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MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESERVATION OF EASEMENTS

CAMELOT VILLAGES PLANNED DEVELOPMENT

Springville, Utah County, Utah

RECITALS:

- A. Declarant is the owner of certain real property in the City of Springville, Utah County, Utah, which is set forth and described on **Exhibit A**, attached hereto and made a part hereof (the "Property").
- B. Declarant is developing on the Property a planned residential development to be known as Camelot Villages (the "Project") pursuant to the Camelot Villages Development Plan (the "Development Plan") approved by the City of Springville, Utah (the "City"). The Project contains a mixture of residential Neighborhoods with single-family and multi-family uses. The Project will also contain recreational amenities in the form of Common Elements which are intended to be used and enjoyed by the Owners pursuant to the provisions of this Master Declaration.
- C. In furtherance of a common plan of development for the Project, Declarant intends to adopt the provisions of this Master Declaration for the benefit of the Property and any After Acquired Property, all of which shall be developed subject hereto and all of which shall run with the title to the Property. In addition, Declarant has created or will create prior to the conveyance of fee title to any Lot or Unit the Camelot Villages Master Owners Association (the "Master Association") to which Declarant in due course will delegate and assign (1) the powers of owning, maintaining and administering the Common Elements, (2) the duties of administering and enforcing this Master Declaration, and (3) the duties of collecting and disbursing the assessments and charges hereinafter created in connection with the operation, maintenance, repair and replacement of the Common Elements and the functions and obligations of the Master Association created hereunder.

D. Declarant also intends to create a separate Neighborhood Association covering each Neighborhood within the Project, to provide, among other things, for the management and operation of the common areas within each Neighborhood (separate from the Common Elements as defined herein), to administer and to enforce the terms of any condominium declaration or any declaration of covenants, conditions, restrictions and reservations of easements for each Neighborhood; and to levy and collect assessments required by such declarations.

ARTICLE 1

General

- 1.1 General Purposes. Declarant intends to develop the Project with Neighborhood areas and an overall mixture of single-family, multi-family and recreational uses. Declarant intends that this Master Declaration establish and provide for the continued maintenance of the Project as an attractive and desirable residential community.
- 1.2 **Densities.** The densities for the Project (including any After Acquired Property) are generally defined in the Development Plan and may be further set forth in one or more Development Agreements between Declarant and the City as the Project progresses.
- 1.3 After Acquired Property. Declarant reserves the right to subject the After Acquired Property described on **Exhibit B** to this Master Declaration by the recordation in the Public Records of a supplemental declaration hereto which identifies the additional acreage to be added to the Project. No amendment to this Master Declaration will be required to effect such action. Upon recordation of the supplemental declaration, the After Acquired Property shall be deemed added to the Property for purposes of this Master Declaration.
- the Master Association as a Utah non-profit corporation. The Members of the Master Association will be the Owners (including Declarant) of Lots and Units within the Project. Declarant intends to also create Neighborhood Associations comprised of Owners within specific Neighborhoods, but Neighborhood Associations, as units, shall not have any voting rights in the Master Association. Declarant intends to delegate and assign to the Master Association the powers of owning, maintaining and administering the Project's Common Elements, the duties of administering and enforcing this Master Declaration, and of levying, collecting and disbursing the assessments and charges hereinafter created.
- 1.5 **Declaration.** In order to further the general purposes stated above, Declarant hereby declares that all of the Property, and any of the After Acquired Property hereafter made subject to this Master Declaration as set forth in Section 1.3, shall at all times be owned, held, sold, conveyed, occupied, used, and enjoyed subject to the provisions of this Master Declaration and to the covenants, conditions, restrictions, equitable servitudes, reservations, easements, assessments, charges, and liens provided, referred to or incorporated herein, all of which shall run with such properties and all of which shall burden, benefit, and be binding upon Declarant, all other persons or entities having or acquiring any right, title or interest therein, and their respective successors, assigns, heirs, devisees and personal representatives.
- 1.6 **Right to Develop.** Notwithstanding the foregoing, no provision of this Master Declaration is intended or shall be construed to prevent or limit Declarant's rights to develop the Project and to exercise the rights reserved by Declarant as herein provided.

Definitions

2.1 Unless otherwise expressly provided herein, capitalized words and phrases used in this Master Declaration shall have the following meanings:

After Acquired Property means any parcel or parcels of real property included within the Development Plan but title or other rights to which will be acquired by Declarant after the execution and recordation in the Public Records of this Declaration. Such property is described in **Exhibit B** attached hereto and made a part hereof.

Articles shall mean the Articles of Incorporation of the Camelot Villages Master Owners Association, as such Articles may be amended from time to time.

Board shall mean the Board of Trustees of the Master Association, appointed by Declarant during the Declarant Control Period or elected by the Owners following the Change of Control Date in accordance with the Articles and Bylaws of the Master Association.

Bylaws shall mean the Bylaws of the Master Association, as such bylaws may be amended from time to time.

Capital Improvement Assessment shall mean the charge against each Owner and the Owner's Lot or Unit for the purposes specificed in Section 3.15(c).

Change of Control Date shall mean the date on which Declarant's Class B voting rights terminate pursuant to the provisions of Section 3.11.

City means Springville City, Utah County, Utah.

Common Assessment shall mean the charge against each Owner and the Owner's Lot or Unit for the purposes specified in Section 3.15(a).

Common Elements shall mean all the real property, Improvements, facilities and equipment owned or managed by the Master Association, or owned by another person subject to a lease, license, easement or other arrangement in favor of Declarant or the Master Association, for the benefit of all of the Owners. The Common Elements within the Project will be specified in the Development Plan and, where applicable, in other separately recorded documents identifying Common Elements or specifying an interest of the Master Association with respect to any Common Elements. Common Elements shall also include any communications systems, electronic networks or cable TV systems operated, leased, or subscribed to by the Master Association for the benefit of all Owners within the Project.

