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Ent 1065134 Bk 1715 Pg 311
Date: 30-May-2012 04:08 PM Fee \$96.00
Cache County, UT
Michael Glead, Rec. - Filed By SG
For PECK HADFIELD BAXTER & MOORE LLC

**AMENDMENT TO DECLARATION OF PROTECTIVE EASEMENTS,
COVENANTS, CONDITIONS AND RESTRICTIONS OF THE PROVIDENCE
HIGHLANDS - PHASE I SUBDIVISION**

In Cache County, Utah

THIS AMENDMENT ("Amendment"), made on the 18th day of April, 2012, amends that certain Declaration of Protective Easements, Covenants, Conditions and Restrictions of the Providence Highlands - Phase I Subdivision, Cache County, Utah, recorded on April 8, 2005, as Entry No. 887346 in the Cache County Recorder's Office (the "Declaration") relating to the following described Property:

See Exhibit "A"

RECITALS

- A. The Providence Highlands Community Association, Inc. (the "Association"), a Utah nonprofit corporation, has been lawfully established by filing Articles of Incorporation with the Utah Division of Corporations and Commercial Code;
- B. The Board of the Association has determined that the Declaration is in need of amendment and at least 75% of the owners of the lots governed by the Declaration have voted to amend the Declaration;
- C. The Board, under Section 19.01 of the Declaration, hereby certifies the vote of owners and approves the filing of this Amendment.

NOW THEREFORE, the Declaration is amended as follows:

- I. Article 12 of the Declaration is hereby Amended in its entirety to read as follows:
- 12. LOT DEVELOPMENT CRITERIA AND CONSTRUCTION DESIGN GUIDELINES

12.1. The building lots within the Project are expressly limited to the construction of single family residential homes, the development and construction of which shall comply with all aspects of the local, state, and federal law, ordinances, building codes, and all other applicable construction guidelines.

12.2. One story, rambler type homes, shall have a minimum square footage of 1,600 square feet of above ground level living space; Living space does not include garage and porch areas, however Declarant may designate from time to time specific lots that may have a minimum ground level or main living space of 1500 square feet provided it includes a 3-car garage. Two story homes, with two floors above ground level, shall have a minimum square footage of 2000 square feet of above ground level living space, with at least 1000 square feet on the main level; any lots with rear property boundaries on the east side of open space or the west side of the development boundaries shall be no less than 1,800 square feet on the main for a single story home or 1,500 square feet on the main for a multistory home. Each home, regardless of type, shall have a minimum width of fifty feet (50') including garage areas.

12.3. Building heights shall be governed by Providence City Zoning Ordinances.

12.4. Each residential home shall include, as a minimum, a private, attached, two car garage; no home shall have more than three car garage doors facing any streets.

12.5. Garages shall be constructed on the front or side elevation of a residence.

12.6. Detached garages or storage buildings may be permitted upon prior written approval of the Architectural Review Committee, providing that such buildings will not encroach upon or into any established easements or setbacks and that they must have the same exterior materials, coloring, and style as the home.

12.7. All construction to be of new materials, except that used brick may be used with prior written approval of the Architectural Review Committee.

12.8. The exterior finish of each dwelling shall be 4-sided or 360 degree architecture which carries the exterior theme and materials used on the front elevation of the home (in proportionate ratios) onto the side and rear elevations of the home. Only stucco, rock products, brick or composite siding will be used for the exterior finish of each dwelling.

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12.9. All soffit shall extend a minimum of 12" and be of a maintenance-free material. Fascias shall be a minimum of 6" and also be of a maintenance-free-material.

12.10. All roof pitches upon or over 80% of the main body of any home shall have a minimum 7/12 slope/pitch angle (this requirement shall not apply to dormers and deck coverings). Roof materials are to be of Architectural grade shingles and Duraridge or wood shakes, unless written approval from the Architectural Review Committee is granted otherwise. Copper, steel or other similar roofing materials may be used provided that they do not make up more than 20% of the visual roof or as approved by the Architectural Review Committee.

12.11. Roofs are to be dark colors, preferably dark brown or black. Brick, stone, stucco and siding are to be natural colors or earth tones. All colors are to be approved by the Architectural Review Committee in writing.

12.12. Buildings shall comply with minimum front, back, and side setback requirements as established by Providence City ordinance, any variance must be approved by the City and the Architectural Review Committee.

12.13. To eliminate or reduce visibility from the street, all roof-mounted heating and cooling equipment, TV antennas, satellite dishes, and etc., must be approved by the Architectural Review Committee in writing and must state the specific location of the installation.

12.14. Landscaping on each residential home must be installed as soon as reasonably possible and shall be complete not later than nine (9) months following the issuance of a Certificate of Occupancy. The front, side and rear yards shall be completely landscaped pursuant to Providence City ordinance and shall include the following: Automatic sprinkling systems and sod (sod planting, hydro-seeding, and etc. are precluded); each lot must include a minimum of two (2) two inch (2") caliper trees in the park strip, which the Association has determined will be Blaze Maple trees (some lots may include only one park strip tree based on the review of the Architectural Review Committee); in addition to the trees planted in the park strip area, a minimum of two (2) two inch (2") caliper trees, of a species approved by the Architectural Review Committee, will be planted in each front yard; planting areas, of at least thirty inches (30") in width, consisting of trees, shrubs, and flowers shall surround the foundation of each home; planting areas, of at least eighteen inches (18"), shall surround any retaining wall, and no more than three (3) inches of material shall be exposed or visible on front or side elevation window wells.

12.15. Once a single family residence is constructed on a Lot, the Owner of the Lot must install and maintain a mailbox that has been approved by the Architectural Review Committee within 30 days of home occupancy. The intent of this provision is that each Lot will have a mailbox that is similar in design thus providing a unified theme. The mailboxes will be of a design so as, to the extent possible, each mailbox will service two Lots and each Owner will have the responsibility to pay its proportionate share of the installation and maintenance of the mailbox.

12.16. Each Lot must include a streetlight, of a design and type approved by the Architectural Review Committee within 30 days of home occupancy. The approved streetlight must automatically turn on at dusk and automatically turn off at dawn. The Owner of the Lot will be responsible for the repair and maintenance of the streetlight installed on that Lot. Ent 1065134 Bk 1715 Pg 313


II. Article 14 is amended to add the following section:

14.4. All weeds, on both improved and unimproved Lots, shall be trimmed periodically, and shall never be more than 12 inches in height. The Owner of the Lot will be responsible for weed maintenance on their Lot.

III. The remainder of the Declaration remains unchanged.

DATED as of the date first written above.

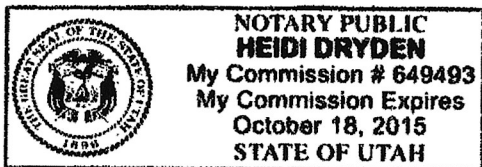
PROVIDENCE HIGHLANDS COMMUNITY
ASSOCIATION, INC., a Utah nonprofit
corporation

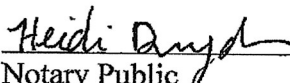


David Clark, President

STATE OF UTAH)
 :SS
County of Cache)

On the 18th day of April, 2012, personally appeared before me, David Clark, who, being duly sworn, stated that he is a member of the President of the Providence Highlands Community Association, Inc.; that the foregoing instrument was signed on behalf of the company; and that he is vested with authority to execute this instrument on behalf of the company.





