

PROTECTIVE COVENANTS AND DECLARATION
OF BUILDING AND USE RESTRICTIONS

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ARTICLE I-PREAMBLE

RUSSELL SHIRTS * WASHINGTON CO RECORDER
1993 APR 05 11:52 AM FEE \$12.00 BY DEB
FOR: ACADEMY TITLE CO

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the undersigned, being the President of The Dammeron Corporation which owns the following described real property located in Washington County, State of Utah, and more particularly described as follows:

Beginning at the Southeast Corner of the Pinion Hills Subdivision, Phase One-Amended; in Section 19, T40S, R16W, SLB&M; and running thence South 10°54'54" East for 404.60 feet; thence South 04°38'21" East for 727.07 feet to the South line of the Northwest Quarter of the Northeast Quarter of the said Section 19; thence North 88°42'30" West along the said South Line 712.03 feet to a point 534.60 feet Easterly of the West Line of the said Northwest Quarter of the Northeast Quarter; thence North 00°50'51" West parallel the said West line 1109.21 feet to the South line of Pinion Hills Subdivision Phase One-Amended; thence South 89°41'41" East along the said South line 592.84 feet to the point of beginning. Containing 17.05 acres.

THAT WHEREAS, The Dammeron Corporation, to be referred to also as the Developer, intends to subdivide the land into 15 lots to be known as the PINION HILLS SUBDIVISION-PHASE TWO; the Developer does hereby establish the nature of the use and enjoyment of said land as described above, and does declare that all conveyances of said land shall be made subject to the following conditions, restrictions and stipulations herein contained.

THAT WHEREAS, The Developer believes the land being subdivided in the Pinion Hills Subdivisions is very special; the Protective Covenants are more comprehensive in spelling out land use than in prior phases of the Dammeron Valley Subdivisions. It is hoped the end result will be the best planned and finest subdivision in Southern Utah.

ARTICLE II

RESIDENTIAL ARFA COVENANTS

1. LAND USE: This land is intended primarily for residential use. The Washington County Commission has zoned the land RE-40 which allows no more than one single family residence on each lot. Household pets, raising of crops, horticulture, gardening, stabling of 2 horses along with accessory buildings, are permitted for private use only. No natural vegetation or ground cover shall be removed without the immediate replacement of the same with roads, buildings, landscaping, gardens or other ground cover. The landowner shall not cause or allow any undesirable sights, sounds or odors from his lot to disturb his neighbors. The Board of Trustees of the DAMMERON VALLEY LANDOWNERS ASSOCIATION (DYLA) shall arbitrate any difficulties and can force any landowner in violation to remedy the situation.

2. EASEMENTS AND SETBACKS: Easements for installation and maintenance of utilities, drainage facilities and ingress and egress are reserved as shown upon the recorded plat of the PINION HILLS SUBDIVISION Phase Two. All structures must be set back at least fifty (50) feet from the front property line and fifteen (15) feet from side and back yard lines or established easements. All structures for housing animals, other than household pets, must not be closer than seventy-five (75) feet from any dwelling; and further, these structures should be in the rear one-third (1/3) of the lot.

3. BUILDING TYPE: No building may be less than 1400 feet on one level, or in the case of two level designs, the lower level may be 1000 feet minimum with the upper level a minimum of 500 feet, excluding garages. A garage no smaller than 12' X 20' must be built in conjunction with the house. Western or ranch style architecture is preferred, however, certain modern styles may be approved as long as the landscaping and general theme is western. In rocky terrain it is expected that Post and Beam construction will be popular. Natural woods and brick in earth tones are recommended materials. White and pastels are unacceptable colors. Homes must be site built and cannot exceed twenty-four (24) feet in height. At least 50% of the roof must have a 5/12 or greater pitch, not to exceed a 12/12 pitch. Rail, pole, or other wood type fences and barns normally associated with ranch settings are the standard and required if a fence is built across the front property line. No chain link type fencing will be allowed. If the landowner requests a variance from the covenants of this paragraph, he must, prior to the submittal of plans to the DYLA, obtain the approval of The Dammeron Corporation.