Common Elements Plat shall mean that subdivision plat containing approximately 1.33 acres of the Property entitled "Recreational Property at Camelot Villages" recorded in the Public Records.

Common Expenses shall mean the expenses (including allocations for Reserves) incurred or assessed by the Master Association in fulfilling its duties.

Declarant shall mean Gateway-Art City Residential, L.C., a Utah limited liability company, and its successors and assigns to whom it assigns, in whole or in part, the rights

of Declarant hereunder by an express written assignment. Declarant may convey all or a portion of the Property for purposes of development with or without assigning its rights as Declarant under this Declaration. Declarant may also be a declarant under a Neighborhood Declaration (or there may be a separate declarant for such purposes) without affecting Declarant's rights hereunder.

Declarant Control Period shall mean the period commencing on the date on which the Master Association is formed and ending on the Change of Control Date.

Design Guidelines shall mean the design guidelines adopted by Declarant in accordance with this Master Declaration, as amended from time to time.

Design Review Committee shall mean the Design Review Committee for the Project created pursuant to Article 6 hereof.

Development Agreement shall mean any agreement executed by and between the City and Declarant pertaining to the development of any portion of the Project.

Development Plan shall mean the Camelot Villages Development Plan for the Project as the same may be amended from time to time. The Development Plan is not intended to set forth the final approved configuration of all elements of the Project.

Guest shall mean any family member, tenant or invitee of an Owner, or any family member, tenant or guest of such a person.

Improvements shall mean all structures and appurtenances thereto of every type and kind, including, without limitation, buildings, out buildings, walkways, garages, carports, roads, driveways, parking areas, recreational amenities, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, windbreaks, planting, planted trees and shrubs, and related fixtures and equipment.

Lot shall mean a residential lot within the Project as shown on a recorded Plat and intended for single family residential use.

Master Association shall mean the Camelot Villages Master Owners Association to be formed by Declarant pursuant to the laws of the State of Utah.

Master Declaration shall mean this Master Declaration of Covenants, Conditions, and Restrictions and Reservation of Easements, as amended from time to time.

Master Rules and Regulations shall mean the Master Rules and Regulations for the Project's Common Elements adopted by the Board pursuant to Section 7.14 as amended from time to time.

Member shall mean a Member in the Master Association through ownership of a Lot or Unit within the Project.

Mortgage shall mean any mortgage or deed of trust or other conveyance of a Lot or Unit given to secure the performance of an obligation, and which will be void and reconveyed upon the completion of such performance.

Mortgagee shall mean a person to whom a Mortgage is made and shall include the beneficiary of a deed of trust. The term "first Mortgagee" shall include any Mortgagee

who, by virtue of the Owner's Mortgage holds a first and prior lien upon any Lot or Unit superior to the lien of any other Mortgagee.

Mortgagor shall mean a person who mortgages the Owner's Lot or Unit to another (i.e., the maker of a Mortgage), and shall include the trustor of a deed of trust.

Neighborhood shall mean any separate subdivision or condominium project within the Project as identified in the Development Plan.

Neighborhood Association shall mean the owners association for any Neighborhood in the Project. A Neighborhood Association is an association of Lot or Unit Owners which has no right to vote as a unit in the Master Association but whose members have independent voting rights therein.

Neighborhood Declaration shall mean the declaration of covenants, conditions, and restrictions and reservation of easements or a declaration of condominium, as the case may be, for a particular Neighborhood Association, as such declaration may be amended from time to time.

Owner shall mean the person, including Declarant, holding title of record to any Lot or Unit as reflected in the Public Records (including contract purchasers under executory contracts of sale), but excluding those persons having such interest merely as security for the performance of an obligation. For purposes of membership in the Master Association, i. e. voting, and being obligated to pay assessments levied against Lots and Units by this Master Declaration, the term shall refer to Owners of Lots and Units.

Plat shall mean a recorded subdivision plat covering residential Lots and Units within the Project as well as a recorded record of survey map covering residential condominium Units within the Project.

Project shall mean the Camelot Villages Planned Development as it exists at any time.

Property shall have the meaning set forth in the Recitals above and shall also include any After Acquired Property that is made subject to this Master Declaration pursuant to the provisions of Section 1.3.

Public Records shall mean the Office of the County Recorder of Utah County, Utah.

Reserves shall mean those reserves anticipated in Section 3.15.

Special Assessment shall mean the charge against each Owner and the Owner's particular Lot or Unit for the purposes specified in Section 2.15(b).

Specific Assessment shall mean the charge against a particular Owner and the Owner's Lot or Unit for the purposes specified in Section 3.15(d).

Unit shall mean a single family residential dwelling, townhome or condominium unit on the Property, whether attached or unattached, and constructed upon a numbered Lot or space reflected on a recorded Plat.