Notary Public

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EXHIBIT A
PROPERTY DESCRIPTION

Lots 1-79 of PROVIDENCE HIGHLANDS SUBDIVISION PHASE 1, as shown by the official plat thereof, recorded on April 8, 2005, as Entry No. 887343, in the office of the Recorder, Cache County, Utah

Parcels #02-203-0001 through 02-203-0070

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WHEN RECORDED, MAIL TO:

Providence Highlands Phase I, L.C.
2975 W. Executive Parkway, Suite 515 Lehi, Utah 84043

Ent 887346 Bk 1347 Pg 1060
Date 8-Apr-2005 3:30PM Fee \$92.00
Michael Gleed, Rec. - Filed By MG
Cache County, UT
For AMERICAN SECURE TITLE

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF THE
THE PROVIDENCE HIGHLANDS - PHASE I SUBDIVISION**

DECLARATION: FORMAL OR EXPLICIT STATEMENT OF
ANNOUNCEMENT

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
THE PROVIDENCE HIGHLANDS - PHASE I SUBDIVISION**

This Declaration of Covenants, Conditions and Restrictions of The Providence Highlands - Phase I Subdivision, hereinafter referred to as the "Declaration," is made and executed as of this ____ day of _____, 2005, by Providence Highlands Phase I, L.C. (hereinafter, "Declarant"), as owner of the Property described herein.

Ent 887346 Bk 1347 Pg 1063

1. RECITALS.

1.1. Capitalized terms in this Declaration are defined in Section 2 below.

1.2. Declarant holds legal title to certain unimproved real property located in Providence City, Cache County, State of Utah, and as more particularly described herein (the "Property"). Having obtained the necessary approvals from Providence City, Declarant intends to, and does by the recording of this Declaration, and its accompanying Subdivision Plat, legally subdivide the Property into seventy (70) single family residential building lots (the "Project") the use, possession, repair, maintenance, enjoyment, and improvement of which shall be governed by the covenants, conditions, and restrictions set forth in this Declaration.

1.3. The covenants, conditions and restrictions contained in this Declaration are expressly intended to be enforceable equitable servitudes, appurtenant to and running with the land, and shall be binding upon and inure to the benefit of the Declarant, its successors and assigns, and all owners of any portion of the Property, together with their grantees, successors, assigns, heirs, executors, administrators, and devisees.

1.4. Providence Highlands Phase I, a Utah limited liability company, as founder of Providence Highlands Subdivision, has established and recorded this Declaration to establish a governing structure and a flexible system of standards and procedures for the development, expansion, administration, maintenance, and preservation of Providence Highlands Subdivision as a master planned residential community. An integral part of the development plan is the formation of the Providence Highlands Community Association ("Association"), a non-profit corporation, to own, operate, and maintain various common areas and community improvements and to administer and enforce this Declaration and the governing documents referred to herein. The guiding principles in developing the Providence Highlands Subdivision are:

1. Create community
2. Add long-term value
3. Create open-space recreation areas

NOW, THEREFORE, Declarant hereby declares that the Property shall be encumbered by the following provisions of this Declaration.

2. DEFINITIONS.

2.1. Unless the context clearly indicates otherwise, certain terms as used in this Declaration and the foregoing Recitals shall have the meanings set forth in this Section.

2.2. Amendment shall mean any amendment to this Declaration made in accordance with the Declaration and Utah law.

2.3. Association shall mean the Providence Highlands Community Association, a Utah nonprofit corporation.

2.4. Bylaws shall mean the Bylaws of the Association, a copy of which is attached hereto as Exhibit B, as amended from time to time.

2.5. Capital Improvement shall mean any improvement with a useful life of more than three (3) years.

2.6. Common Areas and Facilities shall mean all portions of the Project other than the respective building lots, together with structures and improvements, as described herein and public improvements. The undivided interest in the Common Areas and Facilities appurtenant to each building lot is described herein and is set forth in Exhibit A hereto.

2.7. Common Assessments shall mean those assessments described in Section 20 to fund the Common Expenses, and include Regular Common Assessments and Special Common Assessments.

2.8. Common Expense Account shall mean one or more deposit or investment accounts of the Association into which are deposited the Common Assessments.

2.9. Common Expenses shall mean all expenses of the administration, maintenance, repair, or replacement of the Common Areas and Facilities and all other expenses denominated as Common Expenses by this Declaration or by Utah law.

2.10. Cost of Living Index shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers: U.S. City Average, All Items 1967 = 100 compiled by the Bureau of Labor Statistics, United States Department of Labor. The Index for December 1982-1984 is the reference base index. Declarant may select any other comparable index that measures changes in the cost of living.

2.11. Declarant shall mean Providence Highlands Phase I, L.C. a Utah limited liability company.

2.12. Lease shall mean any agreement for the leasing or rental of any portion of the Project.

2.13. Lots shall mean a physical portion of the Property or Project designed for separate ownership, single-family residential construction, and occupancy as described in Section 5 hereof.

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2.14. Lot Number shall mean the number, letter, or combination thereof, which identifies a respective Lot within upon the Property or within the Project

2.15. Management Committee shall mean the Board of Trustees of the Association, appointed or elected in accordance with this Declaration and the Bylaws.

2.16. Manager shall mean the person, firm or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and the Project.

2.17. Mortgage shall mean any mortgage, deed of trust or other security instrument by which a Lot or any part thereof or interest therein is encumbered. A First Mortgage is a Mortgage having priority as to all other Mortgages encumbering any building lot or any part thereof or interest therein.

2.18. Mortgagee shall mean (i) any persons or entities named as the mortgagee or beneficiary under any Mortgage by which the interest of any Owner is encumbered, (ii) any successor to the interest of such person or entity under such Mortgage, or (iii) any insurer or guarantor of such person or entity under such Mortgage.

2.19. Owner shall mean any person or entity at any time owning in fee simple a building lot within the Project as such ownership is shown by the records of the Cache County Recorder, State of Utah. The term "Owner" shall not refer to any Mortgagee, unless such Mortgagee has acquired title for other than security purposes.

2.20. Plat shall mean the Subdivision Plat for the Providence Highlands Phase I Subdivision, as recorded in the office of the Cache County Recorder.

2.21. Project shall mean the Property, the Lots, the Common Areas and Facilities and all improvements submitted by this Declaration and the provisions of Utah law.

2.22. Property shall mean that certain real property situated in Cache County, State of Utah, more particularly described in Section 3 below, on which the building lots and other improvements are located.

2.23. Regular Common Assessments shall mean the annual assessments levied by the Association to pay the budgeted Common Expenses.

2.24. Special Common Assessments shall mean assessments, which the Association may levy from time to time, in addition to the Regular Common Assessments, for unexpected Common Expenses or other purposes as provided herein.

2.25. Total Votes of the Association shall mean the total number of votes appertaining to all Lots, as described in Section 21 here

3. DESCRIPTION OF THE PROPERTY.

3.1. The Property on which the Lots and improvements are or will be located is situated in Cache County, Utah and more particularly described as follows:

Parcel No. 03-036-0011

4. CONFIRMATION OF COMPLIANCE WITH UTAH LAW.

Declarant hereby confirms and acknowledges that the Plat whereby the Property is subdivided into individual Lots is in compliance with, and subject to, the provisions of the Utah law. All of said Project is and shall be held, conveyed, hypothecated, encumbered, leased, subleased, rented, used and improved as a single family residential project known as The Providence Highlands - Phase I Subdivision. All of said Project is and shall be subject to the covenants, conditions, restrictions, uses, limitations and obligations set forth herein, each and all of which are declared and agreed to be for the benefit of said Project; further, each and all of the provisions hereof shall be deemed to run with the land and shall be a burden and a benefit on the Property and shall be binding on any person acquiring, leasing, subleasing or owning an interest in the real property and improvements comprising the Project, their assigns, lessees, sublessees, heirs, executors, administrators, devisees and successors.