4. GARBAGE AND REFUSE DISPOSAL: No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, rubbish or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Each lot and its abutting street are to be kept free of trash, weeds and other refuse by the landowner. No unsightly materials or other objects are to be stored on the land in view of the general public. No activity which may become an annoyance or a nuisance to the neighborhood will be allowed.

5. TEMPORARY STRUCTURES: All temporary structures including mobile homes, must be approved by the DYLA. Approval will only be given for no greater time than one (1) year for purposes of a temporary residence while a permanent residence is being constructed. Any construction project undertaken must be completed within one (1) year.

6. UTILITIES: Power is served by Utah Power and Light Company; they require a \$200 credit deposit, refundable after one year. Telephone service is by U. S. West; they charge a \$128 hookup fee. All service lines must be underground. Water is served by Dammeron Valley Water Works which is owned by The Dammeron Corporation. A standby water rate (currently \$5 per month) is charged each landowner prior to hookup. The hookup fee is \$1000 and the rate for water is \$1 per 1000 gallons for up to 24,000 gallons per month; over this amount is charged at \$1.25 per 1000 gallons. A \$10 per month minimum applies to all metered customers. Rates for these utilities are regulated by the Utah Public Service Commission. All Utilities must be contacted prior to digging in any roadway or established easement to avoid charge if damage occurs.

7. SIGNS: No sign of any kind shall be displayed to the public view on the land except (a) one professional sign of not more than one square foot, (b) one sign of not more than five square feet advertising the property for sale or rent.

8. OIL AND MINING OPERATIONS: No oil drilling, oil development operations, oil refining, quarry or mining operations of any kind shall be permitted upon or in any lot.

9. COMMERCIAL ENTERPRISE: No commercial business shall be permitted on the land without prior approval of the DYLA. This does not restrict artists or craftsmen using their residence as a studio or workshop as long as it does not disturb their neighbors.

10. GUEST HOUSES: No lot shall be re-subdivided and only one single family residence may be constructed per lot. A guest house of at least 400 square feet may be allowed if approved by the DYLA and the Washington County Commission.

ARTICLE III
GENERAL PROVISIONS

1. ARCHITECTURAL CONTROL: No building, fence or wall shall be erected, placed or altered on the land without the approval of the Board of Trustees of DAMMERON VALLEY LANDOWNERS ASSOCIATION, INC. The Board of Trustees may use a consulting architect or an Architectural Review Committee, and will review all plans in an attempt to maintain consistency of style and design. A \$100 fee must be paid with the submittal of plans to cover the architect and other expenses. Approval or disapproval will be made in writing within thirty days after complete plans and specifications have been submitted.

2. ENFORCEMENT: These covenants shall be binding and inure to the benefit of all present and future owners of the property and they may be enforced by the Board of Trustees or by appropriate action in a Court of Law. If it becomes necessary for an owner or the DAMMERON VALLEY LANDOWNERS ASSOCIATION to enforce these covenants, the party in violation of these covenants shall be responsible for paying all costs of enforcement including a reasonable attorney's fee incurred by the enforcing party.

3. TERMS OF COVENANTS: These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of forty (40) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by a majority of the then owners of all the lots in the Dammeron Valley and Pinion Hills Subdivisions has been recorded, agreeing to change said covenants in whole or in part.

4. SEVERABILITY: Invalidation of any one of these Covenants by judgment or court order shall in no way affect any of the other provisions which all remain in full force and effect.

5. ASSIGNMENT OF POWERS: Any and all rights and powers of the Developer herein contained may be delegated, transferred or assigned.