ARTICLE 3

Camelot Villages Owners Association

- Relationship of Project Associations. The Camelot Villages Owners 3.1 Association shall be the Master Association for the Project and shall do such things as are within its powers and as may reasonably be required to maintain the Project and its Common Elements as an attractive and desirable residential community. The Members of the Master Association shall be the Owners, including Declarant, of Lots and Units within the various Neighborhoods of the Project. Declarant shall form a Neighborhood Association for each Neighborhood, but a Neighborhood Association shall not, as a unit, have membership in the Master Association. The members of a Neighborhood Association shall be the Declarant or its delegate and the Owners of Lots or Units in that Neighborhood. The duties and powers of the Master Association shall relate to the Project as a whole and to the ownership and use of the Common Elements, their care, maintenance and upkeep, including the imposition of assessments therefor upon the Owners and their Lots and Units. The duties and powers of a particular Neighborhood Association shall relate only to its particular Neighborhood, the ownership and/or management of Neighborhood common areas, their maintenance and upkeep, and the imposition of Neighborhood Association assessments and the collection thereof.
- 3.2 **Duties and Powers of Master Association.** The Master Association, acting through the Board, shall have the powers and duties as provided herein and in the Articles and Bylaws and such additional powers as shall be reasonable and necessary for the Master Association to accomplish the purposes of this Master Declaration. The Master Association may also contract with individual Neighborhood Associations to act as the managing agent for such associations pursuant to the articles, bylaws or Neighborhood Declarations pertaining to such associations.
- 3.3 Operation and Maintenance. The Master Association shall be responsible for the operation, management, regulation, maintenance, repair and replacement of the Common Elements. Without limiting the foregoing, the Master Association shall as needed operate, manage, regulate, maintain, repair and replace:
- (a) All Improvements constructed upon that portion of the Property described on the Common Elements Plat.
- (b) Any other surface, subsurface, or above-surface Common Elements, including trails or other Common Elements situated on or crossing any portion of the Project or which is the subject of an easement or license in favor of Declarant and/or the Master Association over property that is not a part of the underlying Property within the Project but for such easement or license.
- 3.4 **Health and Safety.** Neither Declarant nor the Master Association have any obligation to provide services for the maintenance of health and safety within the Project.
- 3.5 Administration and Enforcement. The Master Association shall have the power to:
- (a) Grant easements or rights-of-way required by utilities to serve the Common Elements.
- (b) Employ or contract with a manager to perform all or any part of the duties and responsibilities of the Master Association, and delegate its power to committees, officers and employees.

- (c) Take such actions as may reasonably be necessary or desirable to comply with and enforce the Master Rules and Regulations.
- (d) Contract with such persons as may reasonably be necessary or desirable to effectuate the purposes of this Master Declaration, including, without limitation, attorneys, accountants, and contractors to collect and dispose of solid waste and refuse, to maintain the landscaping, to provide security services, and the like, all with respect to the Common Elements.
- (e) Take such actions as may reasonably be necessary or desirable to enforce the terms and provisions of the Articles, the Bylaws, or this Master Declaration.
- 3.6 Insurance. The Master Association shall maintain such policy or policies of liability, fire and hazard insurance with respect to the Common Elements and personal property owned by the Master Association as required herein.
- 3.7 Assessments. The Master Association shall levy and collect all assessments as provided herein.
- Association may provide for cable television facilities and services; other telecommunications systems and access to communications programming, including internet access via cable or telephone facilities; other audio or video program services; and other telecommunications devices as the Board may deem appropriate bearing in mind the demand of Owners therefor and the costs of delivery thereof.
- 3.9 Membership in the Master Association. Every Owner, upon acquiring title to a Lot or Unit in the Project, shall automatically become a Member of the Master Association and shall remain a Member until such time as the ownership of the Lot or Unit giving rise to such membership ceases, for any reason, at which time the successor Owner of the Lot or Unit shall become the successor Member as respects such Lot or Unit.
- 3.10 Membership Appurtenant. Membership in the Master Association shall be appurtenant to and may not be separated from the fee ownership of a Lot or Unit. Ownership of a Lot or Unit shall be the sole qualification for membership in the Master Association, and such membership shall not be transferred, pledged, or alienated in any way except upon the transfer of title to the Lot or Unit giving rise to such membership, and then only to the successor in interest of such title. Any attempt to otherwise transfer a membership shall be null and void, and will not be reflected upon the books and records of the Master Association.
- 3.11 Voting Rights. The Master Association shall initially have two classes of voting rights:
- (a) Class A. Subject to the provisions of Section 3.12, each Member shall be entitled to one vote for each Lot or Unit to which the Member holds the requisite fee title interest required for Master Association membership.
- (b) Class B. Declarant shall be the only Member entitled to Class B voting rights which shall entitle Declarant to two votes for each Class A vote (including those to which Declarant is entitled) outstanding at the time. Class B voting rights shall terminate on the earlier of: (i) the expiration of 90 days following the date on which the total outstanding Class A voting rights, other than those held by Declarant, equal ninety percent (90%) of the

total number of Lots or Units authorized in the Project pursuant to the Development Plan; or (ii) December 31, 2006; or (iii) upon surrender of the Class B voting rights by Declarant in writing to the Master Association. Upon such termination of the Class B voting right, all Members shall have equal voting rights with respect to all matters.

