds or their equivalent, without the prior written consent of the Management committee; provided, however, tents may be allowed for up to forty-eight (48) hours by Townhome Owners in the Common Area, including any Common Area immediately adjacent to their Buildings.

(8) Trees, Shrubs and Bushes; Maintenance of Proper Sight Distance at Intersections. All property located at or near driveways, entrances, exits, walkways, paths and street intersections or corners shall be landscaped so as to remove any obstructions and to permit safe sight. No fence, wall, hedge, shrub, bush, tree or monument, real or artificial, shall be planted or placed by any Owner or occupant in, on or about the Common Areas without the prior written consent of the Management Committee. The Management Committee may alter or remove any objects planted or placed in violation of this subsection and shall not be guilty of a trespass.

(9) Energy Conservation Equipment. Unless expressly allowed by state law or City ordinance, no solar energy collector panels, other energy conservation equipment or attendant hardware shall be constructed or installed on the Project without the prior express written consent of the Management Committee.

(10) Business Use. No Business Use and Trade may be conducted in or from any Townhome unless: (a) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the residence; (b) the business activity conforms to all home occupation ordinances and zoning requirements for the Project; (c) the business activity does not involve persons coming onto the Project who do not reside in the Project or door-to-door solicitation of residents of the Project; and (d) the business activity is consistent with the residential character of the Project and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Project, as may be determined in the sole discretion of the Management committee.

Notwithstanding the above, the leasing of a residence shall not be considered a trade or business within the meaning of this sub-section.

(11) Storage and Parking of Vehicles. The driving, parking, standing and storing of motor vehicles in, on or about the Project shall be subject to the following:

a. The parking rules and regulations adopted by the Management committee from time to time;

b. The parking areas are NOT designed for Recreational, Commercial or Oversized motor vehicles. ALL Recreational, Commercial and Oversized Vehicles shall be parked outside the Project, except for purposes of loading and unloading.

c. No motor vehicle or trailer may be parked or stationed in such a manner so as to create a potentially dangerous situation.

d. Except for purposes of loading and unloading, no motor vehicle or trailer may be parked or stationed in such a manner so as to create an obstacle or along any street or road, or in front of any garage, walkway, driveway, Building or Townhome, or in an unauthorized Common Areas.

e. Except as otherwise expressly and specifically noted herein, Residents may only park their motor vehicles within their driveways and garages.

f. Residents may not park their motor vehicles in red zones, fire lanes, Guest or visitor parking, or other unauthorized areas.

g. Visitors or Guests shall park their motor vehicles in Common Areas designated for Guest or visitor parking.

h. No Owners or Residents shall repair or restore any vehicle of any kind in, on or about any Townhome Lot or the Common Area, except for emergency repairs, and then only for a seventy-two (72) hour period to enable movement thereof to a proper repair facility

i. No garage may be altered in such a manner that the number of motor vehicles which may reasonably be parked therein after the alteration is less than the number of motor vehicles that could have been reasonable parked in the garage as originally designed and constructed.

j. No motor vehicle shall be parked in such a manner as to inhibit or block access to a Townhome, garage, driveway, driving lane or parking area.

k. All parking areas shall be used solely for the parking and storage of motor vehicles used for personal transportation.

ⁿ (1) Parking in the street is allowed, except between November 15 and March 15 of each year to facilitate snow removal.

(12) Aerials, Antennas, and Satellite Systems. Antennas and satellite dishes shall be prohibited within the Property, except (a) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter or diagonal measurement; (b) antennas or satellite dishes designed to receive video programming services via multipoint distribution services which are one meter or less in diameter or diagonal measurement; or (c) antennas or satellite dishes designed to receive television broadcast signals ("Permitted Devices") shall be permitted, provided that any such Permitted Device is located within the Townhome Lot or another approved structure on the Property. The Management Committee may adopt rules establishing a preferred hierarchy of alternative locations and requiring screening of all Permitted Devices, so long as such rules do not unreasonably increase the cost of installation, maintenance, or use of the Permitted Device in the authorized areas.

(13) Window Coverings, Awnings and Sun Shades. No-aluminum foil, newspapers, reflective film coatings, or any other similar materials may be used to cover the exterior windows of any residential structure on a Townhome. Sun shades are not allowed on the exterior of any Building, unless the color, style, construction material and uniformity of appearance is approved by the Management Committee.

(14) Windows. All windows and window panes in the Project shall be harmonious, and comparable in size, design and quality so as not to detract from uniformity in appearance and quality of construction.

(15) Pets. No pets, animals, livestock or poultry of any kind shall be bred in, on or about the Project. Up to two (2) domestic pets per ~~Patio~~^{Patio}-Home are allowed. All pets must be properly licensed and registered with the appropriate governmental agency, abide by all pet rules and regulations adopted by the Management Committee from time to time. Pets may not create a nuisance. The following acts of an animal may constitute a nuisance: (a) it causes damage to the property of anyone other than its owner; (b) it causes unreasonable fouling of the air by odors; (c) it causes unsanitary conditions; (d) it defecates on any common area and the feces are not immediately cleaned up by the responsible party; (e) it barks, whines or howls, or makes other disturbing noises in an excessive, continuous or untimely fashion; (f) it defecates in the Common Area or another ~~Patio~~^{Patio}-Home Lot; (g) the owner fails to immediately clean up after his pet; or (h) it molests or harasses passersby by lunging at them or chasing passing vehicles. Pets may not be tied or tethered in the Common Area. The Management Committee may require a pet deposit or a pet registration fee.

(16) Insurance. Nothing shall be done or kept in, on or about any Townhome or in the Common Areas which may result in the cancellation of the insurance on the Property or an increase in the rate of the insurance on the Property, over what the Management Committee, but for such activity, would pay.

(17) Laws. Nothing shall be done or kept in, on or about any Townhome or Common Areas, or any part thereof, which would be a violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body.

(18) Damage or Waste. No damage to, or waste of, the Common Areas shall be committed by any Owner or Resident, their guests or invitees; and each Owner and Resident shall indemnify and hold the Management Committee and the other Owners in the Project harmless against all loss resulting from any such damage or waste caused by that Owner or Resident, their guests or invitees; provided, however, that any invitee of the Declarant shall not under any circumstances be deemed to be an invitee or any other Owner.

(19) Structural Alterations. Except in the case of an emergency repair, no structural alterations, plumbing, electrical or similar work within the Common Areas shall be done or permitted by any Owner without the prior written consent of the Management Committee.

9. Leases. Any agreement for the leasing, rental, or occupancy of a Townhome (hereinafter in this Section referred to as a "lease") shall be in writing and a copy thereof shall be delivered to the Management Committee upon request. By virtue of taking possession of a Townhome, each lessee agrees to be subject to and abide by these restrictive covenants, and that any covenant violation shall be deemed to constitute a default under the lease. No Owner shall

be permitted to lease his Townhome for transient, hotel, seasonal, or corporate use, which by way of illustration and not limitation includes any rental with an initial term of less than one (1) year. Daily or weekly rentals are prohibited. No Owner may lease individual rooms to separate persons or less than his entire Townhome without the express written consent of the Management Committee. Within ten (10) days after delivery of written notice of the creation of a nuisance or material violation of these restrictive covenants, the Owner shall proceed promptly to abate the nuisance or cure the default, and notify the Management Committee in writing of his intentions. Other than as stated in this Section, there is no restriction on the right of any Owner to lease or otherwise grant occupancy rights to a Townhome.

10. Easements. The Declarant hereby reserves to itself and/or grants to the Association and Owners the following easements:

a) Grant of Easement. Declarant hereby reserves to itself and grants to the Association, a non-exclusive, perpetual right-of-way and easement over, across and through the Tract, together with the right to use, operate, maintain, repair and replace the Common Areas and Facilities, subject to all of the terms, covenants, conditions and restrictions set forth herein.

b) Common Use of Easement. Said easement is to be used in common by the Association, Declarant and each Owner, subject to all of the terms, covenants, conditions and restrictions set forth herein.

c) Private Easement. The easement created is intended to be used as a private non-exclusive easement for the exclusive use and benefit of Declarant, Association and Owners.

d) Encroachments. If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon a Building or Townhome Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Building or Townhome Lot encroaches or shall hereafter encroach upon the Common Areas and Facilities, or upon an adjoining Building or Townhome Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. Such easements shall extend for whatever period the encroachment exists. Such encroachments shall not be considered to be encumbrances either on the Common Areas and Facilities, Buildings or Townhome Lots. Encroachments referred to herein include, but are not limited to, encroachments caused by error in the original construction of any improvement constructed or to be constructed within the Project, by error in the Final Plat, by settling, rising or shifting of the earth, or by changes in position caused by repair or reconstruction of the Project or any part thereof.

e) Improvements. Improvements, including Buildings, Townhome Lots, and Common Areas and Facilities constructed may encroach upon portions of other Buildings, Townhome Lots or Common Areas and Facilities within the Project. A perpetual easement for such encroachment necessary to repair, maintain and operate such improvements is hereby granted.

f) Rights of Access. Each Owner shall have the right to ingress and egress over, upon and across the Common Areas and Facilities as necessary for access to his Building and Townhome Lot and to any immediately adjacent Common Area appurtenant to his Townhome Lot, and he shall have the right to the horizontal, vertical and lateral support of his Building and Townhome Lot.

g) Declarant's Easement. The Declarant hereby reserves to itself, and its affiliates and assignees, an exclusive easement to make such use of the Common Areas and Facilities as may be necessary or convenient to perform the duties and functions that each is obligated or permitted to perform pursuant to the Declaration, including, without limitation, the right to construct and maintain the Common Areas and Facilities for use by the Association and Owners.

h) Construction Easements. The Declarant hereby reserves for itself and its affiliates and assignees a temporary construction easement over the Common Areas and Facilities for the purpose of doing all things that are reasonably necessary as a part of constructing any new improvements for the Project including all physical improvements as well as all Buildings and Townhome Lots. The Owners by acceptance of a deed or other document of conveyance to a Townhome Lot do hereby acknowledge and agree that there will be construction activities, traffic, noises, odors and vibrations which may temporarily disrupt their quiet enjoyment of their property until all improvements are complete, and such Owners do hereby waive any right to object to such construction activity; provided, however, Declarant shall endeavor to use reasonable efforts to minimize the adverse impact of such construction activities on the Owners. Declarant's construction activities pursuant to the easement granted hereunder shall not be considered a violation of the Use Restrictions.

i) Locations Facilities Easements. Declarant hereby reserves to itself a non-exclusive easement for itself and its affiliates and assignees to construct, operate, maintain, repair and replace all types of telecommunication facilities, including but not limited to roof antennas, within suitable locations for such facilities (the "Locations of Facilities") within the Project. Declarant further reserves a right of access to the Locations of Facilities over, across, and through all other Common Areas and Facilities in order to access the Locations of Facilities to exercise the rights established herein. Declarant reserves the perpetual right to transfer by easement, license agreement or other conveyance the rights reserved hereunder to one or more telecommunication facilities providers. Declarant may exercise all of such rights unilaterally and without the consent of any Owner, Mortgagee or the Association. The Association, for itself and on behalf of all Owners, agrees to execute such further and additional instruments as may be requested by Declarant documenting the rights hereunder, in form satisfactory to the Declarant, and any assignee of its rights hereunder.

k) Entry Monument Easement. Easements the Entry Monument and corresponding utility and drainage systems and facilities, and irrigation are reserved hereby and on the recorded Final Plat. An Owner may not do any landscaping, grading or work, or install any structure, building, improvement, planting, or other object, natural or artificial, or materials which may damage or interfere with the installation and maintenance of utilities, Entry

Monument, or which may change the direction of flow of drainage channels in, on or about the easements and rights of way, or which may obstruct or retard the flow of water through the drainage channels in the easements and rights of way. If a drainage channel is altered by an Owner, the Declarant and/or the Association expressly reserve the right to enter onto the property to restore the area at the cost of the Owner, and without being guilty of a trespass.

l) Support, Maintenance and Repair. There is hereby reserved to the Association, and the Association is hereby granted a non-exclusive easement over, across, through, above and under the Townhomes and the Common Area for the operation, maintenance, and repair of the Common Area and Facilities, and regulation of the Design Guidelines.

11. Liability of Owners and Residents For Damages and Waste. Each Owner or Resident shall be liable to the Association, or other Owners or Residents, for damages to person or property and waste in the Community caused by his negligence.