5. DESCRIPTION OF LOTS.

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The boundary lines of each lot are as set forth on the Plat and are as depicted. Exhibit A hereto contains the Lot Number of each Lot in the Project.

6. COMMON AREAS AND FACILITIES.

6.1. The Common Areas and Facilities shall mean and include all portions of the Project or Property not included as part of any Lot, or otherwise legally dedicated and designated as belonging to a Municipality, County, or State entity; park grounds and recreational facilities, if any, and certain parking areas associated therewith in the Project, if any, designated as part of the Common Areas and Facilities on the Plat; all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use, or which have been designated as Common Areas and Facilities on the Plat; and all repairs and replacements of any of the foregoing. Parking stalls, if any, which are in Common Areas and Facilities may be utilized for locating trash containers and similar items if needed by the Association.

6.2. The undivided interest in the Common Areas and Facilities appurtenant to each Lot in the Project is 1.42857 %, as set forth in Exhibit "A" attached hereto. Except as otherwise provided in this Declaration and in Section 7, Expansion of the Community, the undivided interest in the Common Areas and Facilities that is appurtenant to each Lot shall have a permanent character and shall not be altered.

6.3 Facilities and Services Open to the Public. Certain facilities and common areas within Providence Highlands Subdivision may be open for use and enjoyment for the public. The Declarant may designate such facilities and common areas at any time.

7. EXPANSION AND/OR CHANGES TO THE COMMUNITY.

7.1 Expansion by Declarant. From time to time the Declarant may submit to the terms of the Declaration, all or any portion of the Property described in Exhibit B, by recording a Supplement describing the additional property to be submitted. The Declarant may record such a Supplement without the consent of any Person, except the owner of such property if not the Declarant. Nothing in this Declaration shall require the Declarant to submit any additional property or to develop any of the property described in Exhibit B. Expansions or changes to the Declaration may require changes to the Associations ownership and obligations for the Common Areas including the undivided interests described in Section 6.2 and in Exhibit A.

7.2 Expansion by Association. The Association also may submit additional property to this Declaration by recording a Supplement describing the additional property. Any Supplement, which the Association records must be approved by a majority vote of the Association. In addition, during the development and sale period the Declarant's consent is also required.

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7.3 Additional Covenants and Easements. Any Supplement that the Declarant records may impose additional covenants and easements on the property described in such Supplement. Such as, covenants obligating the Association to maintain and insure such property and authorizing the Association to recover any additional cost through Assessments. Such provisions may be included in a Supplement submitting new property or may be set forth in a separate Supplement applicable to property previously submitted.

7.4 Changes and Expansion for Future Phases. Each owner acknowledges that Providence Highlands Subdivision is a master planned community, the development of which is likely to extend over many years, and agrees that neither the Association or neighborhood association shall engage in, or use Association funds to support, protest, challenge, or other form of objection to (a) changes in use, layout or density of property; (b) changes in the master plan or development agreement. It is the Declarant's sole discretion to submit additional property to this Declaration. Each owner acknowledges that the Declarant, along with the City has the absolute right to amend or modify the master plan and/or development agreement without the consent of any party, including the Association and any Owner.

7.5 View Impairment. The Declarant, any Declarant affiliate, and the Association do not guarantee or represent that any view will be preserved without impairment for any reason. There shall be no express or implied easements for view purposes or for the passage of light and air.

7.6 Marketing and Sales Activities. Notwithstanding anything in the Declaration to the contrary, during the Development and Sale Period, the Declarant and its designees or assigns

may construct, use, and maintain upon portions of the common area and other property they own such facilities and activities as in the Declarant's sole opinion may reasonably be required, convenient, or incidental to the construction or sale of Units.

7.7 Storm Water Retention or Detention. Declarant reserves for itself or its designees the right to store, detain, or retain storm water as designated within easements identified on the Plat on individual lots and/or within common areas as necessary in Declarant's sole discretion. No Owner, occupant or Association shall have any right to be compensated for any storm water storage, detention or retention.

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8. NATURE AND INCIDENTS OF LOT OWNERSHIP.

8.1. Each Lot is a parcel of real property which may be separately held, conveyed, devised, mortgaged, encumbered, leased, rented, used, occupied, improved and otherwise affected in accordance with the provisions of this Declaration.

8.2. Subject to the limitations contained in this Declaration, each Owner shall have the non-exclusive right to use and enjoy the Common Areas and Facilities and the exclusive right to occupy and use their respective Lot.

8.3. Each Owner shall have the exclusive right to construct a single family residential home upon his respective Lot (hereinafter also referred to as, and including, "home, house, or residence"). Subject to the limitations contained in this Declaration, Each Owner shall have the right to design, construct, and otherwise decorate their home. However, as will be addressed in greater detail hereafter, each Owner shall keep their Lot, home, garage, including without limitation any garage door in a good state of repair. In the event that any such Lot or residence should develop an unsanitary condition or fall into a state of disrepair, and in the event that the Owner of such Lot or residence should fail to correct such condition or state of disrepair promptly following written notice from the Management Committee, the Management Committee shall have the right, at the expense of the Owner and without liability to the Owner to levy fines against said Lot or residence until such time as Owner corrects or eliminates the offending condition.

9. TITLE.

9.1. Title to a Lot within the Project may be held or owned by any person or entity and in any manner in which title to any other real property may be held or owned in the State of Utah.

9.2. Title to any part of a Lot within the Project shall not be separated from any other part thereof during the period of ownership, and each Lot, and the undivided interest in the Common Areas and Facilities appurtenant to each, shall always be conveyed, devised, encumbered and otherwise affected collectively. Every gift, devise, bequest, transfer, encumbrance, conveyance or other disposition of a Lot or residence, or any part thereof, shall be construed to be a gift, devise, bequest, transfer, encumbrance or conveyance, respectively, of the

entire Lot, together with all appurtenant rights created by law and by this Declaration, including appurtenant membership in the Association as herein set forth.

9.3. No Owner shall be permitted to timeshare or to allow any other form of interval ownership or interval right to use form of timesharing of any Lot or residence within the Project.

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

9.5. Each Owner shall have the right to encumber his interest in a Lot or residence with a Mortgage. However, no Owner shall attempt to nor shall have the right to encumber the Common Areas and Facilities or any part thereof except the undivided interest therein appurtenant to his interest in a Lot. Any Mortgage of any Lot or residence within the Project shall be subordinate to all of the provisions of this Declaration, and in the event of foreclosure the provisions of this Declaration shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure, or otherwise.

9.6. Every contract for the sale of a Lot or residence, and every other instrument affecting title to a Lot or residence within the Project, may describe a Lot or residence by the name of the Project, the county wherein the Project is located and its Lot Number or a common address as indicated in this Declaration or as shown on the Plat. Such description will be construed to describe the Lot or residence, together with the appurtenant undivided interest in the Common Areas and Facilities, and to incorporate the entire rights incident to ownership of a Lot within the Project and all of the limitations on such ownership as described in this Declaration.

10. RESTRICTIONS ON USE.

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The Lots, Residences, and Common Areas and Facilities, except as otherwise permitted in writing by the Management Committee, shall be used in accordance with the following restrictions:

10.1. All Lots and residences are intended to be used for residential housing purposes and are expressly limited to such use.