- 3.12 Multiple Ownership Interests. If more than one person owns any Lot or Unit, all of such co-Owners shall be Members of the Master Association for all purposes and privileges and the vote relating to the Lot or Unit shall be exercised as such Members may determine between or among themselves, but in no event shall more than the total vote appurtenant to the Lot or Unit be cast with respect to any issue. A vote cast at any Master Association meeting or by written consent by any of such co-Owner Members, whether in person or by proxy, shall be conclusively presumed to be the entire vote attributable to the applicable Lot or Unit unless an objection is made at a meeting or in writing by another Co-Owner of the same Lot or Unit, in which event no vote or consent will be counted with respect to such Lot or Unit except to determine the presence or absence of a quorum at a meeting.
- 3.13 **Voting.** Unless a greater than simple majority of the membership is specified as being required in the Articles, the Bylaws or this Master Declaration, the vote or approval of the Members shall require the approval of a simple majority of all eligible and outstanding Members' votes present in person or by proxy at a meeting of the Members at which a quorum is present.
- 3.14 Notice and Quorum. Written notice of any meeting called for the purpose of taking any action by the Members shall be sent to all Members not less than 15 days, nor more than 30 days, in advance of the meeting. At the first such meeting called, the presence of the Members or of proxies entitled to cast fifty-one percent (51%) of all votes of the Master Association eligible to be cast at said meeting shall constitute a quorum as to all Members. If the required quorum is not present, another meeting may be called by giving not less than 10 days notice in advance of the meeting, and the required quorum at the subsequent meeting shall be one-half (1/2) that required at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.
- 3.15 Assessments. The Master Association shall have the right to levy and collect Common Assessments, Special Assessments, Capital Improvement Assessments and Specific Assessments as provided in this Section. The Board may require that payment of any of such Assessments, except Specific Assessments, be made to, and collected with the assessments of, Neighborhood Associations and remitted by the Neighborhood Associations to the Master Association in monthly or periodic bulk payments as directed.
- (a) Purpose of Common Assessments. The Common Assessments levied by the Master Association shall be used to promote the common benefit, recreation and we fare of the Owners; to meet obligations imposed on, incurred or assumed by the Master Association; to cover costs, including overhead and administrative costs, for the operation of the Association; and the operation, management, maintenance, repair, and replacement of the Common Elements. The Common Assessments may also be used to establish adequate Reserves for maintenance, repair, and replacement of the Common Elements. Common Assessments shall be levied against each Lot and Unit and the Owner thereof and shall be payable in such manner and at such times, including monthly or quarterly installments, as the Board may determine.
- (i) Basis of Common Assessments. The total Common Assessments shall be based on advance estimates of cash requirements by the Master Association to provide for payment of all estimated Common Expenses growing out of or

connected with the operation of the Association and the operation, management, maintenance, and repair of the Common Elements, which estimates may include, among other things, expenses of snow removal, taxes, premiums for all insurance which the Master Association is required or permitted to maintain pursuant hereto, repairs and maintenance, wages for Master Association employees, compensation of a manager, legal and accounting fees, the creation of reasonable Reserves, surplus and/or sinking funds for the replacement of capital items and other purposes, and any other expenses and liabilities which may be incurred by the Master Association for the benefit of the Owners. Common Assessments shall be made on the basis of the Association's fiscal year (which may be a calendar year). Notice of the proposed assessment for any such year shall be mailed to each Owner not later than 30 days prior to the effective date thereof. Common Assessments shall be uniform for all Lots and Units.

- (ii) Reserves. Common Assessments may include reasonable amounts, as determined by the Board, collected as Reserves for the future periodic maintenance, repair and replacement of all or a portion of the Common Elements, or for any other purpose as determined by the Board. All amounts collected as Reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected. Said amounts shall be segregated from and not commingled with any other funds of the Master Association. Such Reserves shall be deemed a contribution to the capital account of the Master Association by the Members.
- Assessments shall be levied to cover unbudgeted expenses or expenses in excess of those budgeted. Except as otherwise provided in the Articles, Bylaws, or in this Master Declaration, a Special Assessment shall require the affirmative vote or written consent of a majority of Members. Special Assessments shall be levied against each Lot and Unit and the Owner thereof on a pro-rata, uniform basis and shall be payable in such manner and at such times, including installments over time, as the Board may determine.
- (c) Purpose of Capital Improvement Assessments. If and when required, a Capital Improvement Assessment may be levied for the purpose of defraying, in whole or in part, the cost of construction, reconstruction, repair or replacement of a capital improvement of or upon the Common Elements, including fixtures and personal property related thereto subsequent to the initial construction thereof for their intended purposes pursuant to the Development Plans; provided, however, that any such assessment in excess of Fifty Thousand Dollars (\$50,000) shall require the affirmative vote or written consent of a majority of all outstanding Member votes. Capital Improvement Assessments shall be levied against each Lot and Unit and the Owner thereof, on a pro-rata, uniform basis and shall be payable in such manner and at such times, including installments over time, as the Board may determine.
- against particuar Lots or Units and the Owner thereof for the purpose of enforcing any provision of the Articles, Bylaws, this Master Declaration, the Master Rules and Regulations (or the decisions of the Design Review Committee against any Owner), or bringing any Lot or Unit into compliance with such provisions; and for the maintenance, repairs, or replacements of or within the Common Elements arising out of or caused by the willful or negligent act or omission of any Owner, or the Guests of any Owner.
- 3.16 Creation of the Lien and Personal Obligation of Assessment. Each Owner of any Lot or Unit, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Master Association all Common Assessments, Special Assessments, Capital Improvement Assessments and Specific

Assessments levied as provided herein. Each such assessment, together with interest, costs and reasonable attorney's fees for the collection thereof, shall be a charge on the Lot or Unit and shall be a continuing lien upon the Lot or Unit against which the assessment is made. It shall have priority over any declaration of homestead recorded after the date on which this Master Declaration is recorded in the Public Records and shall continue until paid in full or otherwise satisfied. Each such assessment, together with interest, late charges, collection costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot or Unit at the time when the assessment fell due.