12. Status and General Authority of Management Committee. Any instrument executed by the Management Committee that recites facts which, if true, would establish the Committee's power and authority to accomplish through such instrument what is purported to be accomplished thereby, shall conclusively establish said power and authority in favor of any person who in good faith and for value relies upon said instrument. The Association shall, in connection with its exercise of any of the powers delineated in subparagraphs (a) through (j) below, constitute a legal entity capable of dealing in its Committee name. The Management Committee shall have, and is hereby granted, the following authority and powers:

a) Access. The right, power and authority to have access to each Townhome: (1) from time to time during reasonable hours and after reasonable notice to the occupant of the Townhome being entered, as may be necessary for the maintenance, repair or replacement of any of the Common Areas and Facilities; or (2) for making emergency repairs necessary to prevent damage to the Common Areas and Facilities or to another Townhome or Townhomes, provided that a reasonable effort is made to provide notice to the occupant of the Townhome prior to entry.

b) Grant Easements. The authority, without the vote or consent of the Owners, Mortgagees, insurers or guarantors of any Mortgage, or of any other person, to grant or create, on such terms as it deems advisable, reasonable permits, licenses, and non-exclusive easements over, under, across, and through the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance, operation or regulation of the Project.

c) Execute Documents. The authority to execute and record, on behalf of all Owners, any amendment to the Declaration or Final Plat which has been approved by the vote or consent necessary to authorize such amendment.

d) Standing. The power to sue and be sued.

e) Enter Into Contracts. The authority to enter into contracts which in any way concern the Project, so long as any vote or consent necessitated by the subject matter of the agreement has been obtained.

f) Transfer Interests in Real Property. The power and authority to exchange, convey or transfer any interest in real property, so long as it has been approved by at least sixty seven percent (67%) of the Townhomes.

g) Purchase Property. The power and authority to purchase, otherwise acquire, and accept title to, any interest in real property, so long as it has been approved by at least sixty seven (67%) percent of the Townhomes.

h) Add Property. The power and authority to add any real property, or interest therein, obtained pursuant to subparagraph (g) above to the Project, so long as it has been approved by at least sixty seven (67%) percent of the Townhomes.

i) Borrow Money and Pledge Collateral. The power and authority to borrow money and pledge collateral so long as it has been approved by at least sixty seven (67%) percent of the Townhomes.

j) Promulgate Rules. The authority to promulgate such reasonable administrative guidelines, rules, regulations, policies and procedures as may be necessary or desirable to aid the Committee in carrying out any of its functions or to insure that the Project is maintained and used in a manner consistent with the Act and this Declaration.

k) Meetings. The authority to establish procedures for the conduct of its meetings, including but not limited to the power to decide what portion of the meeting shall be open or closed to Owners or Residents not on the Committee, to retire to executive session, to regulate record keeping, and to allow, control or prohibit the electronic reproduction (video or audio) of Committee meetings.

l) Delegation of Authority. The power and authority to delegate its responsibilities over the management and control of the Common Areas and regulation of the Project to a professional manager, reserving the right, power and authority, however, to control and oversee the administration thereof.

m) All other Acts. The power and authority to perform any and all other acts, and to enter into any other transactions which may be reasonably necessary for the Management Committee to perform its functions on behalf of the Owners.

Anything to the contrary notwithstanding, while Declarant controls the Association and before the end of the Period of Declarant's Control, any amendments to the Declaration or mergers must (where appropriate) be approved in writing and in advance by Federal Housing Administration of the United States Department of Housing and Urban Development (FHA), the Federal Home Loan Mortgage Corporation or the Mortgage Corporation (FHLMC), Federal National Mortgage

Association (FNMA), Government National Mortgage Association (GNMA) or the Department of Veterans Affairs (VA).

13. Delegation of Management Responsibilities: The Management Committee may delegate some of its management responsibilities to either a professional management company, an experienced on-site manager, an independent contractor, through service contracts, or any combination thereof. The Manager may be an employee or an independent contractor. The termination provision of any such contract must not require a termination penalty or any advance notice of any more than sixty (60) days, and no such contract or agreement shall be for a term greater than one (1) year. The Management Committee may also employ general laborers, grounds crew, maintenance, bookkeeping, administrative and clerical personnel as necessary to perform its management responsibilities. Provided, however, any management contract may be terminated for cause on thirty (30) days notice in accordance with Title 38, Code of Federal Regulations, Section 36.4360a (f), as it may be amended from time to time.

14. Lists of Owners, Renters, Eligible Mortgagees, Insurers and Guarantors. The Management Committee shall maintain up to date lists of the name, address and phone number of all Owners, Renters, Eligible Mortgagees, Insurers and Guarantors. The Owners, Mortgagees, Insurers and Guarantors have a duty to provide this information to the Committee.

15. Operation, Maintenance and Alterations. Each Townhome, Townhome Lot and Common Area shall be maintained, repaired, and replaced in accordance with the following covenants, conditions and restrictions:

a) Clean, Safe, Sanitary and Attractive Condition. The Townhomes, Townhome Lots and Common Area shall be maintained in a usable, clean, functional, safe, sanitary, attractive and good condition, consistent with Community Standards.

b) Landscaping. All landscaping in the Project shall be maintained and cared for in a manner consistent with the standards of design and quality originally established by Declarant and in accordance with any City landscaping maintenance plans or ordinances. Specific additional written guidelines, standards, controls, and restrictions on landscaping may be adopted or amended by the Management Committee from time to time. All landscaping shall be maintained in a safe, sanitary, aesthetic and orderly condition. Any weeds or diseased or dead lawn, trees, ground cover or shrubbery shall be removed and replaced. All lawn areas shall be neatly mowed and trees, shrubs and bushes shall be neatly trimmed. All landscaping shall be tasteful, so as not to affect adversely the value or use of any other Townhome, or to detract from the uniform design and appearance of the Project.

c) Area of Common Responsibility. Unless otherwise expressly noted, the Association shall maintain, repair and replace (i) all of the Common Area and Facilities within or serving the Project; (ii) open space and common landscaping; (iii) private roads, driving lanes and parking amenities; (iv) entry and entry monument; and (v) all front yards. For use herein the term "front yard" means that portion of the lot, extending from one side lot line to another,

between the front lot line of the lot and a line drawn parallel thereto. The depth of such yard shall mean the perpendicular distance between the front line of the lot and the parallel line. The front yard depth is the distance between the front lot line and the foundation wall or supporting posts nearest the front lot line. For a corner lot, the front yard, which is usually facing the same street as the front yard of an adjacent lot, will be determined by the Declarant. The front door of a house on a corner lot may face either street. The Owners may at their sole expense employ a subcontractor to maintain their side and rear yards. The Association is responsible to remove all snow and ice accumulations from the (i) Common Area and Facilities (ii) driveways and (iii) front yard sidewalks.

d) Area of Shared Responsibility. The Association shall share the responsibility of maintaining the Shared Amenities with the Townhome Owners at Greyhawk Townhomes North PRUD equally, share and share alike (the "Covenant to Share Costs"). This includes but is not limited to the cost of repairing and/or replacing the physical improvements, and establishing a reserve account.

(1) Administration. The Greyhawk Townhomes North Homeowners Association shall be responsible to administer the common funds necessary to maintain the Area of Shared Responsibility.

(2) Collection of Shared Assessments. The Association shall collect from the Townhome Owners at Greyhawk Townhomes South PRUD their share of this Shared Expense, and shall make payment thereof at least monthly to the Greyhawk Townhomes North Homeowners Association, who shall administer the Shared Amenity.

(3) Dispute Resolution. In the event of a dispute with the Greyhawk Townhomes North Homeowners Association about the necessity or appropriateness of maintenance, repair or replacement of the Shared Amenities, each Association shall select an arbiter and the two arbiters shall select a chairman, and the panel of three shall decide the question, and their decision shall be binding, final and conclusive.

(4) Late Fees. A reasonable late fee established by the Management Committee of the Greyhawk Townhomes North Homeowners Association shall be assessed on all late payments. A payment received by the Management Committee ten (10) days or more after its due date shall be considered late for purposes of this subsection.

(5) Default Interest. Default interest at a reasonable rate determined by the Management Committee of the Greyhawk Townhomes North Homeowners Association shall accrue on the outstanding balance of each delinquent account.

(6) Lien. If any Townhome Owner fails or refuses to make any payment of his portion of the Shared Expenses when due, that amount shall constitute a lien on the interest of the Owner in the Property, and upon the recording of notice of lien by the Management Committee of the Greyhawk Townhomes North Homeowners Association or its designee it is a lien upon the Owner's interest in the Property prior to all other liens and

encumbrances, recorded or unrecorded, except: (1) tax and special assessment liens on the Townhome in favor of any assessing Townhome or special improvement district; and (2) encumbrances on the interest of the Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

e) Area of Personal Responsibility. Each Owner shall maintain, repair and replace his (i) Townhome; (ii) all exterior surfaces, foundations, columns, girders, beams, supports, main walls, and roof of his Home; (iii) driveway and other cement or similar surfaces located on his Townhome Lot, (iv) side and rear yards; and (v) all interior spaces and improvements, individual services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, fixtures, windows and window systems, glass, doors and door systems, garage doors and garage door systems, patios, balconies and decks, gates, latches, privacy fencing (if any), plumbing fixtures, systems and lateral pipes or valves servicing only his Townhome, including any damage caused thereby and not covered by insurance. Each Townhome Owner shall also maintain his Townhome Lot broom clean and free of debris. No Townhome Owner shall allow his Townhome, Townhome Lot or immediately adjacent Common Area to detract from the health, safety or uniform appearance or design of the Project. The construction materials for doors or windows Visible From A Neighboring Property may be subject to the approval of the Management Committee or Architectural Review Committee as to uniformity of appearance and quality of construction. Owners may be required to remove at their expense any non-conforming materials. Owners are responsible to remove all snow and ice accumulations from the side and rear yards of their Townhome Lots.

f) Default Provisions. If (except in the case of an emergency) after written notice and a hearing, it is determined that any responsible party has failed or refused to discharge properly his obligation with regard to the maintenance, repair, or replacement of the real property and improvements described herein, or that the need for maintenance, repair, or replacement thereof is caused through the willful or negligent act of any person, then the Association, or Management Committee may, but is not obligated to, provide such maintenance, repair, or replacement at the defaulting or responsible party's sole cost and expense (the "Default Maintenance Cost"). The term "emergency" as used here means a situation or condition in which there is a threat of imminent and substantial harm to person or property. The Default Maintenance Cost is the debt of such defaulting or responsible party at the time the expense is paid and shall be collectible as such. In addition, it may be considered a "Fine" against a Townhome Owner. A Fine assessed hereunder which remains unpaid after the time for appeal has expired becomes a lien against the Townhome Owner's interest in the property in accordance with the same standards as a lien for the nonpayment of Common Expenses under U.C.A., Section 57-8-20.

g) Alterations to the Common Area. The Declarant may make changes to the design and construction of the improvements located in or on the Common Areas without additional approval required, including without limitation the consent of the Management Committee or Members of the Association; provided, however, no Owner or Permittee may make any structural alterations to the Common Area without the express prior written consent of the Management Committee.

h) Certain Work Prohibited. No Townhome Owner shall do any work or make any alterations or changes which would jeopardize the soundness or safety of the Property, reduce its value or impair any easement or hereditament, without in every such case the unanimous written consent of all the other Townhome Owners being first had and obtained.

16. Common Expenses. Each Owner shall pay his Assessments subject to and in accordance with the procedures set forth below.

a) Declarant. Anything to the contrary notwithstanding, the Declarant shall not be obligated to pay Assessments on any Townhomes owned by it until such time as: (1) the physical structures are substantially completed; (2) certificates of permanent occupancy are issued and the Townhomes are sold or rented; or (3) Declarant elects in writing to pay the Assessments, whichever first occurs.

b) Purpose of Common Area Expenses. The Assessments provided for herein shall be used for the general purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners and residents, including the maintenance of any real and personal property owned by the Association, and regulating the Community, all as may be more specifically authorized from time to time by the Management Committee.

c) Creation of Assessments. Since the Assessments shall pay for the common expenses of the Association, as shall be determined by the Management Committee from time to time, each Owner, by acceptance of a deed to a Townhome, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association in a timely manner all Assessments assessed by the Management Committee.

d) Budget. At least thirty (30) days prior to the Annual Homeowners Meeting, the Management Committee shall prepare and deliver to the Owners a proposed Budget which:

(1) Itemization. Shall set forth an itemization of the anticipated Common Expenses for the twelve (12) month calendar year, commencing with the following January 1.

(2) Basis. Shall be based upon advance estimates of cash requirements by the Management Committee to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Areas and regulation of the Association, which estimate shall include but is not limited to expenses of management, irrigation water, grounds maintenance, taxes and special assessments, premiums for all insurance which the Management Committee is required or permitted to maintain, the Common Area and Facilities, Buildings, exterior surfaces, roofs, foundations, ~~city water bill~~ (the individual Owners shall pay all other utility charges), trash collection, wages for Association employees, legal and accounting fees, any deficit remaining from a previous period; the creation

of a reasonable contingency reserve, surplus or sinking fund, capital improvement reserve, and other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under and by reason of this Declaration. Until the Project is completed, and all Phases are added, this estimate may need to be adjusted periodically as each new Phase is completed.

e) Apportionment. The common profits, losses and voting rights of the Project shall be distributed among and the common expenses shall be charged equally to the Townhome Owners.

f) Approval of Budget and Assessments. The proposed Budget and the Assessments shall become effective unless disapproved at the Annual Meeting by a vote of at least a majority of the percentage of ownership interest in the Common Areas. Notwithstanding the foregoing, however, if the membership disapproves the proposed budget and Assessments or the Management Committee fails for any reason to establish the Budget and Assessments for the succeeding year, then and until such time as a new budget and new Assessment schedule shall have been established, the Budget and the Assessments in affect for the then current year shall continue for the succeeding year.

g) Payment of Assessments. The Management Committee has the sole authority and discretion to determine how and when the annual Assessments are paid.

h) Additional Services. The Management Committee may but is not obligated to add to the Assessment of any particular Townhome or Townhome Owner additional charges for individual services offered or provided, not a Common Expense.

i) Personal Obligation of Owner. Owners are liable to pay all Assessments assessed and Additional Charges; provided, however, no first mortgagee or beneficiary under a first deed of trust (but not the Seller under a uniform real estate contract, land sales contract, or other similar instrument), who obtains title to a Townhome pursuant to the remedies provided in the mortgage or trust deed shall be liable for unpaid Assessments which accrued prior to the acquisition of title. For purposes of this Section, the term "Owner" shall mean and refer jointly and severally to: (1) the Owner of both the legal and equitable interest in any Townhome; (2) the owner of record in the offices of the County Recorder of Davis County, Utah; and (3) both the Buyer and Seller under any executory sales contract or other similar instrument.