10.2. No noxious, destructive or offensive activity shall be carried on or placed in or upon any Lot or Residence, or in the Common Areas, or any part thereof, which shall interfere with the legal rights of other Owners, nor shall anything be done therein which is or may become an annoyance or nuisance to any other Owner or to any person at any time lawfully residing in the Project. No activities shall be conducted, nor improvements constructed, in or upon any part of the Project, which are or may become unsafe or hazardous to any person or property. The Common Areas and Facilities shall be used only in a manner, which is consistent with their community nature and the use restrictions applicable to the Lots and Residences. Without limiting the breadth of the foregoing sentence: (i) no automobile or other vehicle shall be parked at any location within the Project which impairs or tends to impair vehicular or pedestrian access within the Project or to and from its various parts; (ii) No more than two satellite dishes may be

installed on each residence, subject to approval by the Architectural Review Committee's approval as to size and location, no radio or television antenna, receiver or similar device, or any wiring for any purpose, may be installed on the exterior of the Residences without the prior written approval of the Management Committee; (iii) no garments, rugs, or other household items, or washlines of any kind may be hung, erected, or maintained upon a Lot or outside a Residence; (iv) dog kennels are allowed on the lot or outside the residence ONLY after Architectural Review Committee approves the design and location and no dogs are permitted on common areas unless the dog is on a leash; and (v) each pet owner must immediately remove any animal droppings and dispose of them in their own garbage container. Each pet owner is only allowed 3 household pets. No nonworking vehicles are allowed. If a vehicle is determined to be a nonworking vehicle the Home Owners Association has the right to have the vehicle towed at Owners expense. No owner may store vehicles on their property except within their garage or located behind a sight obstructing fence of at least 6 feet in height at or behind the plane of the home or garage. The location and fencing for any stored vehicle must be approved in writing by the Declarant or the ACRC. If a vehicle is determined to be improperly stored on or in front of a property the Home Owners Association has the right to have the vehicle towed at Owners expense.

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10.3. No signs, flags or advertising devices of any nature, including, without limitation, informational or directional signs or devices, shall be erected or maintained on any part of the Project, without the prior inspection and written approval of the Management Committee, except as may be necessary temporarily to caution or warn of danger. If the Management Committee consents to the erection of any such signs or devices, the same shall be removed promptly at the request of the Management Committee.

10.4. No Lot, residence, nor portions thereof, may be further divided or subdivided, sold or conveyed so as to be held in divided ownership (as opposed to community property, tenancy in common, or other form of joint undivided ownership).

10.5. There shall be no obstruction of the Common Areas and Facilities by any Owner. Owners shall neither store nor leave any of their property in the Common Areas and Facilities, except with the prior consent of the Management Committee.

10.6. Nothing shall be done or kept in any Lot, residence, or in the Common Areas and Facilities or any part thereof which would result in cancellation of the insurance on the Project or any part thereof. Nothing shall be done or kept in any Lot or Residence or in the Common Areas and Facilities or any part thereof which would be in violation of any statute or rule, ordinance, regulation, permit or other validly imposed requirement of any governmental body. No damage to, or waste of, the Common Areas and Facilities or any part thereof shall be committed by any Owner or guest, lessee, licensee or invitee of any Owner, and each Owner shall indemnify and hold the Association and the other Owners harmless against all loss resulting from any such damage or waste caused by him or his guests, lessees, licensees or invitees.

10.7. Each Owner shall comply strictly with all rules and regulations adopted by the Association for the governance of the Lots, Residences, the Common Areas and the Project, as

such rules and regulations may be modified, amended and construed by the Association in the sole discretion of its Management Committee.

10.8. Any Lease agreement between an Owner and a lessee respecting a Lot or Residence shall be subject in all respects to the provisions of this Declaration, the Articles and Bylaws and any failure by the lessee to comply with the terms of such documents shall be a default under the Lease. All such Lease agreements shall be in writing and a copy of the Lease shall be filed with the Association. Other than the foregoing, there is no restriction on the right of any Owner to lease his Residence. An Owner shall be responsible and liable for any damage to the Project caused by its tenant. All basement rentals and business activities shall be governed by Providence City Zoning Ordinances.

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11. ASSOCIATION AND MANAGEMENT COMMITTEE.

11.1. Each Owner shall be a member of the Association. Membership will begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Lot or Residence is held by more than one person, the membership appurtenant to that Residence shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Lot or Residence is held. An Owner shall be entitled to one membership for each Lot or Residence owned by him. Each membership shall be appurtenant to the Lot or Residence to which it relates and shall be transferred automatically by conveyance upon the sale of the Lot or Residence. Ownership within the Project cannot be separated from the Association membership appurtenant thereto, and any devise, encumbrance, conveyance or other disposition of a Lot or Residence shall constitute a devise, encumbrance, conveyance or other disposition, respectively, of such Owner's membership in the Association and the rights appurtenant thereto. No person or entity other than an Owner, Declarant or Declarant's designee may be a member of the Association, and membership in the Association may not be transferred except in connection with the transfer of a Lot or Residence.

11.2. The Association shall be governed by the following provisions:

11.2.1. The management and maintenance of the Project and the administration of the affairs of the Association shall be conducted by a Management Committee consisting of five (5) natural persons as provided in the Bylaws. The Management Committee shall be elected as provided in this Declaration and in the Bylaws.

11.2.2. Except as otherwise provided herein, the Management Committee shall have all the powers, duties and responsibilities as are now or may hereafter be provided by the Act, this Declaration and the Bylaws, including but not limited to the following:

11.2.2.1. To make and enforce all rules and regulations covering the operation and maintenance of the Project, Common Areas, its lots, and residences.

11.2.2.2. To carry out through a Manager those of its functions which are properly the subject of delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association or Management Committee, shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Management Committee, be authorized to perform any of the functions or acts required or permitted to be performed by the Management Committee itself.

11.2.2.3. To engage the services of accountants, attorneys or other employees or agents and to pay to said persons a reasonable compensation therefor.

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11.2.2.4. To operate, maintain, repair, improve and replace the Common Areas and Facilities.

11.2.2.5. To determine and pay the Common Expenses.

11.2.2.6. To assess and collect the proportionate share of Common Expenses from the Owners, as provided in Section 20 hereinafter.

11.2.2.7. To enter into contracts, leases and/or other written instruments or documents and to authorize the execution and delivery thereof by the appropriate officers.

11.2.2.8. To open bank accounts on behalf of the Association and to designate the signatories therefor.

11.2.2.9. To purchase, hold, sell, convey, mortgage or lease any one or more Lots or Residences in the name of the Association or its designee.

11.2.2.10. To bring, prosecute and settle litigation for itself, the Association and the Project, provided that it shall make no settlement which results in a liability against the Management Committee, the Association or the Project in excess of \$10,000 (as measured in 2005 dollars and thereafter adjusted by the Cost of Living Index) without the prior approval of a majority of the Total Votes of the Association at a meeting or by written ballot distributed to Owners by mail; provided, any settlement which would be paid from proceeds of insurance which may be settled by the Association's insurance carrier and which in either case results in no actual liability of funds of the Association in excess of \$10,000 shall not require Association approval.

11.2.2.11. To obtain insurance for the Association with respect to the Common Areas and Facilities, as well as worker's compensation insurance, as needed.

11.2.2.12. To repair or restore the Project following damage or destruction or a permanent taking by the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation not resulting in the removal of the Project from the provisions of the Act.

11.2.2.13. To own, purchase or lease, hold and sell or otherwise dispose of, on behalf of the Owners, items of personal property necessary to or convenient to the management of the business and affairs of the Association and the Management Committee and to the operation of the Project, including without limitation furniture, furnishings, fixtures, maintenance equipment, appliances and office supplies.

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11.2.2.14. To keep adequate books and records and implement the policies and procedures for the inspection of the books and records of the Project by Owners in accordance with the terms of the Bylaws. The Association or the Management Committee shall make available to the Owners, Mortgagees and the holders, insurers and guarantors of the First Mortgage on any Lot or Home current copies of the Declaration, Articles, Bylaws and other rules governing the Project and other books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

11.2.2.15. To prepare, adopt, amend and disseminate budgets and other information from time to time in accordance with the terms of the Bylaws.