- 3.17 Adjustment of Assessments. The Master Association may phase-in its budget for assessment purposes during a period of up to 12 months following the commencement of assessments pursuant to Section 3.21 with approximately equal monthly additions so that the amount of the budget (determined based on assumed full operation) collected in the first month of the phase-in period will be (assuming the phase-in period is 12 months) one-twelfth (1/12) of the normal monthly assessment under the full budget, the amount collected in the second month will be two-twelfths (2/12) of the normal monthly assessment, and so on, until the full normal monthly amount is collected in the twelfth month. The Master Association shall reduce its expenditures to not exceed its collections in these phase-months. Further, in the event that a Plat is recorded, the Board shall have the power to make equitable and reasonable adjustments in the amount of assessments (or installments thereof) so as to take into account (i) any increases in assessments payable to the Master Association resulting from the inclusion of new Lots or Units and (ii) any increases in Common Expenses resulting from the inclusion of new Lots or Units.
- 3.18 No Offsets or Abatement. All assessments shall be payable in the amount specified by the assessment and no offsets or abatements against such amount shall be permitted for any reason, including, without limitation, a claim that (i) the Master Association is not properly exercising its duties and powers as provided in this Master Declaration, or (ii) an Owner has made or elects to make no use of the Common Elements.
- 3.19 Homestead Waiver. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Master Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of Utah now in effect or from time to time hereafter.
- Limitations on Certain Increases in Common and Special Assessments. The Board shall not in any fiscal year of the Master Association, without the affirmative vote or written consent of a majority of all outstanding Member votes, levy a Common Assessment per Lot or Unit which is more than fifteen percent (15%) greater than the Common Assessment per Lot or Unit for the immediately preceding fiscal year. Nor shall the Board for any fiscal year of the Master Association, without the affirmative vote or the written consent of a majority of all outstanding Member votes, levy a Special Assessment against each Lot or Unit which, when aggregated as to all Lots and Units, exceeds ten percent (10%) of the Common Expenses of the Master Association for such fiscal year. Notwithstanding the foregoing, the Board may increase Common Assessments and Special Assessments which are subject to the foregoing limitations in an "emergency situation" which is defined as either of the following: (i) an extraordinary expenditure necessary to operate, repair or maintain the Common Elements where there exists a threat to personal safety or (ii) an extraordinary expenditure necessary to repair or maintain the Common Elements that could not have been reasonably foreseen by the Board in preparing its budget. However, prior to the imposition and collection of an assessment under this Subsection (ii), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not

or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Members with the notice of the assessment.

- 3.21 Date of Commencement of Assessments. Common and other assessments shall commence (i) on the first day of the month following the day that is 180 days after the recording of the Common Elements Plat, or (ii) upon completion of construction (as evidenced by inspection approvals from the City) of all the Improvements to be constructed by Declarant upon that portion of the Property subject to the Common Elements Plat and the conveyance of such Property and Improvements to the Master Association pursuant to Section 3.25, whichever event occurs last. The first Common Assessment shall be adjusted according to the number of months remaining in the fiscal year of the Master Association and may be further adjusted in accordance with the phase-in provisions of Section 3.17, at the option of the Board.
- 3.22 Reports to Members. The Board shall cause to be prepared an annual balance sheet and operating statement reflecting income and expenditures of the Master Association for each fiscal year, and shall cause to be distributed a copy of each such statement to each Member. The Board shall also prepare and distribute to each Member with the delivery of notice of each new proposed Common Assessment as required pursuant to Section 3.15(a)(i), a written, itemized estimate of the Common Expenses to be incurred by the Master Association during such new year in performing its functions under this Master Declaration as well as expected income and any surplus from the prior year's assessments.
- 3.23 Excess Funds. At the end of any fiscal year of the Master Association, the Board may determine that all excess funds of the Master Association, over and above the amounts used for any purpose, may be retained by the Master Association and used for Reserves, or to reduce the following year's Common Assessments.
- Assessment, Special Assessment, Capital Improvement Assessment or Specific Assessment not paid within 30 days after the due date shall bear interest from the due date of such installment to the date paid at the rate of twelve percent (12%) per annum. If any installment of an assessment is not paid within 30 days after it is due, the Owner responsible therefor shall be required to pay a late charge of five percent (5%) of the amount of the delinquent installment. The Master Association may either bring a legal action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot or Unit. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or by abandonment of the Owner's Lot or Unit. If any assessments are being made to and collected with the assessments of Neighborhood Associations, the Master Association may either join with the applicable Neighborhood Association in pursuing its remedies, or it may elect to pursue such remedies independent of such Neighborhood Association, or it may assign its rights under this Section 3.24 to such Neighborhood Association.
- lien herein, unless at least 30 days have expired following the date Notice of Default is deposited in the United States mail, postage prepaid, to the Owner of the Lot, and a copy thereof has been recorded by the Master Association in the Public Records. Said Notice of Default must recite a good and sufficient legal description of the Lot or Unit, the record Owner or reputed Owner thereof, the amount claimed (which may include interest and late charges as provided in this Section 3.24, plus reasonable attorney's fees and expenses of collection in connection with the debt secured by said lien), and the name and address of the Master

Association, as claimant. Such Notice of Default shall be signed and acknowledged by an officer of the Master Association.

- (b) Foreclosure Sale. Any sale provided for above may be conducted by the Board, its attorney or other persons authorized by the Board in accordance with the provisions of the Utah Code Annotated, 1953, as amended, applicable to the exercise of powers of sale in deeds of trust, by foreclosure as a mortgage, or in any other manner permitted by law. The Master Association, through duly authorized agents, shall have the power to bid on the Lot or Unit at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same.
- (c) Curing of Default. Upon the timely curing of any default for which a Notice of Default was recorded by the Master Association, an officer of the Master Association shall record in the Public Records an appropriate Release of Lien, upon payment by the defaulting Owner of a reasonable fee to be determined by the Master Association to cover the cost of preparing and recording such release.
- (d) Certificate as to Indebtedness. A certificate executed and acknowledged by any officer of the Master Association stating the indebtedness secured by the liens created hereunder upon any Lot or Unit shall be conclusive upon the Master Association and the Lot or Unit Owner as to the amount of such indebtedness as of the date of the certificate, in favor of all persons who rely thereon in good faith.
- (e) Cumulative Remedies. The assessment liens and the rights of foreclosure and sale hereunder shall be in addition to, and not in substitution for, all other rights and remedies which the Master Association and its assigns may have hereunder and by law, including a suit to recover a money judgment for unpaid assessments, as above provided.
- 3.25 Title to the Common Elements. Declarant hereby agrees that it will convey or assign (where Declarant owns less than the title) all of its right, title and interest in and to the Common Elements to the Master Association, free and clear of all encumbrances and liens, except for the following:
- (a) conditions, restrictions and reservations of easements set forth in this Master Declaration or any Plat;
 - (b) liens for taxes and assessments;
- (c) the terms of other easements and reservations interests in Declarant's chain of title, excluding financial liens; and
 - (d) any public rights of record.