j) Equitable Changes. If the aggregate of all monthly payments on all of the Townhomes is too large or too small as a result of unanticipated income or expenses, the Committee may from time to time effect an equitable change in the amount of said payments. Owners shall be given at least thirty (30) days written notice of any changes.

k) Dates and Manner of Payments. The dates and manner of payment shall be determined by the Committee.

l) Reserve Account. The Committee shall establish and maintain a reserve account or accounts to pay for unexpected operating expenses, major Repairs, and Capital Improvements.

m) Analysis Report. The Management Committee shall prepare and update at least annually a written Capital Asset Replacement and Reserve Account Analysis, and make the report available to the Owners at the annual meeting of the Association.

n) Acceleration. The Management Committee may but is not obligated to accelerate the entire annual Assessment of a delinquent Owner who has not cured his default within thirty (30) days after written notice.

o) Statement of Assessments Due. Upon written request, the Committee shall furnish to any Owner a statement of Assessments due, if any, on his Townhome. Failure to provide the certificate within ten (10) days after a written request is received by the Secretary, shall be deemed conclusive evidence that all Assessments are paid current. The Association may require the advance payment of a processing charge not to exceed \$15.00 for the issuance of such certificate.

p) Superiority of Assessments. All Assessments and liens created to secure the obligation to pay Assessments are superior to any homestead exemptions to which an Owner may be entitled which insofar as it adversely affects the Association's lien for unpaid Assessments and each Owner, by accepting a deed or other document of conveyance to a Townhome, waives his right to claim his homestead exemption has priority.

q) Suspension of Right to Vote for Non-Payment. At the discretion of the Committee, the right of an Owner to vote on issues concerning the Association may be suspended for up to ninety (90) days if the Owner is delinquent in the payment of his Assessments, and has failed to cure or make satisfactory arrangements to cure the default after reasonable notice of at least ten (10) days.

17. Special Assessments. In addition to the other Assessments authorized herein, the Association may levy special assessments in any year to pay for shortfalls, unanticipated expenses, emergency expenditures, or major repairs.

18. Capital Improvements. All expenses for capital improvements shall be governed by and subject to the following conditions, limitations and restrictions:

a) Committee Discretion/Expenditure Limit. Any capital improvement to the Project which costs ten percent (10%) or less of the Total Annual Budget, and does not alter the nature of the Project, may be authorized by the Management Committee alone (the "Capital Improvement Ceiling").

b) Owner Approval/Expenditure Limit. Any capital improvement, the cost of which will exceed the Capital Improvement Ceiling, must, prior to the commencement of

construction, be authorized by at least a majority of the percentage of undivided ownership interest in the Common Area.

c) Owner Approval/Changing the Nature of the Project. Any capital improvement which would materially alter the nature of the Project (e.g., changing the roofing materials, the construction of the external Building surfaces, color scheme, etc.) must, regardless of its cost and prior to being constructed or accomplished, be authorized by at least sixty-seven (67%) percent of the undivided ownership interest in the Common Areas.

19. Benefit Assessments. If an Owner has the choice to accept or reject the benefit, then the Management Committee shall have the power and authority to assess an Owner in a particular area as follows:

(1) Benefit only To Specific Townhome. If the expense benefits less than all of the Townhomes, then those Townhomes benefitted may be specifically assessed, and the specific assessment shall be equitably apportioned among those Townhomes according to the benefit received.

(2) Unequal or Disproportionate Benefit. If the expense benefits all Townhomes, but does not provide an equal benefit to all Townhomes, then all Townhomes shall be specifically assessed, but the specific assessment shall be equitably apportioned among all Townhomes according to the benefit received.

Failure of the Committee to exercise its authority under this Section shall not be grounds for any action against the Association or the Committee and shall not constitute a waiver of the Committee's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Committee has not previously exercised its authority under this Section.

20. Individual Charges. Individual Charges may be levied by the Management Committee against a Townhome and its Owner and shall be due not earlier than thirty (30) days after written notice.

21. Collection of Assessments. The Owners must pay their Assessments in a timely manner. Payments are due in advance on the first of the month. Payments are late if received after the 10th day of the month in which they were due.

a) Delinquent Assessments. Any Assessment not paid when due shall be deemed delinquent and a lien securing the obligation shall automatically attach to the Townhome, regardless of whether a written notice is recorded.

b) Late Fees. A reasonable late fee established by the Management Committee shall be assessed on all late payments. A payment received by the Management Committee ten (10) days or more after its due date shall be considered late for purposes of this subsection.

c) Default Interest. Default interest at a reasonable rate determined by the Management Committee shall accrue on the outstanding balance of each delinquent account.

d) Lien. If any Townhome Owner fails or refuses to make any payment of any Assessment or his portion of the Common Expenses when due, that amount shall constitute a lien on the interest of the Owner in the Property, and upon the recording of notice of lien by the Manager, Management Committee or their designee it is a lien upon the Owner's interest in the Property prior to all other liens and encumbrances, recorded or unrecorded, except: (1) tax and special assessment liens on the Townhome in favor of any assessing Townhome or special improvement district; and (2) encumbrances on the interest of the Owner recorded prior to the date such notice is recorded which by law would be a lien prior to subsequently recorded encumbrances.

e) Foreclosure of Lien and/or Collection Action. If the Assessments remain unpaid, the Association may, as determined by the Committee, institute suit to collect the amounts due and/or to foreclose the lien.

f) Personal Obligation. Each Owner, by acceptance of a deed or as a party to any other type of conveyance, vests in the Association or its agents the right and power to bring all actions against him or her personally for the collection of the charges as a debt or to foreclose the lien in the same manner as mechanics liens, mortgages, trust deeds or encumbrances may be foreclosed.

g) No Waiver. No Owner may waive or otherwise exempt himself or herself from liability for the Assessments provided for herein, including but not limited to the non-use of Common Areas or the abandonment of his Townhome.

h) Duty to Pay Independent. No reduction or abatement of Assessments shall be claimed or allowed by reason of any alleged failure of the Association or Committee to take some action or perform some function required to be taken or performed by the Association or committee under this Declaration or the ByLaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner.

i) Application of Payments. All payments shall be applied as follows: Additional Charges, Delinquent Assessments and Current Assessments.

j) Foreclosure of Lien as Mortgage or Trust Deed. The lien for nonpayment of Assessments may be enforced by sale or foreclosure of the Owner's interest therein by the Committee. The sale or foreclosure shall be conducted in the same manner as foreclosures in deeds of trust or mortgages, including by way of illustration but not limitation a non-judicial foreclosure, judicial foreclosure, or in any other manner permitted by law. In any foreclosure or

sale, the Owner shall pay the costs and expenses of such proceedings, including but not limited to the cost of a foreclosure report, reasonable attorney's fees, and a reasonable rental for the Townhome during the pendency of the foreclosure action. The Association in the foreclosure action may require the appointment of a receiver to collect the rental without regard to the value of the mortgage security. The Committee may bid for the Townhome at foreclosure or other sale and hold, lease, mortgage, or convey the same.

k) Appointment of Trustee. If the Committee elects to foreclose the lien in the same manner as foreclosures in deeds of trust, then the Owner by accepting a deed to the Townhome hereby irrevocably appoints the attorney of the Association, provided s/he is a member of the Utah State Bar, as Trustee, and hereby confers upon said Trustee the power of sale set forth with particularity in Utah Code Annotated, Section 57-1-23 (1953), as amended. In addition, Owner hereby transfers in trust to said Trustee all of his right, title and interest in and to the real property for the purpose of securing his performance of the obligations set forth herein.

l) Attorney in Fact. Each Owner by accepting a deed to a Townhome hereby irrevocably appoints the Association as his attorney in fact to collect rent from any person renting his Townhome, if the Townhome is rented and Owner is delinquent in his Assessments. Rent due shall be paid directly to the Association, upon written demand, until such time as the Owner's Assessments are current; and the Owner shall credit the Renter, against rent due, for the amount of money paid to the Association.

m) Lenders, Foreclosures and Unpaid Assessments. Anything to the contrary notwithstanding, any first mortgagee who obtains title to a Townhome pursuant to the remedies in the mortgage or trust deed or through foreclosure will not be liable for more than six (6) months of the unpaid regularly budgeted assessments, dues or charges accrued before acquisition of the title to the property by the mortgage, although the first mortgagee will also be liable for any reasonable attorneys fees or costs related to the collection of the unpaid dues. All other grantees who obtain title to a Townhome in a voluntary conveyance or pursuant to the remedies in a mortgage or trust deed or through foreclosure shall be jointly and severally liable with the trustor or mortgagor for all unpaid assessments, late fees, default interest and collection costs, including a reasonable attorneys fee, against the Townhome for its share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's rights to recover from the trustor or mortgagor the amounts paid by the grantee. Anything to the contrary notwithstanding, the following lenders are NOT liable for any unpaid Assessments or Additional Charges in the event of foreclosure: The Federal Housing Administration of the United States Department of Housing and Urban Development (FHA), the Federal Home Loan Mortgage Corporation or the Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), the Department of Veterans Affairs (VA) or any other government lender, guarantor or insurer.

n) Termination of Utilities and Right to Use Amenities for Non-Payment of Assessments. If an owner fails or refuses to pay any assessment when due, the management committee may (a) terminate the owner's right to receive utility services paid as a common

expense; and (b) terminate the owner's right of access and use of recreational facilities, after giving written notice to the Owner and the opportunity to be heard.

o) Assignment of Rents. If the owner of a Patio Home who is leasing the Patio Home fails to pay any assessment for a period of more than thirty (30) days after it is due and payable, the Management Committee may demand the tenant to pay to the association all future lease payments due the owner, commencing with the next monthly or other periodic payment, until the amount due to the association is paid; provided, however, the Manager or Management Committee must give the owner written notice of its intent to demand full payment from the tenant. Within five (5) business days of payment in full of the Assessment, including any interest or late payment fee, the Manager or Management Committee must notify the tenant in writing that future lease payments are no longer due to the association. A copy of this notification must be mailed to the owner.

22. Liability of Management Committee. The Association shall indemnify every officer and member of the Management Committee against any and all expenses, including but not limited to attorney's fees reasonably incurred by or imposed upon any officer or member of the Management Committee in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Management Committee) to which he or she may be a party by reason of being or having been an officer or member of the Management Committee. The officers and members of the Management Committee shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and members of the Management Committee shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or members of the Management Committee may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and member of the Management Committee free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall be exclusive of any other rights to which any officer or member of the Management Committee, or former officer or member of the Management Committee, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officer's and director's insurance coverage to fund this obligation, if such insurance is reasonably available.

23. Insurance. The Board of Directors may adopt General Insurance House Rules, Policies and Procedures intended as a guide for owners and residents in order to maintain the insurability of the project, keep the insurance premium reasonable, and enforce the maintenance responsibilities of the individual owners.

a) Insurance Obligation of the Association. The Association shall obtain the following insurance coverage (collectively, "Association Master Policy"):

(1) Public Liability. Public liability coverage for the Common Areas and Facilities;

(2) Common Area and Facilities. Property, fire and extended hazard coverage for all Common Areas, Elements and Facilities:

(3) Buildings and Townhomes. Property, fire and extended hazard coverage for all Buildings that contain more than one Townhome, including any improvement which is a permanent part of a Building and is considered Common Area, Elements and Facilities;

(4) D&O. Directors and officers coverage; and

(5) Fidelity Bond. A fidelity bond.