6. MEMBERSHIP IN ASSOCIATIONS: Membership in the DAMMERON VALLEY LANDOWNERS ASSOCIATION, INC., is appurtenant to and shall be an incident of ownership of any land as described above. A \$100 initiation fee must be paid by each lot owner at the time a lot is initially purchased from The Dammeron Corporation. This fee serves as a catch-up assessment to equalize the prior investment made by existing landowners in fire protection equipment, parks, etc. Monthly dues and assessments may be levied by DVLA, these currently total \$6 per month. Membership in a Pinion Hills Sub-association (whatever form it may take - see Article IV below) is also mandatory. Additional rules, guidelines and covenants may be enacted from time to time by a majority vote of a duly constituted quorum of the dues paying members of the DVLA or Pinion Hills Sub-association. These Covenants can only be significantly modified or eliminated by a majority vote of all landowners, including a vote for each lot still held by the Developer. Any material changes should be recorded against all lots, thereby putting future owners on notice. Existing owners will have been a part of the voting process and thereby be on notice. Owners hereby waive any objection to these future recordings taking place. Lot owners of future phases in the Pinion Hills Subdivisions (expected to be an additional 150 plus lots on 200 plus acres located Southeast of this phase) will also be members of the various Associations described herein and will be subject to these Covenants and other duly constituted rules and guidelines.

ARTICLE IV
ADDITIONAL COVENANTS FOR THE PINION HILLS SUBDIVISIONS

1. ROADS, UTILITIES, EASEMENTS & TRAILS: A 50 foot wide right-of-way (ROW) has been dedicated to Washington County for public roads and utility services to each lot. The Developer will provide the following: 6" water mains with a lateral to each lot and fire hydrants within 500 feet of each lot; 8" sewer mains with a 4" lateral to each lot (sewer costs expended by the developer are reimbursable as explained in paragraphs 2 & 4 below); telephone and electrical service to each lot. Where possible these services will be delivered in the same front corner of a lot at the edge of the 50 foot ROW. The lot owner is responsible for running the lines from the service location to the homesite in as unobtrusive a manner as possible (preferably under his private driveway). In addition to those easements and ROW's shown on the plat, there is an unrecorded 7 1/2 foot easement along every property line which can be evoked by the Pinion Hills Control Board (PHCB) for use as a utility, trail or other easement. Until the PHCB determines the easement is needed to open up public trails or facilitate utility or road development, these easements are not available for public use. Utility and roughed in road improvements will be completed by the Developer by 30 June 1994. The roads will be hard surfaced by 30 June 1995. If a lot buyer requires services prior to that date he should make arrangements with the Developer prior to purchasing his lot.

The developer will provide funds estimated to be adequate for construction of a 30 foot wide gravel road base and a 28 foot wide hard surface chip and seal paving (the top course possibly using red cinders). After the Utility installation is complete, but prior to road improvement, the landowners existing at that time may be canvassed regarding their opinions about road development and maintenance. The developer believes this subdivision would be better served by private roads built to widths and standards more conducive to the environment than the County standards listed at the beginning of this paragraph. Private roads possibly could be narrowed 6 to 8 feet in the cul-de-sacs serving only a few lots, and 2 to 4 feet on the main collector roads. This would allow the roads to wind around trees and rock formations giving the feeling of country lanes. Access to the public could be restricted; motor bikes of non-residents could be kept out; security and privacy would be enhanced. The negatives of private roads must also be considered: no County maintenance or snow removal, inconvenience of the access gate, etc. The owners of phase one voted in February 1992 to leave the roads public, but put the County Commission on notice that we may change our minds and apply for conversion to Private roads at some time in the future.

It is believed, but not guaranteed, that if the developer and a strong majority of the landowners request conversion to private roads, the County will cooperate and assign the 50 foot ROW to Pinion Hills Landowners for use only by residents and owners (and their guests) of the Pinion Hills Subdivisions. This might further allow the landowners to determine the width and standards of improvements for the roads. If conversion to private roads occurs, an assessment (estimated at \$5 per month per lot) will be established for future maintenance as well as eventual acquisition of an automated entrance gate, snow removal equipment, etc. The road fund would be the beneficiary of any funds left over from the costs the Developer has committed for road improvement. Whether the roads are private or public the hiking and horse trails will be open to the public, and ROW's as shown on the recorded plat, or later established by the PHCB, will insure access to and through the subdivision by hikers and horsemen. The public as well as residents are required to stay on designated trails. No vehicles of any kind (including bicycles) are allowed off the roadways. Residents riding motorbikes should keep their activity to a minimum within the subdivision.