The Declarant shall delay the conveyance of the title or assignment of rights as set forth in this Section 3.25 until after the recording of applicable Plats or entitling documents in the Public Records and completion of construction of any Common Elements as required by this Master Declaration.

3.26 Taxes on Common Elements. Real estate taxes or assessments levied or assessed against or upon the Common Elements shall be paid by the Master Association and shall constitute a portion of Common Expenses unless the applicable taxing or assessing authority is willing to prorate the same equally to each Owner's Lot or Unit. Each Owner

shall execute such instruments and take such action as may be reasonably specified by the Master Association to obtain separate real estate tax assessments for the Common Elements on the Owner's Lot or Unit.

- 3.27 **Damage or Destruction to Common Elements.** Damage to or destruction of all or any portion of the Common Elements shall be handled in the following manner:
- (a) If the insurance proceeds are sufficient to effect total restoration in the event of damage or destruction to any Common Element, then the Master Association shall cause such Common Element to be repaired and reconstructed substantially as it previously existed.
- (b) If the insurance proceeds are insufficient to effect total restoration, then the Master Association shall cause such Common Element to be repaired and reconstructed substantially as it previously existed and the difference between the insurance proceeds and the actual cost shall be levied as a Capital Improvement Assessment against each of the Owners and their Lots and Units, in accordance with the provisions of this Master Declaration.

ARTICLE 4

Easements and Third Party Rights

- 4.1 Easements Reserved by Declarant. As to the Property, Declarant hereby reserves to itself and its assigns the following easements:
- 4.1.1 Construction Easements and Related Rights. Declarant hereby reserves for the benefit of Declarant and its assigns the right from time to time:
- (a) to construct, maintain, repair and replace any Improvements necessary or required for the full development of the Project on the Property owned by Declarant; on the Common Elements; and on portions of Lots outside of the building areas of Lots or Units which may be designated on a Plat;
- (b) to establish and use nonexclusive perpetual utility and other easements, leases, permits or licenses on, over, upon, across, above, under and through the Common Elements for uses including, but not limited to access roads, paths, sidewalks and trails; clubhouse; mailbox structures; sprinkler systems and other landscaping changes, improvements and appurtenances (including without limitation, removal of trees and other vegetation subject to any necessary governmental approvals); ponds; drainage facilities; monuments; recreational areas and amenities; parking areas; conduit installation areas; storage facilities for supplies and equipment; earth walls and other roadway supports; lights; and signage;
- (c) to create other interests, reservations, exceptions and exclusions for the best interest of the Master Association and for the benefit of any Owner or all Owners provided that any such action taken and any easement, lease, permit or license, interest, reservation, exception or exclusion established does not unreasonably impair the use of the Common Elements or the building areas of Lots or Units designated on a Plat for their respective intended purposes; and

- (d) to construct and maintain offices, prefabricated structures, booths or other structures for administrative, sales and promotional purposes relating to the Project during its development and marketing.
- 4.1.2 Landscaping and Drainage Easements. Declarant hereby reserves for itself and its assigns an easement across the Property (except the portions thereof occupied by Improvements) and within all Common Elements:
- (a) to revegetate, beautify or maintain portions of the Property located adjacent to road rights of way;
- (b) to beautify and maintain portions of the Property to the extent necessary, in Declarant's judgment, to mitigate through landscaping, any potential visual impact of the Project;
- (c) to revegetate portions of the Property in order to control erosion, to beautify the Property or to restore the Property to a natural condition after damage by natural or man-made causes;
- (d) to preserve, improve, maintain, restore and revegetate natural and man-made storm drainage ways across the Property, including the building areas of the Property which include drainage ways, and to convey water in those drainage ways; and
- (e) to construct, operate, maintain, repair and replace storm detention and water quality structures on the Property, including within the building areas of Lots or Units where necessary to adequately control surface water.
- 4.1.3 Easements for the Benefit of Owners. Declarant hereby reserves for the benefit of all the Owners, the following described perpetual non-exclusive easements over all portions of Lots located outside of any building areas designated on the Plats, for the use and enjoyment of the Lots and Units in accordance with this Master Declaration; easements, including any necessary access rights, for the installation, maintenance and repair of utilities and services; for drainage over, across and upon adjacent Lots and Units for water from normal use of adjoining Lots; and for the construction, maintenance and repair of earth walls, slopes, retaining walls and other supports. Declarant also reserves any other easements referred to on any Plat as reserved by Declarant for the use and enjoyment of Owners of Lots or Units.
- 4.2 Easements for Benefit of Master Association. Declarant hereby grants to the Master Association, its licensees, invitees, lessees, successors and assigns, a nonexclusive, perpetual easement over, upon, across, above, under and through the Property and each portion thereof to exercise any right held by or obligation imposed upon the Master Association under this Master Declaration or any other Master Association documents. Notwithstanding the foregoing, the Master Association shall not enter upon any Lot or Unit without reasonable prior notice to the Owner of the Lot or Unit, except in cases of emergency.
- 4.3 Other Easements. The Property shall be subject to the following easements in addition to those created in this Master Declaration.
- (a) Easements on Plats and of Record. The Property shall be subject to all easements shown on any Plat, and to all easements of record.