The Association Master Policy **DOES NOT** cover the contents or the personal property in the Townhome or belonging to the Townhome Owner or renter (as defined below), or personal liability. Coverage C (as that term is defined by the standard homeowners insurance policy) – Personal Property is excluded from the Association Master Policy. The Association **IS NOT REQUIRED** to cover property, fire or hazard insurance on a Townhome or loss of business, rents or rental income although it expressly reserves and is hereby granted the right to obtain such and other coverage for its benefit. Earthquake insurance is optional.

b) Minimum Amount of Insurance Coverage. The liability insurance purchased by the Association shall be in an amount not less than \$1,000,000.00 per occurrence and \$2,000,000.00 per aggregate and optional umbrella liability coverage to be determined by the Board of Directors from time to time for bodily injury, death, and property damage. This amount may be increased or decreased unilaterally by the Board of Directors.

c) Name Association as “Loss Payee” or “Additional Insured.” Any insurance policy obtained independently by a Neighborhood Association, if any, shall name the Association as a certificate holder, additional insured and/or loss payee if applicable.

d) Premium a Common Expense. The premiums for insurance coverage and the fidelity bond are to be considered a Common Expense.

e) Insurance Obligation of Townhome Owner. The foregoing obligation and right of the Association to purchase insurance coverage **DOES NOT** preclude the right or negate the obligation of each Owner to insure his own Townhome for his benefit. **EACH TOWNHOME OWNER SHALL OBTAIN AT LEAST THE FOLLOWING INSURANCE COVERAGE** (collectively, “Townhome Owner Policy”):

(1) Public Liability Insurance. **PUBLIC LIABILITY COVERAGE FOR HIS TOWNHOME. THE LIMITS OF HIS PUBLIC LIABILITY INSURANCE POLICY SHALL BE IN AN AMOUNT NOT LESS THAN \$500,000.00 FOR BODILY INJURY, DEATH, AND PROPERTY DAMAGE.**

(2) Coverage “A” Building (as that term is defined by the standard homeowners insurance policy). **A COVERAGE “A” BUILDING POLICY IN THE AMOUNT RECOMMENDED BY THE OWNER’S INDEPENDENT INSURANCE AGENT, WHICH SHOULD BE AN AMOUNT SUFFICIENT TO REPAIR ANY DAMAGE TO THE BUILDING AND EXTERIOR OF THE TOWNHOME;**

(3) Fire and Extended Coverage. **EACH OWNER SHOULD PURCHASE INDIVIDUAL PROPERTY, FIRE AND EXTENDED COVERAGE IN THE AMOUNT RECOMMENDED BY THE OWNER’S INDEPENDENT INSURANCE AGENT, WHICH SHOULD BE AN AMOUNT SUFFICIENT TO REPAIR ANY DAMAGE TO THE INTERIOR TOWNHOME, TO WIT:** For use herein the insurance required shall cover at least the interior Townhome boundaries, to wit: The horizontal boundaries extend to the intersection with the vertical boundaries. Each Townhome’s

lower boundary shall be a plane coinciding with the top of the concrete slab below the Townhome's floor and each Townhome's upper boundary shall be a plane coinciding with the top the Townhome's ceiling. The vertical boundaries extend to the intersection with each other and with the horizontal boundaries. Each Townhome's vertical boundaries shall be its perimetric walls. This includes by way of illustration but not limitation the sheetrock, drywall or plaster, windows and window frames; doors; stairwell; appliances; mechanical equipment and appurtenances located within any one Townhome or located outside said Townhome but designated and designed to serve only that Townhome; plumbing-including all pipes, wires, conduits, or other public utility lines or installations constituting a part of the Townhome and serving only that Townhome including sewer, water main that enters the property and pipes within the home; electrical receptacles and outlets, air conditioning and compressors and other air cooling apparatus, boilers, water heaters and water softeners; cabinets, fixtures, lighting, sinks, tubs, counters, countertops and islands, hardware; all decorated (affixed) interiors and surfaces of interior structural walls, floor coverings, ceilings and trim, consisting of wallpaper, paint, wood floors, carpeting and tile; patio porch, or deck, along with any covering of said patio, porch or deck; interior of garage, storage and any other areas which shall pass with the title to the Townhome with which is associated and any Limited Common Area and facilities that are reserved for the use of the individual Townhome. **EACH OWNER IS ENCOURAGED TO SPEAK WITH HIS INDEPENDENT INSURANCE AGENT BEFORE DETERMINING THE AMOUNT OF HIS TOWNHOME OWNER POLICY.**

f) Changes in Amounts of Required Insurance. The amounts of insurance required may be increased or decreased unilaterally by the Board of Directors.

g) Coverage C (as that term is defined by the standard homeowners insurance policy) – Personal Property/ Contents and Lost Rents. **EACH TOWNHOME OWNER IS RESPONSIBLE TO PURCHASE COVERAGE C – PERSONAL PROPERTY INSURANCE COVERING THE CONTENTS OF HIS TOWNHOME AND LOST BUSINESS, RENTS OR RENTAL INCOME.** For use herein the term "contents" shall mean and refer to in the broadest possible sense all furniture, furnishings, appliances, accessories, dining and cooking ware, televisions, stereo equipment, electronic equipment and systems, computers, art, table lamps, linens, blankets, quilts, rugs, lost business, rents, income and profits, personal items not specified in the original design and specifications, and all personal property, belongings and effects in the Townhome, Building or Common Area and Facilities not covered by the Master Association Policy.

h) Premium Is An Individual Expense. The insurance premium on the Townhome Owner Policy shall be an Individual Expense.

i) Maintenance of Coverage. The Owner shall obtain and keep in full force and effect at all times the required insurance coverage provided by companies duly authorized to do business in Utah.

j) Not a Limitation. The provisions of this subsection shall not be construed to limit the power or authority of the Owner to obtain and maintain insurance coverage in addition to any insurance coverage required hereunder, in such amounts and in such forms as he may deem appropriate.

k) Name Association as "Additional Insured." Each Townhome Owner Policy shall name the Association as an "Additional Insured."

l) Certificate of Insurance. Each Townhome Owner shall provide the Association with a "Certificate of Insurance" upon request.

m) Townhome Owner's Default. If a Townhome Owner fails to obtain his Townhome Owner Policy or fails to provide a Certificate of Insurance within three (3) days of a request, and fails to remedy a default within ten (10) days of written notice, the Association may but is not obligated to purchase the required insurance and treat the cost as an Individual Expense. Anything to the contrary notwithstanding, if a Townhome Owner fails to obtain his required Townhome Owner Policy, then he shall be personally responsible to pay any deductible on the Master Association Policy as well as any and all costs, up the minimum amount of coverage, incurred for repairs of or to the building as defined in Subsections 15.6.2 and 15.6.3 above.

n) Payment of Deductible. It is presumed that the claimant is responsible to pay the deductible; provided, however, the deductible on a claim made against the Association Master Policy shall be paid for by the party (1) who would be liable for the loss, damage, claim, or repair in the absence of insurance or (2) from whose Townhome the causal event originates. In the event of multiple responsible parties, the loss shall be allocated in relation to the amount each party's responsibility bears to the total. If a loss is caused by an act of God or nature or by an element, risk or peril beyond the control of the parties, then the Townhome Owner shall be responsible for the deductible. It is the intent of the Declarant to obtain property, fire and extended hazard insurance with a \$5,000.00 deductible. This amount may be increased or decreased unilaterally by the Board of Directors upon a written recommendation for its insurance agent without amending the Declaration. Each Townhome Owner is encouraged to purchase insurance to cover the cost of the deductible.

o) Damages. Each Townhome Owner is responsible for the maintenance of his Townhome and for the repair of any damage he causes to another Townhome or the Common Area and Facilities.

p) Validity of Document. If any term, part or provision of this document is ruled by a court of competent jurisdiction to be illegal or in conflict with any law of the State of Utah, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the document did not contain such term, part or provision.

q) Right to Adjust Claims. The Association has the right, power and authority to adjust claims.

r) Use of Insurance Proceeds and Repairs. Repair of damage shall be completed within a reasonable time and insurance proceeds shall be used to repair the covered damage.

s) Quality of Insurance Company. The Association and Townhome Owners shall use a responsible insurance company or companies duly qualified and licensed in the State of Utah.

t) Primary Coverage. It is the intent of the Declarant that the Townhome Owner Coverage A Building provide **PRIMARY** coverage and that the Association Master Policy provide **SECONDARY** coverage.

24. Destruction, Condemnation, and Obsolescence. The following provisions shall apply with respect to the destruction, condemnation, or obsolescence of the Project.

a) Definitions. Each of the following terms shall have the meaning indicated:

(1) "Substantial Destruction" shall exist whenever, as a result of any damage or destruction to the Project or any part thereof, the excess of the estimated cost of restoration over the funds available is Twenty five percent (25%) percent or more of the estimated restored value of the Project.

(2) "Partial Destruction" shall mean any other damage or destruction to the Project or any part thereof.

(3) "Substantial Condemnation" shall exist whenever a complete taking of the Project or a taking of part of the Project has occurred under eminent domain or by grant or conveyance in lieu of condemnation, and the excess of the estimated cost of restoration over the funds available is Twenty five (25%) percent or more of the estimated restored value of the Project.

(4) "Partial Condemnation" shall mean any other such taking by eminent domain or grant or conveyance in lieu thereof.

(5) "Substantial Obsolescence" shall exist whenever the Project or any part thereof has reached such a state of obsolescence or disrepair that the excess of the estimated cost of restoration over the funds available is Twenty five percent (25%) percent or more of the estimated restored value of the Project.

(6) "Partial Obsolescence" shall mean any state of obsolescence or disrepair which does not constitute Substantial Obsolescence.

(7) "Restored Value" shall mean the fair market value of the Project after Restoration as determined by an MAI or other qualified appraisal.

(8) "Estimated Cost of Restoration" shall mean the estimated costs of restoring the Project to its former condition.

(9) "Available Funds" shall mean any proceeds of insurance, condemnation awards, payments in lieu of condemnation, and any uncommitted funds of the Management Committee or Association. Available Funds shall not include that portion of insurance proceeds legally required to be paid to any party other than the Association, including a mortgagee, or that portion of any condemnation award or payment in lieu of condemnation payable to the Owner or Mortgagee for the condemnation or taking of the Townhome in which they are interested.

b) Determination by Committee. Upon the occurrence of any damage or destruction to the Project or any part thereof, or upon a complete or partial taking of the Project under eminent domain or by grant or conveyance in lieu thereof, the Committee shall make a determination as to whether the excess of Estimated Costs of Restoration over Available Funds is twenty-five percent (25%) or more of the estimated Restored Value of the Project. In addition, the Committee shall, from time to time, review the condition of the Project to determine whether Substantial Obsolescence exists. In making such determinations the Committee may retain and rely upon one or more qualified appraisers or other professionals.

c) Restoration of the Project. Restoration of the Project shall be undertaken by the Committee promptly without a vote of the Owners in the event of Partial Destruction, Partial Condemnation, or Partial Obsolescence and shall also be undertaken in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence unless the failure to make Restoration is consented to by Owners collectively holding at least sixty-seven percent of the Project's undivided Ownership interest and is further consented to by Eligible Mortgagees holding Mortgages on Townhomes which have appurtenant at least fifty-one (51%) percent of the undivided ownership interest in the Common Areas and Facilities which is then subject to Mortgages held by Eligible Mortgagees.

d) Notices of Destruction or Obsolescence. Within thirty (30) days after the Committee has determined that Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence exists, it shall send to each Owner and Eligible Mortgagee a written description of the destruction, condemnation, or state of obsolescence involved, shall take appropriate steps to ascertain the preferences of the Eligible Mortgagees concerning Restoration, and shall, with or without a meeting of the Owners (but in any event in accordance with the applicable provisions of this Declaration), take appropriate steps to determine the preferences of the Owners regarding Restoration.

e) Excess Insurance. In the event insurance proceeds, condemnation awards, or payments in lieu of condemnation actually received by the Committee or Association exceed the cost of Restoration when Restoration is undertaken, the excess shall be paid and distributed to the Owners in proportion to their respective undivided interests in the Common Areas.

Payment to any Owner whose Townhome is the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

f) Inadequate Insurance. If the cost of Restoration exceeds Available Funds, the Management Committee may elect to make a special assessment in accordance with Article III, Section 21 above to pay for the deficiency.

g) Reallocation in Event of Partial Restoration. In the event that all or any portion of one or more Townhomes will not be the subject of Restoration (even though the Project will continue as a Planned Unit Development) or is taken in a condemnation proceeding or pursuant to any agreement in lieu thereof, the undivided Ownership interest in the Common Areas and Facilities shall be immediately reallocated to the remaining Townhomes.

h) Sale of Project. Unless Restoration is accomplished as set forth above, the Project shall be sold in the event of Substantial Destruction, Substantial Condemnation, or Substantial Obsolescence. In the event of such sale, Planned Unit Development Ownership under this Declaration and the Final Plat shall terminate and the proceeds of sale and any Available Funds shall be distributed by the Committee to the Owners in proportion to their respective undivided interests in the Common Areas. Payment to any Owner whose Townhome is then the subject of a Mortgage shall be made jointly to such Owner and the interested Mortgagee.

i) Authority of Committee to Represent Owners in Condemnation or to Restore or Sell. The Committee, as attorney-in-fact for each Owner, shall represent all of the Owners and the Association in any condemnation proceeding or in negotiations, settlements, and agreements with the condemning authority for the acquisition of all or any part of the Common Areas and Facilities.

j) Settlement Proceeds. The award in any condemnation proceeding and the proceeds of any settlement related thereto shall be payable to the Association for the use and benefit of the Owners and their mortgagees as their interests may appear.

k) Restoration Power. The Committee, as attorney-in-fact for each Owner, shall have and is hereby granted full power and authority to restore or to sell the Project and each Townhome therein whenever Restoration or sale, as the case may be, is undertaken as hereinabove provided.

l) Right of Entry. Such authority shall include the right and power to enter into any contracts, deeds or other instruments which may be necessary or appropriate for Restoration or sale, as the case may be.

m) Termination of Legal Status. Any action to terminate the legal status of the Project after Substantial Destruction or Condemnation occurs shall be agreed to by Townhome Owners who represent at least sixty-seven (67%) percent of the total allocated votes

in the Association and by Eligible Mortgage holders who represent at least fifty-one (51%) percent of the votes of the Townhomes that are subject to mortgages held by eligible holders.

The termination of the legal status of the Project for reasons other than Substantial Destruction or Condemnation of the property shall be agreed to by Eligible Mortgage holders that represent at least sixty-seven (67%) percent of the votes of the mortgaged Townhomes. However, implied approval may be assumed when an Eligible Mortgage holder (except (where appropriate) the Federal Housing Administration of the United States Department of Housing and Urban Development (FHA), the Federal Home Loan Mortgage Corporation or the Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) or the Department of Veterans Affairs (VA)) fails to submit a response to any written proposal for an amendment within thirty (30) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

25. Consent in Lieu of Vote. In any case in which this Declaration requires the vote of an Owner for authorization or approval of an act or a transaction, such requirement may be fully satisfied by obtaining, with or without a meeting, consents in writing to such transaction from Owners who collectively hold the required percentages, subject to the following conditions:

a) Sixty-Day Limit. All necessary consents must be obtained prior to the expiration of sixty (60) days from the time the first written consent is obtained; and

b) Change In Ownership. Any change in Ownership of a Townhome which occurs after consent has been obtained from the Owner having an interest therein shall not be considered or taken into account for any purpose; and

c) Notice. If approved, written notice of the approval must be given to all Townhome Owners at least ten (10) days before any action is required by them. IN ADDITION, IF THE ASSOCIATION IS INCORPORATED AND THERE A CONFLICT BETWEEN THE PROVISIONS OF THIS DECLARATION AND THE UTAH REVISED NON-PROFIT CORPORATION ACT, THE LATTER SHALL IN ALL INSTANCES GOVERN AND CONTROL.