11.2.2.16. To grant conveyances, easements and rights-of-way over the Common Areas and Facilities.

11.2.2.17. Members of the Management Committee, the officers and any assistant officers, agents and employees of the Association (i) shall not be liable to the Owners as a result of their activities as such for any mistake of judgment, negligence or otherwise, except for their own willful misconduct or bad faith; (ii) shall have no personal liability in contract to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Association in their capacity as such; (iii) shall have no personal liability in tort to any Owner or any person or entity, direct or imputed, by virtue of acts performed by them, except for their own willful misconduct or bad faith, nor for acts performed for them in their capacity as such; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Project, which might in any way be assessed against or imputed to them as a result or by virtue of their capacity as such.

11.2.2.18. When a member of the Management Committee is sued for liability for actions undertaken in his role as a member of the Management Committee, the Association shall indemnify him for his losses or claims, and

undertake all costs of defense, until and unless it is proven that he acted with willful or wanton misfeasance or with gross negligence. After such proof the Association is no longer liable for the cost of defense, and may recover costs already expended from the member of the Management Committee who so acted. Members of the Management Committee are not personally liable to the victims of crimes occurring at the Project. Punitive damages may not be recovered against the Association, but may be recovered from persons whose gross negligence gave rise to the damages.

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11.2.3. Neither the Management Committee nor the Manager, if any, shall sell any Property of the Association except as permitted by the Act and this Declaration.

12. LOT DEVELOPMENT CRITERIA AND CONSTRUCTION DESIGN GUIDELINES

12.1 The building lots within the Project are expressly limited to the construction of single family residential homes, the development and construction of which shall comply with all aspects of the local, state, and federal law, ordinances, building codes, and all other applicable construction guidelines. Declarant shall have the right and ability to interpret or modify any of the community guidelines at any time in its sole discretion. The following construction design guidelines shall also apply to all lots and residential homes within the project area and they shall be interpreted and/or modified by Declarant in Declarant's sole discretion at any time and for any reason :

12.1.1 One story, rambler type homes, shall have a minimum square footage of 1,600 square feet of above ground level living space; Living space does not include garage and porch areas, however Declarant may designate from time to time specific lots that may have a minimum ground level or main living space of 1500 square feet provided it includes a 3-car garage. Two story homes, with two floors above ground level, shall have a minimum square footage of 2000 square feet of above ground level living space, with at least 1000 square feet on the main level; any lots with rear property boundaries on the east side of open space or the west side of the development boundaries shall be no less than 1,800 square feet on the main for a single story home or 1,500 square feet on the main for a multi-story home. Each home, regardless of type, shall have a minimum width of fifty feet (50') including garage areas.

12.1.2 Building heights shall be governed by Providence City Zoning Ordinances;

12.1.3 Each residential home shall include, as a minimum, a private, attached, two car garage; no home shall have more than three car garage doors facing any streets;

12.1.4 Garages shall be constructed on the front or side elevation of a residence;

12.1.5 Detached garages or storage buildings may be permitted upon prior written approval of the Architectural Control Committee, providing that such buildings will not encroach upon or into any established easements or setbacks and that they must have the same exterior materials, coloring, and style as the home;

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12.1.6 All construction to be of new materials, except that used brick may be used with prior written approval of the Architectural Control Committee;

12.1.7 The exterior finish of each dwelling shall be 4-sided or 360 degree architecture which carries the exterior theme and materials used on the front elevation of the home (in proportionate ratios) onto the side and rear elevations of the home;

12.1.8 All soffit shall extend a minimum of 12" and be of a maintenance-free material. Fascias shall be a minimum of 6" and also be of a maintenance-free material;

12.1.9 All roof pitches upon or over 80% of the main body of any home shall have a minimum 7/12 slope/pitch angle (this requirement shall not apply to dormers and deck coverings). Roof materials are to be of Architectural grade shingles and Duraridge or wood shakes, unless written approval from the Architectural Control Committee is granted otherwise. Copper, steel or other similar roofing materials may be used provided that they do not make up more than 20% of the visual roof or as approved by the Architectural Review Committee;

12.1.10 Roofs are to be dark colors, preferably dark brown or black. Brick, stone, stucco and siding are to be natural colors or earth tones. All colors are to be approved by the Architectural Control Committee in writing;

12.1.11 Buildings shall comply with minimum front, back, and side setback requirements as established by Providence City ordinance, any variance must be approved by the City and the Architectural Review Committee;

12.1.12 To eliminate or reduce visibility from the street, all roof-mounted heating and cooling equipment, TV antennas, satellite dishes, and etc., must be approved by the Architectural Control Committee in writing and must state the specific location of the installation.

12.1.13 Landscaping on each residential home must be installed as soon as reasonably possible and shall be complete not later than nine (9) months following the issuance of a Certificate of Occupancy. The front, side and rear yards shall be completely landscaped pursuant to Providence City ordinance and shall include the following: Automatic sprinkling systems

and sod (sod planting, hydro-seeding, and etc. are precluded); in addition to the trees planted in the park strip area, which are governed by Providence City Zoning Ordinance, a minimum of three (3) two inch (2") caliper trees, of a species approved by the Architectural Review Committee, in each front yard; planting areas, of at least thirty inches (30") in width, consisting of trees, shrubs, and flowers shall surround the foundation of each home; planting areas, of at least eighteen inches (18"), shall surround any retaining wall, and no metal shall be exposed or visible on front or side elevation window wells. (We need to check on the status and/or requirements of the City landscaping ordinance before finalizing this paragraph).

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13. ARCHITECTURAL CONTROL AND REVIEW COMMITTEE

12.1 The Declarant shall select the Architectural Control and Review Committee ("ACRC") during the initial Development and Sale period, ~~thereafter it shall consist of three (3) Owners who are selected by,~~ and shall serve at the pleasure of the Management Committee; however, the ACRC shall not include any Owners who are also serving on the Management Committee. The ACRC shall have the powers, duties, and responsibilities to control and review the architecture of the lots and residential homes within the Project area in conjunction with the guidelines set forth in this Declaration, or as may be otherwise established in local, state, or federal law.

12.2 The ACRC shall meet as needed and necessary to consider the various requests, petitions, applications, and considerations as may be brought before it.

14. MAINTENANCE, ALTERATION AND IMPROVEMENT.

14.1. The Management Committee, acting on behalf of the Association and, subject to the rights and duties of the Owners as set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Areas and Facilities and all improvements thereon and shall keep the same in a good, clean, attractive, safe and sanitary condition, order and repair. The specification of duties of the Management Committee with respect to particular Common Areas and Facilities shall not be construed to limit its duties with respect to other Common Areas and Facilities. The costs associated with the maintenance, replacement and repair of the Common Areas and Facilities shall be a Common Expense.

14.2. Additions or Capital Improvements to the Common Areas and Facilities, which cost no more than \$1,000, may be authorized by the Management Committee alone. Additions or Capital Improvements the cost of which exceeds \$1,000 must, prior to being constructed, be authorized by at least a majority of the lot or homeowners

14.3. No Owner shall enlarge or otherwise modify the exterior of his/her residential home or add any devices or structures such as, fences, greenhouses, solariums, room additions,

enclosing decks, hot tubs, unless and until the Owner has received written consent from ACRC and approved by the Management Committee.