- (b) Easements for Parking. Temporary guest or recreational parking shall be permitted within the Common Elements only within spaces and areas clearly marked for this purpose. Spaces shall be shown by signs or markings on the paved area. The Master Association is hereby empowered to establish "parking" and "no parking" areas within the Common Elements, as well as to enforce these parking limitations by all means lawful for such enforcement including the removal of any violating vehicle.
- (c) Easements for City and County Public Service Use. Declarant hereby reserves and covenants for itself and all future Owners within the Project, easements for any City, county, state and federal public services, and for public utilities, including but not limited to, the right of the police to enter upon any part of the Property for the purpose of enforcing the law.
- (d) Cable Television. Declarant hereby reserves easements in, upon, over, across and through the Property for the installation of a cable television antenna system, together with the right to grant and transfer such easements.
- 4.4 Nature of and Creation of Easements. Unless otherwise set forth herein, any easement reserved in this Declaration shall be deemed to be nonexclusive, and each easement in favor of an Owner shall be deemed to be appurtenant to and for the benefit of the Lot or Unit owned by such Owner. Any and all easements reserved in this Declaration shall be deemed to be in full force and effect upon recordation of this Master Declaration in the Public Records whether or not referred to, reserved and/or granted in any instrument of conveyance.
- 4.5 Neighborhoods. In establishing and developing the several Neighborhoods within the Project, Declarant intends to record Plats and Neighborhood Declarations and establish Neighborhood Associations with respect to each such Neighborhood, utilizing in the process the various easements set forth and reserved to Declarant and its assigns in this Article 4. However, such easements and further reservations thereof in such Neighborhood Plats or in the documentation of such Declarations or Associations need not be expressed in the verbatim language set forth in this Article 4 as long as Declarant's intent is clearly expressed therein.

ARTICLE 5

Owners' Rights and Obligations

- 5.1 Owners' Easements of Enjoyment. Every Owner and the Owner's Guests shall have a non-exclusive right and easement of ingress and egress and of enjoyment in, to and over the Common Elements, which right and easement shall be appurtenant to and shall pass with fee title to the Owner's Lot or Unit, subject to the rights of the Master Association as set forth in this Master Declaration, the Articles and Bylaws, including the right of the Master Association to suspend the voting rights and rights to use the Common Elements (except, if necessary for ingress and egress to the Owner's Lot or Unit) by an Owner for any period during which any assessment against the Owner's Lot or Unit remains unpaid and delinquent, and for a period not to exceed 30 days for any single infraction of the Master Rules and Regulations
- 5.2 No Exemption from Liability. No Owner shall be exempt from personal liability for assessments to be levied by the Master Association, nor shall the Lot or Unit owned by such Owner be released from the liens and charges thereof by waiver of the use and enjoyment of the Common Elements or the facilities thereon or by abandonment of the Owner's Lot or Unit.

5.3 Maintenance Obligations of Owners. It shall be the duty of each Owner to abide by the provisions of the respective Neighborhood Declaration regarding Design Review Committee approval and the maintenance, repair and upkeep of the Owner's Lot or Unit in a neat, sanitary and attractive condition.

ARTICLE 6

Design Review

- 6.1 **Design Guidelines.** Subject to the City's ordinances and building codes, Declarant intends to develop all of the Lots and to construct all of the Units in the various Neighborhoods within the Project as well as all of the Common Elements and all other Improvements upon the Property. Such development and construction shall be completed pursuant to the Development Plan, any Development Agreement, Declarant's plans and specifications, and such other building and design criteria as Declarant and the Design Review Committee from time to time shall establish for the Project, shall be referred to herein as the "Design Guidelines". Design Guidelines shall also be deemed to include the requirement that the quality of all materials to be used in any construction or Improvements within the Project, including all Neighborhoods, be equal or superior to that utilized by Declarant for original construction. All original construction by Declarant pursuant to the Design Guidelines, as they may be amended from time to time, shall be and is hereby approved.
- 6.2 **Design Review Committee.** The Design Review Committee (the "Committee") shall consist of an uneven number of persons of not less than three nor more than five members, who need not be Owners. The members of the Committee shall be appointed by Declarant during the Declarant Control Period and thereafter by the Board of Trustees. The Committee may utilize professional consultants including an architect, a landscape architect, and a civil engineer. The Committee shall have and exercise all of the powers, duties and responsibilities set out in this Master Declaration and shall meet on such schedules as may be established by its Chairman. A majority of its members shall constitute a quorum and the majority of its members present at the meeting shall be sufficient to approve action. Actions may also be approved by unanimous written consent of all Committee members.
- 6.3 Neighborhood Design Review. It is intended that all matters of Design Review within the Project as a whole be governed pursuant to the provisions of this Article 6 and that the Design Review Committee referred to in Section 6.2 function as to any aspect of the Common Elements wherever located throughout the Project. However, at the end of the Declarant Control Period, in all matters of Design Review within the respective Neighborhoods, the Committee shall be composed of the Chairman and one other member of the Committee, plus the three member Design Review Committee established pursuant to the Neighborhood Declaration for the Neighborhood in question. The Chairman shall remain the Chairman of such Committee and all records shall be kept as required in this Article 6.
- 6.4 Approval by Design Review Committee. Except for original construction by Declarant, no Improvements of any kind, including, without limitation, residence dwellings, ponds, parking areas, mail boxes, fences, walls, garages, driveways, antennae, satellite dishes, flag poles, curbs, and covered walks shall ever be erected, altered, refinished or repainted (unless of the same finish or color as the original) or removed from any lands within the Property, nor shall any excavating, clearing, removal of trees or shrubs, landscaping or other alteration of existing site conditions be done on any lands comprising the Property, unless the complete plans and specifications therefor ("Plans and Specifications") complying with the