26. Mortgagee Protection. Nothing herein contained, and no violation of these covenants, conditions and restrictions, shall invalidate or impair the lien of any mortgage or deed of trust, given in good faith and for value. Mortgagees are excluded from any leasing or rental restrictions when obtaining or after obtaining a Townhome in foreclosure. The lien or claim against a Townhome for unpaid Assessments levied by the Management Committee or by the Association pursuant to this Declaration shall be subordinate to any Mortgage recorded on or before the date such Assessments become due. In addition:

a) Effects of Voluntary and Involuntary Sale. The lien or claim against a Townhome for such unpaid Assessments shall not be affected by any sale or transfer of such Townhome, except that a sale or transfer pursuant to a foreclosure of the Mortgage affecting

such Townhome or the exercise of a power of sale available there under shall extinguish any debt payable prior to such sale or transfer. Nevertheless, any such unpaid Assessments which are extinguished in accordance with the foreclosure or power of sale shall not relieve the purchaser or transferee of such Townhome from liability for, nor such Townhome the lien of any Assessments becoming due thereafter.

b) Books and Records Available for Inspection. The Committee or the Association shall make available to the Owners, to Mortgagees, and lenders, and to holders, insurers, or guarantors of any Mortgage current copies of the Declaration, ByLaws, and administrative rules and regulations concerning the Project, as well as the books, records, and financial statements of the Committee and the Association. The term "Available," as used in the Paragraph, shall mean available for reasonable inspection upon request during normal business hours or under other reasonable circumstances. The Association shall have the right to recover its photocopying and service charges incurred in making the inspection and photocopying available.

c) Right to Financial Statement. The holder, insurer or guarantor of any Mortgage shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year. Any financial statement requested pursuant hereto shall be furnished to the requesting party within a reasonable time following such request.

d) Management Contracts. Any agreement for professional management of the Project, and any contract for goods or services, or any lease which is entered into by the Management Committee shall provide, or be deemed to provide hereby, that:

(1) Either party may terminate the contract with cause upon at least thirty (30) days prior written notice to the other party; and

(2) No contract may be for an initial term greater than one (1) year.

e) Eligible Mortgagee Designation. Upon written request to the Committee or the Association by the holder, insurer, or guarantor of a Mortgage (which request identifies the name and address of such holder, insurer or guarantor and the Townhome Number or address of the property encumbered by the Mortgage held or insured by such holder, insurer, or guarantor), such holder insurer, or guarantor shall be deemed thereafter to be an "Eligible Mortgagee" or "Eligible Insurer" or "Eligible Guarantor," as the case may be, shall be included on the appropriate lists maintained by the Association, and shall be entitled to timely written notice of any of the following:

(1) Condemnation Loss or Award. Any condemnation loss or any casualty loss which affects a material portion of the Project or any Townhome on which there is a Mortgage held, insured, or guaranteed by such Eligible Insurer or Guarantor.

(2) Delinquency. Any delinquency in the payment of Assessments owed by an Owner of a Townhome subject to a Mortgage held, insured or guaranteed by such Eligible Insurer or Guarantor, which delinquency remains uncured for a period of sixty days.

(3) Lapse of Insurance. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Committee or the Association.

(4) Consent Required. Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees.

f) Approval of Proposed Action or Transaction. Any Mortgagee who receives, by certified or registered mail, a written request, with a return receipt requested, to approve any act, transaction or amendment to the Declaration, and who does not return a negative response within thirty (30) days shall be deemed to have approved such request; provided, however and anything to the contrary notwithstanding, so long as Declarant is in control of the owner's association, such action or transaction must be approved in writing by the Department of Veterans Affairs (VA) pursuant to CFR, Title 38, Section 36.4357(b)(4) and, if any financing or the guaranty of any financing of a Townhome is provided by the Federal Housing Administration of the United States Department of Housing and Urban Development (FHA), the Federal Home Loan Mortgage Corporation or the Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), by such agencies.

27. Amendment. This Declaration may be amended as follows:

a) General. Except as provided elsewhere in this Declaration, including by way of illustration but not limitation to sections pertaining to the addition or annexation of any land, any amendment to this Declaration shall require the affirmative written vote or consent of at least sixty-seven percent (67%) of the total undivided ownership interest in the Common Area and Facilities cast either in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such Owners without a meeting.

b) Initial Declarant Right to Amend. The Declarant alone may amend or terminate this Declaration prior to the closing of a sale of the first Townhome.

c) Unilateral Right to Amend Under Certain Conditions. Notwithstanding anything contained in this Declaration to the contrary, this Declaration may be amended unilaterally at any time and from time to time by Declarant if such Amendment is (1) necessary to correct typographical errors or inadvertent omissions; (2) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; or (3) reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Townhomes subject to this Declaration; provided, however, any such amendment shall not

materially adversely affect the title to any Townhome unless the Owner of said Townhome shall consent thereto in writing.

d) Declarant's Right to Amend Unilaterally Prior to Termination of Declarant's Right to Control. Prior to the expiration of the Period of Declarant's Control, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner hereunder, nor shall it adversely affect title to any property without the express written consent of said Townhome Owner.

e) To Satisfy Requirements of Lenders. Anything to the contrary notwithstanding, Declarant reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by a State Department of Real Estate (or similar agency), FHA, VA, the FHLMC or FNMA and to further amend to the extent requested by any other federal, state or local governmental agency which requests such an amendment as a condition precedent to such agency's approval of this Declaration or approval of the sale of Townhomes, or by any federally chartered lending institution as a condition precedent to lending funds upon the security of any Townhome, or any portions thereof. Any such amendment shall be effected by the recordation by Declarant of an Amendment duly signed by the Declarant, specifying the federal, state or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an Amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such Amendment, when recorded, shall be binding upon all Townhomes and all persons having an interest therein. It is the desire of Declarant to retain control of the Association and its activities during the anticipated period of planning and development. If any amendment requested pursuant to the provisions of hereof deletes, diminishes or alters such control in any manner whatsoever in the opinion of Declarant, then Declarant shall have the unilateral right to amend this Declaration to restore such control.

f) Declarant's Rights. No provision of this Declaration reserving or granting to Declarant any unexpired developmental rights may be amended, including by way of illustration but not limitation a modification which would terminate or decrease any developmental right, without the prior express written consent of Declarant, which consent may be withheld, conditioned or delayed for any reason or for no reason at Declarant's sole and exclusive discretion.

g) Execution of Amendments.

1) An amendment or revocation which only requires the execution of an instrument by Declarant as hereinabove provided shall be effective when executed by Declarant and when recorded in the office of the County Recorder.

2) An amendment which requires the affirmative written assent or vote of the Owners as hereinabove provided shall be effective when executed by the

President and Secretary of the Association, who shall certify that all of the voting requirements have been satisfied, and the Declarant, if the Declarant's consent is also required, and recorded in the office of the County Recorder.

h) Consent of Eligible Mortgagee to Terminate Legal Status of Project. The consent of at least sixty-seven percent (67%) of the Eligible Mortgagees shall be required to any amendment which would terminate the legal status of the Project.

i) Consent of Eligible Mortgagees to Add or Amend Any Material Provision. The consent of Eligible Mortgagees holding at least fifty-one (51%) percent of the undivided ownership interest in the Common Areas shall be required to add to or amend any material provision of this Declaration or the Final Plat which establishes, provides for, governs, or regulates any of the following:

- Voting rights;
- Increases in Assessments that raise the previously assessed amount by more than 25%, Assessment liens, or the priority of Assessment liens;
- Reductions in reserves for maintenance, repair, and replacement of Common Areas, Facilities and Elements;
- Responsibility for maintenance and repairs;
- Reallocation of interests in the Common Area and general or limited common elements, or rights to their use;
- Redefinition of any Townhome boundaries;
- Convertibility of Townhomes into Common Area or Elements, or vice versa;
- Expansion or contraction of the Project, or the addition, annexation, or withdrawal of property to or from the Project;
- Hazard or fidelity insurance requirements;
- Imposition of any restrictions on the leasing of Townhomes;
- Imposition of any restrictions on a Townhome Owner's right to sell or transfer his Townhome;
- A decision by the Association (if the Project consists of more than 50 Townhomes) to establish self-management if professional management had been required previously by the Project Documents or by an Eligible Mortgage holder;
- Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in the documents; and
- Any provisions that expressly benefit Mortgage holders, insurers or guarantors.

Any addition or amendment shall not be considered material for purposes of this paragraph if it is for the clarification only or to correct a clerical error. Notice of any proposed amendment to any Eligible Mortgagee to whom a written request to approve an addition or amendment to this Declaration or the Final Plat is required shall be mailed postage prepaid to the address for such Mortgagee shown on the list maintained by the Association. Any Eligible Mortgagee who does not deliver to the Committee or the Association a negative response to the notice of the proposed

amendment within thirty (30) days from the date of such mailing shall be deemed to have approved the proposal. The foregoing consent requirements shall not be applicable to amendments to this Declaration and the Final Plat or the termination of the legal status of the Project. If such amendments or such termination are made or accomplished in accordance with the provisions of this Declaration regarding Condemnation or Substantial Obsolescence.

28. Due Process Requirements; Notice of Hearing; Opportunity to be Heard. In the event of a claimed violation of the Project Documents or the Act, no citation or suspension shall be imposed without the Management Committee first giving the alleged violator written notice of the violation and an opportunity to be heard by the Management Committee. Provided, however, nothing herein shall be construed to prevent the Management Committee from (a) immobilizing, towing or impounding a motor vehicle in violation of the parking rules and regulations for which no additional notice is required, or (b) making any emergency repairs or taking any other emergency action it deems necessary and subsequently providing notice to the Townhome Owner or resident and giving them an opportunity to be heard.

29. Declarant's Sales Program. Anything to the contrary notwithstanding, until Declarant has sold all Townhomes owned by it, or the expiration of five (5) years following the date on which the Declaration is filed for record in the Office of the County Recorder, whichever first occurs, the following provisions shall be deemed to be in full force and effect, none of which shall be construed so as to relieve the Declarant from any obligations of an Owner to pay his portion of the Common Expenses or other Assessments, except as herein otherwise provided. Neither the Owners, the Association, nor the Management Committee shall interfere with the completion of improvements and sale of Declarant's Townhomes, and Declarant shall have the following rights in furtherance of any sales, promotions or other activities designed to accomplish or facilitate the sale of all Townhomes owned by Declarant:

a) Sales Office and Model Townhomes. Declarant shall have the right to maintain one (1) or more sales offices and one (1) or more model Townhomes at any one time. Such office and/or models may be one or more of the Townhomes owned by the Declarant, one or more separate structures or facilities placed on the Property for the purpose of aiding Declarant's sales effort, or any combination of the foregoing;

b) Promotional. Declarant shall have the right to maintain a reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Property in accordance with city ordinances.

c) Common Area Use. Declarant shall have the right to use the Common Areas of the Project including but not limited to the right to use the Clubhouse as a sales office and in any other way necessary to facilitate sales.

d) Relocation and Removal. Declarant shall have the right from time to time to locate or relocate any of its sales offices, models, or signs, banners or similar devices, but in connection with each such location or relocation shall observe the limitations imposed by the preceding portion of this Section. Within a reasonable period of time after the happening of the

Event, Declarant shall have the right to remove from the Project any signs, banners or similar devices and any separate structure or facility which was placed on the Property for the purpose of aiding Declarant's sales effort.

e) Restrictions in Favor of the Declarant. The recreational amenities or facilities at the Project may not be subject to any restriction or reservation in favor of the Declarant or any of its affiliates.

30. Limitation on Improvements by Association. Until such time as the earlier of the following events occur: (a) all of the Additional Land (if any) has been added and the Declarant has sold or rented all of the Townhomes, or (b) five (5) years after the date of the sale of the first Townhome in Phase I, or (c) such time as Declarant chooses, neither the Association nor the Committee shall, without the written consent of Declarant, make any improvement to or alteration in any of the Common Areas and Facilities created or constructed by Declarant, other than such repairs, replacements, or similar matters as may be necessary to properly maintain the Common Areas as originally created or constructed by Declarant.

31. Completion Obligation. Declarant hereby covenants in favor of each Owner that within two (2) years from the date of any contract of sale:

a) Townhomes. Each Townhome which an Owner has contracted to purchase, the Building within which such Townhome is contained or is to be contained, and the appurtenant Common Area and Facilities shall be substantially constructed, and ready for use or occupancy (as the case may be); and

b) Common Area. There shall be substantially completed and usable as part of the Common Areas all planned landscaping, green space, sidewalks, parking facilities, roads, fences, outdoor lighting, and utility lines and conduits adjacent to the Townhome or Building in which a Townhome is located, and necessary for its use.

32. Declarant's Rights Assignable. All of the rights of Declarant under this Declaration may be assigned or transferred either by operation of law or through a voluntary conveyance, transfer or assignment. Any Mortgage covering all Townhomes or Buildings in the Project title to which is vested in Declarant shall, at any given point in time and whether or not such Mortgage does so by its terms, automatically cover, encumber, and include all of the then unexercised or then unused rights, powers, authority, privileges, protections and controls which are accorded to Declarant (in its capacity as Declarant) herein.