The 50 foot easement between lots 23 and 25 is reserved for the use of the adjacent landowner to the West. He owns 13 acres and is limited to a total of five homesites. The easement or right of way is for access and egress, and utility development for the 5 homesites. Upon the request of the adjacent landowner the owners of lots 23 and 25 will be required to deed to him or the County up to 25 feet off their boundaries affected by this easement. All lot owners are hereby on notice that they cannot oppose this possible future amendment to the recorded plat. The setback from this easement is 25 feet.

2. SEWER: Due to the rocky nature of the terrain a centralized septic tank and leach field is being built to handle wastewater disposal. Five plus (5.000) acres of land in the North part of Pinion Hills Subdivision phase one has been set aside for this purpose. Only the sub-surface of the land is required for the sewer system, and the surface rights may be used by the Developer or his assigns as pasture land or facilities to house domestic animals. If in the future the entire parcel is not required for its intended use as a centralized sewer system, the Developer may convert the excess acreage to commercial or residential use as long as the use is compatible with the surrounding residential lots. The location and depth of the sewer service lines provided by the Developer may limit home placements and basements on certain lots. If a landowner places a home where the waste water won't flow into the sewer lines provided, he is responsible for the cost of installing and maintaining pumps and or collection line extensions to meet his needs. The sewer collection lines will run to a centralized septic tank and from there to the centralized leach fields. Prior to hookup to the sewer collection line the landowner will pay a hookup fee (currently \$1500) as his contribution to the centralized sewer system and collection lines. Currently the Developer is providing the funds to develop the Sewer System. The \$1500 connection fee will go to the Developer until he has recovered his costs expended on the Sewer System. Since a government entity is required to administer and maintain centralized sewer systems in Utah, a Special Service District (SSD) has been established for this and other purposes. A monthly fee (estimated at \$15) will be established by the SSD to pay the costs of maintaining and administering the sewer system once there are enough connections to warrant collecting and accounting for the fees. In the meantime the Developer will maintain the system for no charge other than reimbursement of their out of pocket costs.

3. BUILDING AND LANDSCAPING: The nature of the terrain in Pinion Hills, the rock formations, the natural flora and the spectacular views are of great intrinsic value. Each landowner is required to protect these features at all times. At all times, but especially during construction, no surface area should be disturbed that will not later be developed into building, driveway or maintained landscaping. Special care should be taken to insure construction materials and waste do not pollute the subdivision or surrounding land with litter or weeds (be especially careful of weed contamination from straw). Every effort should be made to not obstruct the view from other lots. A minimum disturbance to the natural flora and rock formations must be achieved. With careful construction and development the lots will be generally maintenance free. Those wishing to do additional landscaping must control their water overspray and other factors to avoid introducing weeds to the area. The land is relatively weed free and each lot owner is required to totally eradicate any weeds on his lot or around his lot on roadways or easements. A separate Architectural Control committee for Pinion Hills with its own guidelines may be established by the PHCB in the future if the DVLA Architectural Committee and guidelines don't appear to be adequate. The architectural fee discussed in Article III, paragraph 1 above may be payable to this committee if it is established.