15. PERIOD OF DECLARANT CONTROL.

13.1. During the Development and Sale Period Declarant shall have sole and exclusive control over the decisions, operations, duties, and responsibilities of the Association. Within sixty (60) days following the Development and Sale Period, Declarant shall provide written notification to each of the Owners informing them that the Period of Declarant Control has ended, and that the Owners must proceed to elect the members of the Management Committee. Upon completion of such election, Declarant shall have no further control over the actions of the Association, except pursuant to the ordinary rights afforded to the Declarant as Owner of any remaining Lots that Declarant may own in the Project.

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16. INSURANCE.

16.1.1. The Association shall at all times maintain in force insurance which provides the necessary levels of liability protection to any Common Areas and Facilities.

16.1.2. The name of the insured under each policy required to be maintained shall be the Association for the use and benefit of the individual Owners (said Owners shall be designated by name, if required). Loss payable shall be in favor of the Association (or Insurance Trustee), as a trustee for each Owner and each such Owner's Mortgagee. Each Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

16.1.3. The Association shall acquire and maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, members, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association whether or not that individual receives compensation for services. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to the Manager, the Manager shall provide "blanket" fidelity bonds, with coverage identical to such bonds required of the Association, for the Manager's officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The total amount of fidelity bond coverage required shall be based upon the Association's best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association, or the Manager, as the case may be, at any given time during the term of each bond.

16.1.4. The Association shall maintain in force, and pay the premium for a policy providing general liability insurance coverage covering all of the Common Areas and Facilities. The coverage limits under such policy shall be in amounts generally required by private institutional mortgage investors for projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least One

Million Dollars (\$1,000,000) for bodily injury, including deaths of persons, and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insureds for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Common Areas and Facilities, and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverages under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Project in construction, location, and use, including but not limited to (where economically feasible and if available), host liquor liability, contractual and all-written contract insurance, employers liability insurance, and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Association or any other Owner. Such policy shall provide that it may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each First Mortgagee, which is listed as a scheduled holder of a Mortgage in such policy.

16.2. All insurance policies shall be reviewed at least annually by the Management Committee in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Project, which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Declaration.

17. EMINENT DOMAIN.

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~~17.1. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Areas and Facilities, the Management Committee and each Owner shall be entitled to notice thereof and the Management Committee shall, and the Owners at their respective expense may, participate in the proceedings incident thereto.~~

17.1.1. With respect to the Common Areas and Facilities, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein. After such determination, each Owner shall be entitled to a share in the damages in the same proportion as his ownership interest in the Common Areas and Facilities. This provision does not prohibit a majority of the Owners from authorizing the Management Committee to use such damages or awards for replacing or restoring the Common Areas and Facilities so taken on the remaining land or on other acquired land, provided that this Declaration and the Map are duly amended.

17.2. Changes in the Common Areas and Facilities and in the ownership of the Common Areas and Facilities that are affected by the taking referred to in this Section shall be evidenced by an Amendment to this Declaration and the Plat, which need not be approved by the Owners.

18. MORTGAGEE PROTECTION.

18.1. The Association shall maintain and have current copies of the Declaration, Articles, Bylaws, and other rules concerning the Project as well as its own books, records, and financial statements available for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Lots and Homes in the Project. Generally, these documents shall be available during normal business hours.

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18.2. The lien or claim against a Lot or Home for unpaid assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Lot or Home if the First Mortgage was recorded before the delinquent assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Lot or Home shall take the same free of such lien or claim for unpaid assessment or charges, but only to the extent of assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Lot or Home affected or previously affected by the First Mortgage concerned.

18.3. In the event any taxes or other charges which may or have become a lien on the Common Areas and Facilities are not timely paid, or in the event the required hazard insurance lapses, is not maintained, or the premiums therefore are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee, which expends funds for any of such purposes, shall be entitled to immediate reimbursement therefor from the Association.

18.4. No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Common Areas and Facilities.

19. AMENDMENT.

19.1. Except as provided elsewhere in this Declaration, any amendment to this Declaration or the Plat shall require the affirmative vote of at least seventy-five percent (75%) of the Total Votes of the Association cast in person or by proxy at a meeting duly called for such purpose or otherwise approved in writing by such Owners. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the Cache County Recorder of an instrument executed by the Association. In such instrument an officer or a member of the Management Committee of the Association shall certify that the vote required by this Section for amendment has occurred.

20. ASSESSMENTS BY THE ASSOCIATION.

20.1. The making and collection of Common Assessments by the Association from Owners of Lots and Homes for their share of Common Expenses shall be pursuant to the Bylaws and subject to the following provisions:

20.1.1. Each Owner shall be liable for a proportionate share of the Common Expenses, such share being the same as the ownership interest in the Common Areas and Facilities appurtenant to the Lot owned by him. Two separate and distinct funds shall be created and maintained hereunder, one for operating expenses and one for capital reserve expenses. Such combined expenses shall constitute the Common Expenses, and the funds received from Common Assessments under this Section shall be the Common Expense Account. Common Assessments shall include both Regular Common Assessments and Special Common Assessments. Regular Common Assessments must be made at least annually, based on a budget adopted at least annually by the Association in accordance with the provisions of this Declaration and the Bylaws. Regular Common Assessments shall be levied against each separate Lot annually.

20.1.2. The Association may not impose a Regular Common Assessment per Lot which is more than 20% greater than the previous year's Regular Common Assessment, without first obtaining the vote of Owners, constituting a quorum, casting a majority of the Total Votes of the Association at a meeting of the Association. Such percentage increase shall be calculated without regard to any increase attributable to an increase in real estate taxes against the Lot or Home. The Association shall provide notice, by first class mail to all Owners, of any increase in the Regular Common Assessments not less than thirty (30) nor more than sixty (60) days prior to the date the increased Regular Common Assessment is due.

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20.1.3. In addition to the Regular Common Assessments, the Association may levy in any calendar year, Special Common Assessments applicable to that year only. However, in any fiscal year, except as otherwise provided in this Declaration, the Management Committee shall not, without the vote or written assent of Owners, casting a majority of the Total Votes of the Association at a meeting or by written ballot, levy Special Common Assessments which in the aggregate exceed 10% of the budgeted gross expenses of the Association for that fiscal year. The portion of any Special Common Assessment levied against a particular Lot or Home shall be equal to the percentage of undivided interest in the Common Areas and Facilities appurtenant to such Lot. These provisions with respect to the imposition or allocation of Special Common Assessments shall not apply when the special assessment is to pay an increase in real property taxes or when the special assessment against an Owner is a remedy utilized by the Management Committee to reimburse the Association for costs incurred in bringing the Owner and/or his Lot or Home into compliance with the provisions of this Declaration, the Bylaws, rules and regulations of the Association, or any other governing instrument for the Project. The Management Committee shall provide notice by first class mail to all Owners of any Special Common Assessments not less than thirty (30) nor more than

sixty (60) days prior to the date such Assessment is due. Special Common Assessments shall be paid as determined by the Management Committee and the Management Committee may permit Special Common Assessments to be paid in installments extending beyond the fiscal year in which the Special Common Assessment is imposed.

20.1.4. All Common Assessments shall be due as determined pursuant to the Bylaws. Common Assessments and any installments thereof not paid on or before ten (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum, or at such lower rate of interest as may be set by the Management Committee, from the date when due until paid. Furthermore, Owners who do not pay their Common Assessments when due shall be subject to a late fee of up to fifty dollars (\$50.00), adjustable from year to year at the discretion of the Management Committee pursuant to the Cost of Living Index. All payments of Common Assessments shall be first applied to accrued interest and late fees, and then to the Common Assessment payment first due. All Common Assessments to pay a judgment against the Association may be made only against the Lots or Homes in the Project at the time the judgment was entered, in proportion to their liabilities for Common Expenses. If any Common Expense is caused by the misconduct of any Owner, the Association may assess that expense exclusively against such Owner's Lots(s). If the Owners' percentage interests in the Common Areas and Facilities are reallocated, assessments for Common Expenses and any installment thereof not yet due must be recalculated in accordance with the reallocated percentage interests of the Owners.