33. Mortgagee Approval. Until the termination of the Period of Declarant's Control, the Declarant shall not annex additional properties or amend the Declaration without the prior written consent (where appropriate) of the Federal Housing Administration of the United States Department of Housing and Urban Development (FHA), the Federal Home Loan Mortgage Corporation or the Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA) or the Department of Veterans Affairs (VA).

34. Transfer of Management. Anything to the contrary notwithstanding, Declarant may at any time relinquish its reserved right to select the Members of the Committee and may elect to transfer the management of the Project to a Committee elected by the Owners. Upon the termination of the Period of Declarant's Control, or sooner if the Declarant so elects, Declarant shall notify Owners in writing of the effective date of such transfer (the "Transfer Date") at least forty five (45) days prior thereto. Thereupon, the Owners shall call a meeting to elect the Members of the Management Committee to take office as of the Transfer Date. Declarant covenants to cooperate with the Owners in effecting an orderly transition of management. Moreover, Declarant shall cause all obligations for Common Expenses of the Association prior to the Transfer Date to be paid in full on or before such date, and shall transfer any Association funds to the newly elected Committee.

35. Working Capital Fund. A working capital fund shall be established by the Declarant equal to or greater than two (2) months' Assessments for each Townhome. Each Townhome's share of the working capital fund shall be collected and transferred to the Management Committee at the time of closing of the sale of each Townhome by Declarant. Notwithstanding the foregoing, the contribution to the working capital fund for each unsold Townhome shall be paid to the Management Committee at the time such Townhome is first occupied for residential purposes or a certificate of permanent occupancy is issued, whichever first occurs. With respect to each Townhome for which the Declarant pays the contribution to the working capital fund, the Declarant shall be reimbursed for such contribution by the buyer of such Townhome at the time of closing. The purpose of the working capital fund is to insure that the Management Committee will have cash available to satisfy unforeseen expenses or to acquire additional equipment or services necessary for the operation, control and regulation of the Project. Sums paid into the working capital fund are not to be considered as advance payments or regular monthly payments of Common Expenses. Thereafter, the Management Committee may continue the working capital fund by charging a reasonable transfer or impact fee when Townhomes are sold or rented.

36. Separate Taxation. Each Townhome and its percentage of undivided interest in the Common Areas and Facilities shall be considered to be a parcel and shall be subject to separate assessment and taxation by each assessing Townhome and special district for all types of taxes authorized by law, including ad valorem levies and special assessments. Neither the Building or Buildings, the property nor any of the Common Areas and Facilities may be considered a parcel for tax purposes.

37. Interpretation. To the extent Utah law is consistent with this Declaration, such provisions shall supplement the terms hereof and are incorporated herein. The captions which precede the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder hereof.

38. Covenants to Run with Land. This Declaration and all the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of Association, all other signatories hereto, all parties who hereafter acquire any interest in a Townhome or in the Project, and their respective grantees, transferees, heirs, devisees, personal representative, successors, and assigns. Each Owner or occupant of a Townhome shall comply with, and all interests in all Townhomes shall be subject to, the terms of this Declaration and the provisions of any rules, regulations, agreements, instruments, supplements, amendments, and determinations contemplated by this Declaration. By acquiring any interest in a Townhome in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

39. Enforcement and Right to Recover Attorneys Fees. Should the Association, Management Committee or aggrieved Owner be required to take action to enforce the Project Documents or to pursue any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise, the prevailing party may recover his reasonable attorneys fees and costs.

40. Agent for Service of Process. The President of the Association is the person to receive service of process in the cases authorized by the Act and the office. The initial Registered Agent is Ed Green and the initial office of the Registered Agent is 2150 N. Valley View Drive, Layton, Utah 84040.

41. Declarant's Option to Expand the Project.

a) Reservation of Option to Expand. Declarant hereby reserves to itself the option to unilaterally expand the Project to include Additional Land and additional Townhomes in the Project. This option to expand may be exercised from time to time, at different times and in any order, without limitation, provided however, the option shall expire five (5) years from the date following the first conveyance of a Townhome in Phase I to a Townhome purchaser unless sooner terminated by Declarant's recorded Waiver of such option, there being no other circumstances which will cause the option to expire prior to said five (5) years. Such right may be exercised without first obtaining the consent or vote of Townhome Owners and shall be limited only as herein specifically provided. Such Townhomes shall be constructed on any or all portions of the Additional Property.

b) Supplemental Declarations and Supplemental Maps. Such expansion may be accomplished by the filing for record by Declarant in the office of the County Recorder of Davis County, Utah, no later than five (5) years from the date this Declaration is recorded, a Supplement or Supplements to this Declaration containing a legal description of the site or sites for new Townhomes, together with supplemental Map or Maps containing the same information with respect to the new Townhomes as was required on the Map with respect to the Phase I Townhomes. The expansion may be accomplished in phases by successive supplements or in one supplemental expansion.

c) Expansion of Definitions. In the event of such expansion the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Project as so expanded. The term "Property" shall mean the real property initially submitted under the Declaration, plus any Additional Land added to the Project by a Supplemental Declaration or by Supplemental Declarations, and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of Townhomes after such expansion shall be effective to transfer rights in the Project, with additional references to the Supplemental Declaration and the Supplemental Map. The recordation in the office of the County Recorder of a Supplemental Map incident to any expansion shall operate automatically to grant, transfer, and convey to then Owners of Townhomes in the Project as it existed before such expansion the respective undivided interests in the new Common Areas added to the Project as a result of such expansion. Such recordation shall also operate to vest in any then mortgagee of any Townhome in the Project as it existed, interest so acquired by the Owner of the Townhome encumbering the new Common Areas added to the Project as a result of such expansion.

d) Declaration Operative on New Townhomes. The new Townhomes shall be subject to all the terms and conditions of this Declaration and of a Supplemental Declaration, and the Townhomes therein shall be subject to Planned Unit Development ownership with all the incidents pertaining thereto as specified herein, upon recording the Supplemental Map and Supplemental Declaration in the said office of the County Recorder.

e) Right of Declarant to Adjust Ownership Interest in Common Areas. Each deed of a Townhome shall be deemed to irrevocably reserve to the Declarant the power to appoint to Townhome Owners, from time to time, the percentages in the Common Areas set forth in Supplemental or Declaration. The proportionate interest of each Townhome Owner in the Common Areas after any expansion of the Project shall be an undivided interest of the Project as expanded. A power coupled with an interest is hereby granted to the Declarant, its successors and assigns, as attorney in fact to shift percentages of the Common Areas in accordance with Supplemental or Declarations recorded pursuant hereto and each deed of a Townhome in the Project shall be deemed a grant of such power to the Declarant. Various provisions of this Declaration and deeds and mortgages of the Townhomes may contain clauses designed to accomplish a shifting of the Common Areas. None of said provisions shall invalidate the other, but each shall be deemed supplementary to the other toward the end that a valid shifting of the Common Areas can be accomplished. Notwithstanding anything to the contrary herein, no change in the percentage of undivided interest in the Common Areas may be effected more than five (5) years after the effective date of the Declaration.

Accordingly, upon the recordation of a Supplemental Declaration and Supplemental Map incident to any expansion, the revised schedule of undivided interests in the Common Areas contained therein shall automatically become effective for all purposes and shall fully supersede any similar schedule which was contained in any declaration associated with any prior phase. In the event the provisions of the separate instruments relating to the Project conflict irreconcilably, the terms of that instrument which was recorded most recently shall control.

f) Other Provisions Concerning Expansion. If the Project is expanded as hereinbefore contained, then it is further provided that:

(1) All or any part of the Additional Land may be added to the Project without any limitations whatsoever save and except that all additional Townhomes created must be restricted to multi family residential housing limited to one family per Townhome.

(2) Portions of the Additional Land may be added to the Project at different times without any limitations.

(3) Declarant shall have the right without further conveyance or documentation to build roads and access ways to the Additional Property through the easement areas as shown on the Map. The Association of Townhome Owners shall not allow anything to be built upon or interfere with said easement areas.

(4) No assurances are made concerning:

a. The locations of any improvement that may be made on any portion of the Additional Land that may be added to the Project.

b. Type, kind or nature of improvement which may be created on any portion of the Additional Land, except that the common facilities, Buildings and Townhomes will be comparable to the Phase 1 facilities on a per Townhome basis and will be of a similar quality of materials and construction to Phase I and will be substantially completed prior to annexation.

c. Whether any Townhomes created on any portion of the Additional Land will be substantially identical to those within the initial Project except that Townhomes will be constructed of an equal or better quality of materials and construction than the Townhomes in Phase 1.

(5) Notwithstanding anything to the contrary which may be contained herein, the Declaration is not intended, and shall not be construed so as to impose upon Declarant any obligation respecting, or to restrict Declarant in any way with regard to: (a) the submission of any portion of the Additional Land to the provisions of this Declaration; (b) the creation, construction, or addition to the Project of any additional property; (c) the carrying out in any particular way or within any particular time of any development which may be undertaken except as herein mentioned; or (d) the taking of any particular action with respect to the Additional Land, the Project, or any Land.

g) General Liability Insurance Policy for Expansion of Project. Pursuant to Title 38, CFR Section 36.4360 (a) (5), which is incorporated herein by this reference, the Declarant shall purchase at its own expense and maintain a general liability insurance policy in the sum of not less than \$1 million to cover any liability which owners of previously sold

Townhomes are exposed to as a consequence of further and future expansion of the project pursuant hereto.

42. Combination of Townhomes. An owner of two or more adjoining Townhomes shall have the right upon approval of the management committee and the mortgagees of said Townhomes, to combine one or more adjoining Townhomes or portions thereof and to alter or amend the declaration and map to reflect such combination.

a) Such amendments may be accomplished by the Townhome owner recording an amendment or amendments to this declaration, together with an amended map or maps containing the same information with respect to the altered Townhomes as required in the initial declaration and map with respect to the initial Townhomes. All costs and expenses required in such amendments shall be borne by the Townhome owner desiring such combination.

b) All such amendments to the declaration and map must be approved by attorneys employed by the management committee to insure the continuing legality of the declaration and the map. The cost of such review by the attorneys shall be borne by the person wishing to combine the Townhomes.

c) Any amendments of the declaration or map pursuant to this paragraph 20 shall reflect the changes occasioned by the alteration. Such changes shall include a change in the percentage of undivided interest in the common areas and facilities which are appurtenant to the Townhomes involved in the alterations. The remaining combined Townhome, if two or more Townhomes are totally combined, will acquire the total of the percentage of undivided interest in the common areas and facilities appurtenant to the Townhomes that are combined as set forth in Exhibit B. If a portion of one Townhome is combined with another, the resulting Townhomes shall acquire a proportionate percentage of the total undivided interest in the common areas and facilities of the Townhomes involved in the combination on the basis of area remaining in the respective, combined Townhomes. The percentage of undivided interest in the common areas and facilities appurtenant to all other Townhomes shall not be changed. All such amendments must, in all instances, be consented to by the management committee and also all other persons holding interest in the Townhomes affected. The consent of other Townhome owners need not be obtained to make such amendments or alterations valid, providing the percentages of undivided interest in the common areas and facilities of the other Townhome owners remain unchanged.

43. Fines. Each Owner is responsible to abide by the Project Documents. Each Owner is accountable for the behavior of his Guests and Permittees. The Management Committee has the right, power and authority to charge fines and issue sanctions for violations of the Project Documents.

44. Security. Neither the Association, nor the Declarant shall in any way be considered insurers or guarantors of security within the Project. Neither the Association, nor the Declarant shall be held liable for any loss or damage, including malfunction, by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. All Owners

Guests, and Permittees acknowledge that neither the Declarant, the Association, Management Committee, Manager, employees, agents or representatives represent or warrant that any fire protection system or burglar alarm system designated by or installed in the Project may not be compromised or circumvented, that any fire protection or burglar alarm systems will prevent loss by fire, smoke, burglary, theft, hold-up, or otherwise nor that the gate, fire protection or burglary alarm systems will in all cases provide the detection or protection for which the system is designed or intended. Each Owner for himself and his Guests and Permittees acknowledges and understands that the Declarant, Association, Management Committee, Manager, employees, agents or representatives are not insurers and that each Owner and his Guests and Permittees assume all risks for loss or damage to persons or property within the Project and further acknowledges that Declarant, the Association, Management Committee, Manager, employees, agents or representatives have made no representations or warranties nor has any Owner or his Guests or Permittees relied upon any representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any fire and/or burglar alarm systems recommended or installed or any security measures undertaken within the Project.

45. Party Wall. If it becomes necessary or desirable to repair or rebuild the whole or any part of a party fence or wall, the repairing or rebuilding expense shall be borne equally by the parties who shall at the time of the repair or rebuilding be using it. Any repairing or rebuilding of the wall shall be on the same location, and of the same size, and with the same quality of construction and materials, as the original fence, wall or portion thereof. If there is a disagreement among the parties as to the necessity or extent of repairs to a party fence or wall, the dispute must be submitted to the Management Committee for resolution, and the decision of the Management Committee shall in all instances be final and conclusive.

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

Dated this 24th day of ~~October~~ ^{November}, 2008.