4. ADMINISTRATION: The Dammeron Valley Special Service District was established for purposes of providing fire protection, sewer, transportation, flood control, water and recreation systems anywhere in the Dammeron Valley Subdivisions where such services are needed. Due to lack of need the SSD has not been activated prior to the creation of the Pinion Hills Subdivisions. It is anticipated that the Sewer system installation and maintenance discussed in paragraph 2 above will be the first and possibly only activity within the SSD. Since the SSD has its own Administrative Control Board, elected by all the citizens of Dammeron Valley, and since it has the ability to generate revenue for its purposes by mill levy or assessment of those benefiting from the services, and since the only services expected to be rendered in the foreseeable future will be within the Pinion Hills Subdivisions; it is the intention of the Developer to use the SSD to collect and administer the funds needed for the purposes outlined in paragraphs 1 and 2 above. The elected Board of the SSD may contract out for its required services. The Dammeron Corporation or its subsidiary, Dammeron Valley Water Works (DVWW), may be the initial contractor responsible for building and maintaining the initial sewer system. DVWW may have to expense funds in advance of collection from the landowners. Any funds advanced will be approved by the SSD Control Board and will

be repaid from future collections including interest based on the Zions First National Bank lending rates. Later, if the SSD is rendering services outside Pinion Hills, it may be required that a sub-association to be known as the PINION HILLS CONTROL BOARD be created to deal with matters that are unique to Pinion Hills. In the meantime, in order for the Pinion Hills residents to be involved in the SSD, they should nominate candidates for the positions on the Board by holding an informal primary election resulting in the nomination of the number of candidates for which there are vacancies in the next election. The result of this procedure should be that the SSD is the sub-association representing the unique interests of the Pinion Hills residents until such time as a separate sub-association is established. If a non Pinion Hills resident is elected to the board it may force the creation of the sub-association. References in this document to the PINION HILLS CONTROL BOARD (PHCB), THE PINION HILLS SUB-ASSOCIATION, THE DAMMERON VALLEY SPECIAL SERVICE DISTRICT (SSD) or the ADMINISTRATIVE CONTROL BOARD should be construed as meaning the same entity; ie, the entity responsible for matters unique to the Pinion Hills Subdivisions.

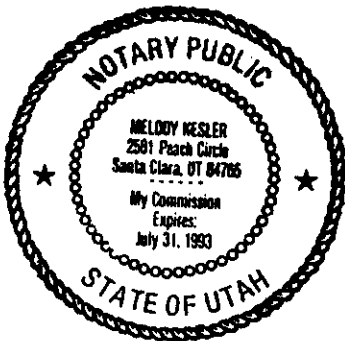
5. DUES, FEES and ASSESSMENTS ARE AN AUTOMATIC LIEN: In summary, the following dues, fees and assessments are pertinent to each lot in the Pinion Hills Subdivisions: 1)DVLA dues and assessments which are currently \$6 per month (plus the \$100 initiation fee) which go to fire protection, park and road tree maintenance, etc; 2)DVWW water fees currently \$5 per month prior to connection and \$10 minimum (against actual usage at \$1 to \$1.25 per 1000 gallons) after connection; 3)sewer fees estimated at \$15 per month (not currently being assessed); 4)road fee estimated at \$5 per month to begin if roads are converted to private; 5) other dues or assessments established by the PHCB. All dues and assessments are subject to change by the appropriate action of the governing body.

All of these dues, fees and assessments are an automatic lien against the landowners's lot from the time they are due and payable. There is no responsibility of the assessing body to record an additional lien, even though they may do so. It is the responsibility of anyone buying a lot from anyone except the Developer to assure themselves that there are no dues, fees or assessments payable, in that the same are payable by the current landowner whether or not he owned the lot when the costs were incurred. None of the above dues, fees or assessments are payable by the Developer while he holds the lots prior to their initial sale (or if repossessed prior to payoff), and therefore a lot bought from the Developer can be considered free from these liens.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 9th day of MARCH, 1993.

Brooks Pace
 Brooks Pace, President
 THE DAMMERON CORPORATION

On the 9th day of March A.D. 1993, personally appeared before me BROOKS PACE, the signer or the within instrument, who being by me duly sworn did say that he is the President of THE DAMMERON CORPORATION, a Utah Corporation, and that the within and foregoing instrument was signed in behalf of said Corporation.



Melody Kessler
 Notary Public, residing in Washington County

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