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20.1.5. There shall be a lien upon the applicable Lot or Home for all unpaid Common Assessments, together with late fees, interest and costs (including attorneys' fees) charged pursuant to the Declaration and Utah Law. The lien for unpaid Common Assessments and related charges shall be effective upon recordation in the Office of the Cache County Recorder of a written notice of lien by the Management Committee or the Manager. The written notice of lien shall set forth the amount of the Common Assessment, the date(s) due, the amount remaining unpaid, the name of the Owner of the Lot or Home and a description of the Lot. No notice of lien shall be recorded until there is a delinquency in payment of the Common Assessment. Such lien may be enforced by sale or foreclosure conducted in accordance with the provisions of law applicable to the exercise of powers of sale or foreclosure in deeds of trust or mortgages or in any other manner permitted by law including specifically, but without limitation, the method recognized under the laws of the state of Utah for the enforcement of a mechanics lien which has been established in accordance with the provisions of Chapter 1, Title 38, Utah Code Ann., as amended from time to time. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding (including reasonable attorneys' fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any Common Assessments against the Lot, which shall become due during the period of foreclosure, and all such Common Assessments shall be secured by the lien being foreclosed. The Management Committee shall have the right and power in behalf of the Association to bid in at any foreclosure sale and to hold, lease, mortgage or convey the subject Lot or

Home in the name of the Association. The Association and each Owner hereby appoint American Secure Title, 580 N. Main Street, Suite 100, Logan, UT 84321, its successors and/or assigns, as trustee for the purpose of exercising the power of sale in connection with non-judicial foreclosures as provided in Title 57, Chapter 1 Utah Code Ann. and made applicable hereto by Title 57, Chapter 8 Utah Code Ann. Provided, however, the Association reserves the right to substitute and appoint a successor trustee as provided for in Title 57, Chapter 1 Utah Code Ann. Each Owner hereby conveys all of its right, title and interest in its Lot or Home to such trustee, in trust, with a power of sale, to secure each Owner's obligations under the Declaration, including but not limited to the obligation to pay all Common Assessments. The Association may, through its duly authorized agents, bid on the Lot or Home at any foreclosure sale and acquire, hold, lease, mortgage and convey the same. The lien of the Association shall be superior (prior) to all other liens and encumbrances except liens and encumbrances recorded before recordation of this Declaration, a First Mortgage on a Lot or Home as provided for in Section 18.2 hereof and assessments, liens and charges in favor of the state or any political subdivision thereof, for taxes and other governmental assessments or charges past due and unpaid on the Lot. The lien procedures described herein do not prohibit actions to recover sums for which the Act creates a lien or prohibit the Association from taking a deed in lieu of foreclosure. The Management Committee, upon written request, shall furnish to an Owner a statement setting forth the amount of unpaid assessments against the Lot or Home. This statement must be furnished within ten (10) business days after receipt of the request and is binding on the Association, the Management Committee, the Common Area Manager and every Owner, in favor of all who rely on such statement in good faith.

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20.1.6. The amount of any Common Assessment against any Lot or Home shall be the personal obligation of the Owner to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. No Owner may avoid or diminish any such personal obligation by waiver of the use and enjoyment of any of the Common Areas and Facilities or by abandonment of his Lot or Home or by waiving any services or amenities provided for in this Declaration. In the event of any suit to recover a money judgment of unpaid assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorneys' fees.

20.1.7. The personal obligation of an Owner to pay unpaid assessments against his Lot or Home as described in Section 20.1.6 shall not pass to successors in title unless assumed by them. Provided, however, a lien to secure unpaid assessments shall not be affected by the sale or transfer of the Lot or Home unless foreclosure by a First Mortgagee is involved in which case the foreclosure will extinguish the lien for any assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying further assessments.

20.2. The Management Committee shall not expend funds designated as reserves for any purpose other than the repair, restoration, replacement or maintenance of major components of the Common Areas and Facilities for which the Association is responsible and for which the reserve fund was established or for litigation involving such matters. Nevertheless, the Management Committee may authorize the temporary transfer of money from the reserve account to the Association's operating account from time to time to meet short-term cash flow requirements and pay other expenses. Any such funds so transferred shall constitute a debt of the Association, and shall be restored and returned to the reserve account within three (3) years of the date of the initial transfer; provided, however, the Management Committee may, upon making a documented finding that a delay in the restoration of such funds to the reserve account would be in the best interests of the Project and Association, delay such restoration until the time it reasonably determines to be necessary. The Management Committee shall exercise prudent fiscal management in the timing of restoring any transferred funds to the reserve account and shall, if necessary, levy a Special Common Assessment to recover the full amount of the expended funds within the time limit specified above. Any such Special Common Assessment shall not be subject to the limitations set forth in Section 20.1.3 hereof. At least once every three (3) years the Management Committee shall cause a study to be conducted of the reserve account of the Association and its adequacy to satisfy anticipated future expenditure requirements. The Management Committee shall, thereafter, annually review the reserve account study and shall consider and implement necessary adjustments to reserve account requirements and funding as a result of that review. Any reserve account study shall include, at a minimum:

20.2.1. Identification of the major components which the Association is obligated to repair, replace, restore or maintain which, as of the date of the study, have a useful life of less than 35 years.

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20.2.2. Identification of the probable remaining useful life of the components identified in subparagraph 19.2.1 above, as of the date of the study.

20.2.3. An estimate of the cost of repair, replacement, restoration or maintenance of each major component identified in subparagraph 19.2.1 above, during and at the end of its useful life.

20.2.4. An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

For the purposes of this Section, the term "reserve account requirements" means the estimated funds which the Management Committee has determined are required to be available at a specified point in time to repair, replace or restore those major components, which the Association is obligated to maintain.

20.3. If an Owner shall at any time lease his Home and shall default in the payment of Common Assessments, the Management Committee may, at its option, so long as such default shall continue, demand and receive from any tenant of the Owner the rent due or becoming due,

and the payment of such rent to the Management Committee shall be sufficient payment and discharge of such tenant and the Owner for such assessments to the extent of the amount so paid.

21. VOTING.

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At any meeting of the Association, each Owner of a Lot or Home either in person or by proxy, shall be entitled to vote the number of votes appurtenant to each respective Lot or Home as set forth in Exhibit "A."

The number of votes appurtenant to each respective Lot or Home shall be based on the Lot or Home's undivided interest in the Common Areas and Facilities as set forth in Exhibit "A." The number of votes appurtenant to each Lot or Home shall have a permanent character, and, except as otherwise permitted and provided for in this Declaration, shall not be altered without the unanimous consent of all Owners expressed in a duly recorded Amendment.

22. EASEMENTS.

22.1. If any part of the Common Areas and Facilities encroaches or shall hereafter encroach upon a Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of a Lot encroaches or shall hereafter encroach upon the Common Areas and Facilities, or upon an adjoining 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 or the 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 Map, 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.

22.2. Improvements of Common Areas and Facilities, constructed as subsequent phases of the Project may encroach upon portions of the Common Areas and Facilities of earlier phases of the Project. A perpetual easement for such encroachment and the activities necessary to repair, maintain and operate such improvements is hereby granted.

22.3. Each Owner shall have the unrestricted right to ingress and egress over, upon and across the Common Areas and Facilities as necessary for access to the Lot or Home he is occupying and to any Limited Common Areas and Facilities appurtenant to his Lot or Home, and shall have the right to the horizontal, vertical and lateral support of his Lot and such rights shall be perpetual and shall be appurtenant to and pass with his title.