GREYHAWK TOWNHOMES SOUTH PRUD,

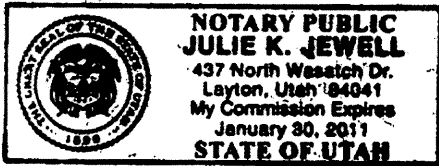
By: Edward Green
Name: Edward Green
Title: Manager

STATE OF UTAH)

SS:

COUNTY OF DAVIS)

On the ~~24th~~^{November} day of ~~October~~, 2008, personally appeared before me Edward Green, who by me being duly sworn, did say that he is the Manager of Greyhawk Townhomes South PRUD, and that the within and foregoing instrument was signed in behalf of said Company by authority of its Articles of Organization or a resolution of its Members, and said Edward Green duly acknowledged to me that said Company executed the same.



Julie K. Jewell
NOTARY PUBLIC

**LEGAL DESCRIPTION OF TRACT
EXHIBIT "A"
PHASE 1 OF GREYHAWK TOWNHOMES SOUTH PRUD**

The Land described in the foregoing document is located in Davis County, Utah and is described more particularly as follows:

BOUNDARY DESCRIPTION

A PARCEL OF LAND LYING WITHIN THE NORTHEAST QUARTER OF SECTION 10, THE SOUTHEAST QUARTER OF SECTION 3, AND THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, LAYTON CITY, DAVIS COUNTY, UTAH, BEGINNING AT A POINT WHICH IS SOUTH 89°13'30" EAST 2480.10 FEET AND NORTH 00°46'31" EAST 735.36 FROM A BRASS CAP MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 3.

THENCE SOUTH 25°28'38" EAST 60.02 FEET; THENCE SOUTH 29°11'28" EAST 97.08 FEET; THENCE SOUTH 26°45'37" EAST 600.91 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES NORTH 26°49'57" WEST, A RADIAL DISTANCE OF 5,475.85 FEET, HAVING A CHORD BEARING OF SOUTH 63°17'20" WEST, AND A CHORD DISTANCE OF 23.23 FEET; THENCE SOUTHWESTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 00°14'35", A DISTANCE OF 23.23 FEET; THENCE SOUTH 27°12'19" EAST 80.00 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES NORTH 26°57'28" WEST, A RADIAL DISTANCE OF 430.00 FEET, HAVING A CHORD BEARING OF SOUTH 82°39'04" WEST, AND A CHORD DISTANCE OF 288.61 FEET; THENCE WESTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 39°13'04", A DISTANCE OF 294.33 FEET; THENCE NORTH 77°44'24" WEST 87.05 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 370.00 FEET, AND A CHORD BEARING OF SOUTH 86°34'13" WEST, AND A CHORD DISTANCE OF 200.12 FEET; THENCE WESTERLY ALONG THE ARC A DISTANCE OF 202.64 FEET; THENCE SOUTH 70°52'50" WEST 294.48 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 430.00 FEET, AND A CHORD BEARING OF SOUTH 79°11'48" WEST, AND A CHORD DISTANCE OF 124.39 FEET; THENCE WESTERLY ALONG THE ARC A DISTANCE OF 124.82 FEET; THENCE SOUTH 87°30'46" WEST 10.79 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 15.50 FEET, AND A CHORD BEARING OF SOUTH 39°33'37" WEST, AND A CHORD DISTANCE OF 23.02 FEET; THENCE SOUTHWESTERLY ALONG THE ARC A DISTANCE OF 25.94 FEET TO A POINT OF COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 476.00 FEET AND A CENTRAL ANGLE OF 07°13'55"; THENCE SOUTHERLY ALONG THE ARC, A DISTANCE OF 60.08 FEET; THENCE SOUTH 15°37'27" EAST 87.43 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES NORTH 16°05'20" WEST, A RADIAL DISTANCE OF 5,475.85 FEET, HAVING A CHORD BEARING OF SOUTH 74°21'02" WEST, AND A CHORD DISTANCE OF 84.00 FEET; THENCE WESTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 00°52'44", A DISTANCE OF 84.00 FEET; THENCE NORTH 15°37'27" WEST 87.47 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 560.00 FEET, AND A CHORD BEARING OF NORTH 07°48'44" WEST, AND A CHORD DISTANCE OF 152.23 FEET; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 152.71 FEET; THENCE NORTH 92.82 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 958.00 FEET, AND A CHORD BEARING OF NORTH 04°44'39" WEST, AND A CHORD DISTANCE OF 158.46 FEET; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 158.64 FEET; THENCE NORTH 09°29'17" WEST 360.02 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 1,042.00 FEET, AND A CHORD BEARING OF NORTH 04°29'43" WEST, AND A CHORD DISTANCE OF 181.37 FEET; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 181.60 FEET; THENCE NORTH 00°29'51" EAST 651.58 FEET; THENCE SOUTH 89°30'09" EAST 84.00 FEET; THENCE SOUTH 00°29'51" WEST 651.58 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 958.00 FEET, AND A CHORD BEARING OF SOUTH 04°12'35" EAST, AND A CHORD DISTANCE OF 157.23 FEET; THENCE SOUTHERLY ALONG THE ARC A DISTANCE OF 157.41 FEET TO A POINT OF COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 15.50 FEET AND A CENTRAL ANGLE OF 90°34'16"; THENCE SOUTHEASTERLY ALONG THE ARC, A DISTANCE OF 24.50 FEET; THENCE NORTH 80°30'43" EAST 239.89 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 970.00 FEET, AND A CHORD BEARING OF NORTH 72°50'24" EAST, AND A CHORD DISTANCE OF 258.99 FEET; THENCE EASTERLY ALONG THE ARC A DISTANCE OF 259.77 FEET; THENCE NORTH 65°10'05" EAST 144.74 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 2,970.00 FEET, AND A CHORD BEARING OF NORTH 64°10'00" EAST, AND A CHORD DISTANCE OF 103.81 FEET; THENCE NORTHEASTERLY ALONG THE ARC A DISTANCE OF 103.82 FEET TO THE POINT OF BEGINNING.

CONTAINING 751,531 SQUARE FEET OR 17.253 ACRES, MORE OR LESS.

**LEGAL DESCRIPTION OF ADDITIONAL LAND
EXHIBIT "B"**

The Additional Land described in the foregoing document is located in Davis County, Utah and is described more particularly as follows:

EXHIBIT "C"

**BYLAWS
FOR
GREYHAWK TOWNHOMES SOUTH PRUD HOMEOWNERS ASSOCIATION**

**ARTICLE I
NAME AND LOCATION**

Section 1.01 Name and Location. The name of the Association is Greyhawk Townhomes South PRUD Owners Association (the "Association"). The principal office of the corporation shall be located at 2150 N. Valley View Drive, Layton, Utah 84040, but meetings of Members and Association may be held at such places within the State of Utah, as may be designated by Board of Directors.

**ARTICLE II
DEFINITIONS**

Section 2.01 Definitions. Except as otherwise provided herein or as may be required by context, all terms defined in Section 1 of the Declaration shall have such defined meanings when used in these Bylaws.

**ARTICLE III
MEETINGS OF OWNERS**

Section 3.01 Meeting. The Owners shall meet as often as they deem reasonably necessary at a convenient time and place.

Section 3.02 Special Meetings. Special meetings of the Owners may be called at any time by the Chairperson or by a majority of the Members of the Board of Directors or by the written request of at least twenty-five percent (25%) of the Lots.

Section 3.03 Notice of Meetings. Written notice of each meeting of the Owners shall be given to each Owner by or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to said Owner addressed to the Owner's address last appearing on the books of the Association, or supplied by such Owner to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 3.04 Quorum. The Owners present in person or proxy at any meeting of the Owners shall constitute a quorum for any action except as otherwise expressly provided in the Project Documents.

Section 3.05 Proxies. At all Owners meetings, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall expire, if not previously revoked, eleven (11) months after the date it is given by the Owner.

**ARTICLE IV
BOARD OF DIRECTORS AND TERM OF OFFICE**

Section 4.01 Number. The affairs of the Association shall be managed by the Board of Directors comprised of three (3) natural persons. Each Member must be an Owner, duly qualified and appointed or elected.

Section 4.02 Replacement. If a Member resigns or is otherwise unable or unwilling to serve, then the remaining Members shall appoint a replacement to complete the term of office.

Section 4.03 Term of Office. Each Member on the Board of Directors shall serve a term of at least two (2) years.

Section 4.04 Compensation. No Member shall receive compensation for any service rendered to the Association as a member of the Board of Directors, although he or she may be reimbursed for actual expenses incurred in the performance of his or her duties and may enter into an independent contract to provide other services. A Member may enter into a separate and independent contract with the Association to provide additional services for a fee.

Section 4.05 Meeting. The Board of Directors shall meet as often as it deems reasonably necessary but not less than annually at a convenient time and place.

Section 4.06 Action Taken Without a Meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which it could take at a meeting by obtaining the written approval of all the Members. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors.

Section 4.07 Voting. Each Member shall have one vote.

**ARTICLE V
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

Section 5.01 Powers. The Board of Directors shall have all of the powers of a Utah non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and this Declaration. The Board of Directors shall have the power to perform any and all lawful acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Board of Directors. Without in any way limiting the generality of the foregoing, the Board of Directors may act through its Board of Directors and shall specifically have the powers and duties set out in this Article V.

Section 5.01.1 Assessments. The power and duty to levy Assessments on the Owners, and to enforce payment of such assessments in accordance with the Declaration.

Section 5.01.2 Fines and Sanctions. The power and duty to charge fines and issue sanctions.

Section 5.01.3 Reserve Account. The power and duty to establish a reserve account.

Section 5.01.4 Miscellaneous. The power and duty to do each and every other thing reasonable and necessary to enforce the Declaration and operate the Association.

**ARTICLE VI
OFFICERS AND THEIR DUTIES**

Section 6.01 Enumeration of Officers. The officers of the Association shall be a chairperson and secretary, plus such other officers as the Architectural Review Committee may from time to time by resolution create. The same individual may not hold the office of president and secretary at the same time. The officers need not be Members of the Association.

Section 6.02 Election of Officers. The Board of Directors shall elect or appoint officers at the first meeting of the Board of Directors during each calendar year.

Section 6.03 Term. Each officer of the Association shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed or otherwise disqualified to serve.

Section 6.04 Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine.

Section 6.05 Resignation and Removal. Any officer may be removed from office with or without cause by a majority vote of the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.06 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 6.07 President. The President shall (a) preside at all meetings of the Board of Directors, (b) see that orders and resolutions of the Board of Directors are carried out, and (c) sign all contracts.

Section 6.08 Secretary. The secretary shall (a) record the votes and keep the minutes of all meetings and proceedings of the Association and of the Board of Directors, (b) keep the corporate seal of the Association and affix it on all papers requiring said seal, (c) serve notice of meetings of the Association and of the Board of Directors, (d) keep appropriate current records showing the Members of the Association together with their addresses, and (e) perform such other duties as may be required by the Association.

**ARTICLE VII
BOARD OF DIRECTORS AND OTHER COMMITTEES**

Section 7.01 Board of Directors. The Board of Directors shall consist of three (3) members. The members of the Board of Directors shall be appointed exclusively by the Declarant during the Period of Declarant's Control and thereafter they shall be elected by the Owners. No person may serve on the Board of Directors for more than two (2) successive terms.

Section 7.02 Other Committees. The Board of Directors may appoint such committees as deemed appropriate in carrying out its purpose.

**ARTICLE VIII
BOOKS AND RECORDS**

Section 8.01 Books and Records. The books and records shall be kept with detailed accounts of the receipts and expenditures affecting the Project, and the administration of the Association, specifying the maintenance, repair and any other expenses incurred. The books and records, including any invoices, receipts, bills, proposals, documents, financial statements, and vouchers accrediting the entries thereupon shall be available for examination by the Owners, their duly authorized agents or attorneys, during general business hours on working days at the times and in the manner that shall be set and announced by the Architectural Review Committee for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices.

Section 8.02 Signatures. All checks, drafts, contracts, and legally binding agreements must be signed by at least two (2) persons, one of whom must be the chairperson or secretary.

Section 8.03 Bookkeeping. The accounting and financial statements for Association must be kept and prepared by either the property manager or an independent bookkeeper or accountant, who may not be a member of the Association or an officer of the Association. A monthly profit and loss statement, balance sheet, and check register shall be sent or delivered designee by the bookkeeper or accountant to each Owner and the Board of Directors or their designee. The accountant or bookkeeper shall prepare and file all tax returns for the Association.

Section 8.04 Audit. Either (a) majority vote of the Members of the Board of Directors or (b) majority vote of all of the Owners is necessary and sufficient to require either a Compilation Report, Reviewed Statement or Audited Statement of the Association.

**ARTICLE IX
AMENDMENTS**

Section 9.01 Amendment to Bylaws. These Bylaws may only be amended (a) unilaterally by the Declarant until the expiration of the Period of Declarant's Control, or (b) the affirmative vote of a majority of the members of the Board of Directors, or (c) the affirmative vote of a majority of the members of the Lots.

Section 9.02 Conflict Between Articles, Bylaws and Declaration. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall in all respects govern and control.

**ARTICLE X
MISCELLANEOUS**

Section 10.01 Miscellaneous. The fiscal year of the Association shall begin on the first day of January and end on the 31 day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

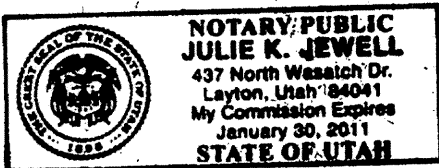
IN WITNESS WHEREOF, the Declarant has hereunto set his hand this ____ day of October, 2008.

GREYHAWK PATIO HOMES PRUD,

By: *Ed Green*
Name: Ed Green
Title: Manager

STATE OF UTAH)
 ss:
COUNTY OF DAVIS)

On the 24th ~~October~~ ^{November}, 2008, personally appeared before me Ed Green, who by me being duly sworn, did say that he is the Manager of Greyhawk Patio Homes PRUD, and that the within and foregoing instrument was signed in behalf of said Company by authority of its Articles of Organization or a resolution of its Members, and said Ed Green duly acknowledged to me that said Company executed the same.



Julie K. Jewell
NOTARY PUBLIC
Residing at:
My Commission Expires:

EXHIBIT "D"
PERCENTAGES OF OWNERSHIP

<u>Phase</u>	<u>Type of Unit</u>	<u>Townhome Number</u>	<u>Percentage of Ownership</u>
1	Townhome	C1	0.729927%
1	Townhome	C2	0.729927%
1	Townhome	C3	0.729927%
1	Townhome	C4	0.729927%
1	Townhome	C5	0.729927%
1	Townhome	C6	0.729927%
1	Townhome	C7	0.729927%
1	Townhome	C8	0.729927%
1	Townhome	C9	0.729927%
1	Townhome	C10	0.729927%
1	Townhome	C11	0.729927%
1	Townhome	C12	0.729927%
1	Townhome	C13	0.729927%
1	Townhome	C14	0.729927%
1	Townhome	C15	0.729927%
1	Townhome	C16	0.729927%
1	Townhome	C17	0.729927%
1	Townhome	C18	0.729927%
1	Townhome	C19	0.729927%
1	Townhome	C20	0.729927%
1	Townhome	C21	0.729927%
1	Townhome	C22	0.729927%
1	Townhome	C23	0.729927%
1	Townhome	C24	0.729927%
1	Townhome	C25	0.729927%
1	Townhome	C26	0.729927%
1	Townhome	C27	0.729927%
1	Townhome	C28	0.729927%
1	Townhome	C29	0.729927%
1	Townhome	C30	0.729927%
1	Townhome	C31	0.729927%
1	Townhome	C32	0.729927%
1	Townhome	C33	0.729927%
1	Townhome	C34	0.729927%
1	Townhome	C35	0.729927%
1	Townhome	C36	0.729927%
1	Townhome	C37	0.729927%
1	Townhome	C38	0.729927%
1	Townhome	C39	0.729927%
1	Townhome	C40	0.729927%

<u>Phase</u>	<u>Type of Unit</u>	<u>Townhome Number</u>	<u>Percentage of Ownership</u>
1	Townhome	C41	0.729927%
1	Townhome	C42	0.729927%
1	Townhome	C43	0.729927%
1	Townhome	C44	0.729927%
1	Townhome	C45	0.729927%
1	Townhome	C46	0.729927%
1	Townhome	C47	0.729927%
1	Townhome	C48	0.729927%
1	Townhome	C49	0.729927%
1	Townhome	C50	0.729927%
1	Townhome	C51	0.729927%
1	Townhome	C52	0.729927%
1	Townhome	C53	0.729927%
1	Townhome	C54	0.729927%
1	Townhome	C55	0.729927%
1	Townhome	C56	0.729927%
1	Townhome	C57	0.729927%
1	Townhome	C58	0.729927%
1	Townhome	C59	0.729927%
1	Townhome	C60	0.729927%
1	Townhome	C61	0.729927%
1	Townhome	C62	0.729927%
1	Townhome	C63	0.729927%
1	Townhome	C64	0.729927%
1	Townhome	C65	0.729927%
1	Townhome	C66	0.729927%
1	Townhome	C67	0.729927%
1	Townhome	C68	0.729927%
1	Townhome	C69	0.729927%
1	Townhome	C70	0.729927%
1	Townhome	C71	0.729927%
1	Townhome	C72	0.729927%
1	Townhome	C73	0.729927%
1	Townhome	C74	0.729927%
1	Townhome	C75	0.729927%
1	Townhome	C76	0.729927%
1	Townhome	C77	0.729927%
1	Townhome	C78	0.729927%
1	Townhome	C79	0.729927%
1	Townhome	C80	0.729927%
1	Townhome	C81	0.729927%
1	Townhome	C82	0.729927%
1	Townhome	C83	0.729927%

Phase	Type of Unit	Townhome Number	Percentage of Ownership
1	Townhome	C84	0.729927%
1	Townhome	C85	0.729927%
1	Townhome	C86	0.729927%
1	Townhome	C87	0.729927%
1	Townhome	C88	0.729927%
1	Townhome	C89	0.729927%
1	Townhome	C90	0.729927%
1	Townhome	C91	0.729927%
1	Townhome	C92	0.729927%
1	Townhome	C93	0.729927%
1	Townhome	C94	0.729927%
1	Townhome	C95	0.729927%
1	Townhome	C96	0.729927%
1	Townhome	C97	0.729927%
1	Townhome	C98	0.729927%
1	Townhome	C99	0.729927%
1	Townhome	C100	0.729927%
1	Townhome	C101	0.729927%
1	Townhome	C102	0.729927%
1	Townhome	C103	0.729927%
1	Townhome	C104	0.729927%
1	Townhome	C105	0.729927%
1	Townhome	C106	0.729927%
1	Townhome	C107	0.729927%
1	Townhome	C108	0.729927%
1	Townhome	C109	0.729927%
1	Townhome	C110	0.729927%
1	Townhome	C111	0.729927%
1	Townhome	C112	0.729927%
1	Townhome	C113	0.729927%
1	Townhome	C114	0.729927%
1	Townhome	C115	0.729927%
1	Townhome	C116	0.729927%
1	Townhome	C117	0.729927%
1	Townhome	C118	0.729927%
1	Townhome	C119	0.729927%
1	Townhome	C120	0.729927%
1	Townhome	C121	0.729927%
1	Townhome	C122	0.729927%
1	Townhome	C123	0.729927%
1	Townhome	C124	0.729927%
1	Townhome	C125	0.729927%
1	Townhome	C126	0.729927%

<u>Phase</u>	<u>Type of Unit</u>	<u>Townhome Number</u>	<u>Percentage of Ownership</u>
1	Townhome	C127	0.729927%
1	Townhome	C128	0.729927%
1	Townhome	C129	0.729927%
1	Townhome	C130	0.729927%
1	Townhome	C131	0.729927%
1	Townhome	C132	0.729927%
1	Townhome	C133	0.729927%
1	Townhome	C134	0.729927%
1	Townhome	C135	0.729927%
1	Townhome	C136	0.729927%
1	Townhome	C137	0.729927%
Total:			100%

RETURNED
JUN 18 2009

2460551
BK 4800 PG 708

179/2
E 2460551 B 4800 P 708-709
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
06/18/2009 02:21 PM
FEE \$149.00 Pgs: 2
DEP RTT REC'D FOR GREYHAWK TOWNHOMES SOUTH

ADDENDUM TO GREYHAWK TOWNHOMES SOUTH PRUD COVENANTS, CONDITIONS AND RESTRICTIONS

All under street culinary waters services are poly pipe.

09-376-0001 thru 0138

Each townhome owner shall be responsible for obtaining and maintaining a trash receptacle from Layton City. Sewer fees will also be charged through Layton City.

Dated this 15th day of June 2009.

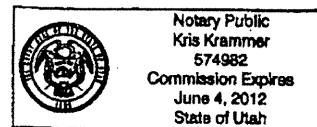
GREYHAWK TOWNHOMES SOUTH PRUD

By: Edward Green
Name: Edward Green
Title: Manager

STATE OF UTAH)
 ss:
COUNTY OF DAVIS)

On the 15th day of June 2009, personally appeared before me Edward Green, who by me being duly sworn, did say that he is the Manager of Greyhawk Townhomes South PRUD, and that the within and foregoing instrument was signed in behalf of said Company by authority of its Articles of Organization or a resolution of its Members, and said Edward Green duly acknowledged to me that said Company executed the same.

Kris Krammer
NOTARY PUBLIC



U. DAVID ...
LIC. 5251295



BOUNDARY DESCRIPTION

A PARCEL OF LAND LYING WITHIN THE NORTHEAST QUARTER OF SECTION 10, THE SOUTHEAST QUARTER OF SECTION 3, AND THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, LAYTON CITY, DAVIS COUNTY, UTAH, BEGINNING AT A POINT WHICH IS SOUTH 89°13'30" EAST 2480.10 FEET AND NORTH 00°46'31" EAST 735.36 FROM A BRASS CAP MARKING THE SOUTH QUARTER CORNER OF SAID SECTION 3.

THENCE SOUTH 25°28'38" EAST 60.02 FEET; THENCE SOUTH 29°11'28" EAST 97.08 FEET; THENCE SOUTH 26°45'37" EAST 600.91 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES NORTH 26°49'57" WEST, A RADIAL DISTANCE OF 5,475.85 FEET, HAVING A CHORD BEARING OF SOUTH 63°17'20" WEST, AND A CHORD DISTANCE OF 23.23 FEET; THENCE SOUTHWESTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 00°14'35", A DISTANCE OF 23.23 FEET; THENCE SOUTH 27°12'19" EAST 60.00 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES NORTH 26°57'28" WEST, A RADIAL DISTANCE OF 430.00 FEET, HAVING A CHORD BEARING OF SOUTH 82°39'04" WEST, AND A CHORD DISTANCE OF 288.61 FEET; THENCE WESTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 39°13'04", A DISTANCE OF 294.33 FEET; THENCE NORTH 77°44'24" WEST 87.05 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 370.00 FEET, AND A CHORD BEARING OF SOUTH 86°34'13" WEST, AND A CHORD DISTANCE OF 200.12 FEET; THENCE WESTERLY ALONG THE ARC A DISTANCE OF 202.64 FEET; THENCE SOUTH 70°52'50" WEST 294.48 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 430.00 FEET, AND A CHORD BEARING OF SOUTH 79°11'48" WEST, AND A CHORD DISTANCE OF 124.39 FEET; THENCE WESTERLY ALONG THE ARC A DISTANCE OF 124.82 FEET; THENCE SOUTH 87°30'46" WEST 10.79 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 15.50 FEET, AND A CHORD BEARING OF SOUTH 39°33'37" WEST, AND A CHORD DISTANCE OF 23.02 FEET; THENCE SOUTHWESTERLY ALONG THE ARC A DISTANCE OF 25.94 FEET TO A POINT OF COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 476.00 FEET AND A CENTRAL ANGLE OF 07°13'55"; THENCE SOUTHERLY ALONG THE ARC, A DISTANCE OF 60.08 FEET; THENCE SOUTH 15°37'27" EAST 87.43 FEET TO THE POINT OF CURVE OF A NON TANGENT CURVE TO THE RIGHT, OF WHICH THE RADIUS POINT LIES NORTH 16°05'20" WEST, A RADIAL DISTANCE OF 5,475.85 FEET, HAVING A CHORD BEARING OF SOUTH 74°21'02" WEST, AND A CHORD DISTANCE OF 84.00 FEET; THENCE WESTERLY ALONG THE ARC, THROUGH A CENTRAL ANGLE OF 00°52'44", A DISTANCE OF 84.00 FEET; THENCE NORTH 15°37'27" WEST 87.47 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 560.00 FEET, AND A CHORD BEARING OF NORTH 07°48'44" WEST, AND A CHORD DISTANCE OF 152.23 FEET; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 152.71 FEET; THENCE NORTH 92.82 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 958.00 FEET, AND A CHORD BEARING OF NORTH 04°44'39" WEST, AND A CHORD DISTANCE OF 158.46 FEET; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 158.64 FEET; THENCE NORTH 09°29'17" WEST 360.02 FEET TO A POINT OF CURVE TO THE RIGHT HAVING A RADIUS OF 1,042.00 FEET, AND A CHORD BEARING OF NORTH 04°29'43" WEST, AND A CHORD DISTANCE OF 181.37 FEET; THENCE NORTHERLY ALONG THE ARC A DISTANCE OF 181.60 FEET; THENCE NORTH 00°29'51" EAST 651.58 FEET; THENCE SOUTH 89°30'09" EAST 84.00 FEET; THENCE SOUTH 00°29'51" WEST 651.58 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 958.00 FEET, AND A CHORD BEARING OF SOUTH 04°12'35" EAST, AND A CHORD DISTANCE OF 157.23 FEET; THENCE SOUTHERLY ALONG THE ARC A DISTANCE OF 157.41 FEET TO A POINT OF COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 15.50 FEET AND A CENTRAL ANGLE OF 90°34'16"; THENCE SOUTHEASTERLY ALONG THE ARC, A DISTANCE OF 24.50 FEET; THENCE NORTH 80°30'43" EAST 239.89 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 970.00 FEET, AND A CHORD BEARING OF NORTH 72°50'24" EAST, AND A CHORD DISTANCE OF 258.99 FEET; THENCE EASTERLY ALONG THE ARC A DISTANCE OF 259.77 FEET; THENCE NORTH 65°10'05" EAST 144.74 FEET TO A POINT OF CURVE TO THE LEFT HAVING A RADIUS OF 2,970.00 FEET, AND A CHORD BEARING OF NORTH 64°10'00" EAST, AND A CHORD DISTANCE OF 103.81 FEET; THENCE NORTHEASTERLY ALONG THE ARC A DISTANCE OF 103.82 FEET TO THE POINT OF BEGINNING.

CONTAINING 751,531 SQUARE FEET OR 17.253 ACRES, MORE OR LESS.



2480.10

2480.10

(C) BASIS OF BEARING