22.4. The Association shall have an 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 this Declaration, including, without limitation, the right to construct and maintain in the Common Areas and Facilities for use by the Owners and the Association.

22.5. All conveyances of Lots or Homes within the Project shall be construed to grant and reserve such easements as are provided herein, even though no specific reference to such easements appears in any such conveyance.

23. NOTICES.

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Any notice permitted or required to be delivered as provided herein may be delivered either personally, by first class mail, by express mail or overnight courier service providing proof of delivery, or by telecopy or facsimile transmission. Notice to Owners shall be addressed to each Owner at the address given by such Owners to the Management Committee for the purpose of service of such notice or to the Lot or Home of such Owner if no such address has been given to the Management Committee. Notice shall be deemed given when actually received if personally delivered or sent by overnight courier; if faxed, when the fax is received, except that if the fax is received at a time other than the normal business hours of the office at which it is received, on the next regular business day; and if by mail, the earlier of the day actually received or the third business day after the notice is deposited in the United States Mail, properly addressed and postage prepaid. Notices to Declarant shall be delivered by Certified Mail to 2975 W. Executive Parkway, Suite 515, Lehi, UT 84043 or any other address identified by Declarant.

24. NO WAIVER.

The failure of the Management Committee or its agents or designees to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions of this Declaration, the Bylaws, to exercise any right or option herein contained or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment for the future of such term, covenant, condition or restriction, but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Management Committee or its agents or designees of the payment of any assessment from an Owner with knowledge of the breach of any covenant hereof shall not be deemed a waiver of such breach, and no waiver by the Management Committee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Management Committee.

25. ENFORCEMENT.

25.1. All Owners, guests or lessees of an Owner, and persons under Owner's control, shall strictly comply with the provisions of the Declaration, the Bylaws, and the rules and regulations and decisions issued pursuant thereto. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with provisions of the Declaration or the decisions of the Association. Owners shall have a similar right or action against the Association. Failure to so comply shall be grounds for: (i) an action to recover sums due for damages or injunctive relief or both, maintainable by the Management Committee, or its agent or designee on behalf of the Owners, or in an appropriate case, by an aggrieved Owner; and/or (ii) the Management Committee to impose monetary penalties, temporary suspensions of an Owner's right to the use of the Common Areas and Facilities, or other appropriate discipline so

long as any such Owner has been given notice and has had an opportunity to present a written or oral defense to the charges in a hearing. The Management Committee shall determine whether the Owner's defense shall be oral or written. After the hearing, but before any disciplinary action is taken, the Owner shall be notified of the decision of the Management Committee. The Management Committee may delegate to the Manager, the power and authority to carry out disciplinary actions duly imposed.

25.2. The Association shall not be empowered to cause the absolute forfeiture of an Owner's right, title or interest in the Project on account of the Owner's failure to comply with the provisions of the Declaration or the rules and regulations for the Project except pursuant to:

25.2.1. The judgment of a court; or

25.2.2. A foreclosure for the failure of an Owner to pay assessments duly levied by the Association.

25.2.3. The Association shall only be empowered to cause or require alteration or demolition of any construction to enforce any restrictions contained in this Declaration pursuant to judicial proceedings.

26. AGENT FOR SERVICE OF PROCESS.

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The name and address of the person to receive service of process in all cases provided by the Act shall be the registered agent and address of the Association as shown on the official corporate records maintained in the office of the Division of Corporations and Commercial Code of the State of Utah. On the date of this Declaration, the registered agent of the Association is Providence Highlands Phase I, L.C., 2975 W. Executive Parkway, Suite 515, Lehi Utah 84043.

27. SEVERABILITY.

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion hereof shall not affect the validity or enforceability of any other provision hereof.

28. CAPTIONS.

The captions in this Declaration are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

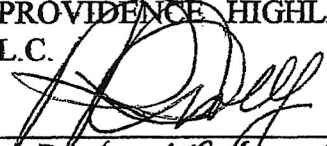
29. LAW CONTROLLING.

This Declaration and the Map shall be construed and controlled by and under the laws of the State of Utah.

30. EFFECTIVE DATE. This Declaration shall take effect when recorded.

IN WITNESS WHEREOF, the Declarant has executed this instrument this 08th day of April, ~~2003~~ 2005.

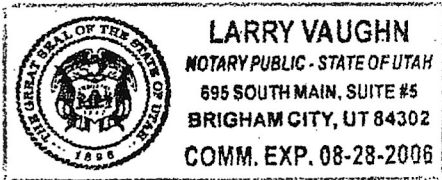
DECLARANT:
PROVIDENCE HIGHLANDS PHASE I,
L.C.


Richard R. Arnold, Jr.
Attorney-in-Fact

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STATE OF UTAH)
 : SS.
COUNTY OF BOX ELDER

On this the 8th day of April, 2005, appeared before me Richard R. Arnold, Jr. who acknowledged before me that he is the Attorney-in-Fact for Providence Highlands Phase I, LC, and is thereby authorized to sign the foregoing Declaration of Covenants, Conditions and Restrictions of the Providence Highlands Phase I.





NOTARY PUBLIC
Residing at _____

My Commission Expires:

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EXHIBIT A

Ent 887346 Bk 1347 Pg 1089

Schedule of Lots, Votes and Undivided Interests in Common Areas**THE PROVIDENCE HIGHLANDS - PHASE I SUBDIVISION**

Unit Identifying Number	Parcel I.D. Number	No. of Votes Per Unit	Undivided Interest Per Unit
#1		1	1.42857
#2		1	1.42857
#3		1	1.42857
#4		1	1.42857
#5		1	1.42857
#6		1	1.42857
#7		1	1.42857
#8		1	1.42857
#9		1	1.42857
#10		1	1.42857
#11		1	1.42857
#12		1	1.42857
#13		1	1.42857
#14		1	1.42857
#15		1	1.42857
#16		1	1.42857
#17		1	1.42857
#18		1	1.42857
#19		1	1.42857
#20		1	1.42857
#21		1	1.42857
#22		1	1.42857
#23		1	1.42857
#24		1	1.42857
#25		1	1.42857
#26		1	1.42857
#27		1	1.42857
#28		1	1.42857
#29		1	1.42857
#30		1	1.42857
#31		1	1.42857
#32		1	1.42857
#33		1	1.42857
#34		1	1.42857

Unit Identifying Number	Parcel I.D. Number	No. of Votes Per Unit	Undivided Interest Per Unit
#35		1	1.42857
#36		1	1.42857
#37		1	1.42857
#38	<i>CRENS</i>	1	1.42857
#39		1	1.42857
#40		1	1.42857
#41		1	1.42857
#42		1	1.42857
#43		1	1.42857
#44		1	1.42857
#45		1	1.42857
#46		1	1.42857
#47		1	1.42857
#48		1	1.42857
#49		1	1.42857
#50		1	1.42857
#51		1	1.42857
#52		1	1.42857
#53		1	1.42857
#54		1	1.42857
#55		1	1.42857
#56		1	1.42857
#57		1	1.42857
#58		1	1.42857
#59		1	1.42857
#60		1	1.42857
#61		1	1.42857
#62		1	1.42857
#63		1	1.42857
#64		1	1.42857
#65		1	1.42857
#66		1	1.42857
#67		1	1.42857
#68		1	1.42857
#69		1	1.42857
#70		1	1.42857
Total		70	100%

This schedule will from time to time be altered by any Expansion or changes as identified in Section 7 of the Declaration. Changes may increase or reduce the Undivided Interest per unit.

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