Design Guidelines requirements are approved by the Committee prior to the commencement of work. The Committee shall consider the materials to be used on the external features of said buildings or structures, including exterior colors, harmony of external design and existing structures within the Project; the building bulk or mass of any buildings or structures within the Project, their location with respect to topography, existing trees, finished grade elevations, and harmony of landscaping with the natural setting and surroundings; and shall ascertain whether the Improvements conform to the Design Guidelines then in effect, this Master Declaration, and the applicable Neighborhood Declaration.

- 6.5 Approval Procedure. Two copies of the complete Plans and Specifications must be submitted to the Committee for approval or disapproval by it in writing within 30 days after submission, provided that Plans and Specifications for any replacement structure to be constructed in substantially the same configuration, location, architectural style and to be of substantially the same size as its predecessor shall be approved or disapproved within 10 days after submission. In the event the Committee fails to take any action within such specified periods, it shall be deemed to have approved the material submitted except in those respects that such material is not in conformity with the provisions of this Article 6, as to which respects it shall be deemed disapproved. The Committee shall disapprove Plans and Specifications submitted to it which are not sufficient for it to exercise the judgment required of it by this Article 6. In the event of a conflict between the Design Guidelines and the applicable regulations or ordinances of the City or any other governmental entity having jurisdiction, the latter shall prevail.
- 6.6 Construction. Once begun, any construction, landscaping, or alterations approved by the Committee shall be diligently prosecuted to completion. If reasonably necessary to enable such construction, landscaping, or alteration, the person or persons carrying out the same shall be entitled to temporarily use and occupy portions of the Neighborhood common areas in the vicinity of the activity provided that they shall promptly restore such areas to their prior condition when the use thereof is no longer required. The Committee shall have the authority and right at any time and from time to time at any reasonable hour to inspect construction or other activities authorized for the purpose of determining whether the same comply in all respects with the applicable Plans and Specifications as approved by it, but it shall have no duty to make such inspections.
- 6.7 Fee. The Committee may charge such fee or fees for its review of Plans and Specifications as shall be determined from time to time by the Board. Such fee or fees shall be reasonable in relation to the work performed and shall be applied uniformly.
- 6.8 Variances. The Committee has the authority to deviate from the requirements contained in the Design Guidelines in extenuating circumstances, when to do otherwise would create an unreasonable hardship or burden for an Owner. An affirmative vote of two-thirds (2/3) of the members of the Committee shall be required for a variance to be granted. The Committee does not, however, have authority to allow deviation from the requirements of the City.
- 6.9 General Standards. The Committee shall exercise its best judgment to see that all improvements, construction, landscaping, and alterations on the lands within the Project conform and harmonize with the natural surroundings and with existing structures as to external design, materials, color, siting, height, topography, grade and finished grade elevation in keeping with the Design Guidelines, this Master Declaration and any applicable Neighborhood Declaration.

- 6.10 Ultimate Responsibility. Each Owner shall at all times conform and comply with all approved Plans and Specifications for the Improvements on such Owner's Lot or Unit and otherwise conform and comply in all respects with the Design Guidelines, this Master Declaration, and any applicable Neighborhood Declaration, as well as with all applicable laws, ordinances, building codes, rules, regulations, orders and the like of any governmental agency having jurisdiction.
- 6.11 Written Records. The Design Review Committee shall keep and safeguard complete written records of all applications for approval submitted to it (including one set of all Plans and Specifications so submitted) and of all actions of approval or disapproval and all other actions taken by it under the provisions of this instrument, which records shall be maintained for a minimum of five years after the approval or disapproval.
- 6.12 **Procedure for Appeal.** In the event Plans and Specifications submitted to the Committee are disapproved or deemed disapproved, the Owner may appeal such disapproval or deemed disapproval in writing to the Board; provided, however, a written notice of appeal specifying the grounds for appeal consisting of any alleged failure by the Committee to properly apply the Design Guidelines or provisions of this Article 6 shall be received by the Board not more than 30 days following such disapproval or deemed disapproval. Within 30 days following receipt of such notice of appeal, the Board shall render a written decision determining whether the Committee properly applied the Design Guidelines, or the provisions of this Article 6. In the event the Board fails to render such decision within said 30 day period, such disapproval or deemed disapproval of the Committee shall be deemed to have been affirmed by the Board.
- 6.13 Non-Liability of Design Review Committee Members. Neither Declarant, the Committee, any member thereof, nor any duly authorized representative thereof shall be liable to the Master Association, any Neighborhood Association, or to any Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Committee's duties hereunder unless due to the willful misconduct or bad faith of the Committee. The Committee shall review and approve or disapprove all Plans and Specifications submitted to it solely on the basis of compliance with the Design Guidelines, any applicable provision of this Article 6, aesthetic considerations, and the overall benefit or detriment which would result to the immediate vicinity within an applicable Nieghborhood and the Project generally. The Committee shall take into consideration the aesthetic aspects of the designs, placement of buildings, landscaping, color schemes, exterior finishes and materials and similar features, but shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval from the standpoint of structural safety or conformance with building or other codes.
- 6.14 Variance in Event of Reconstruction. Any Owner whose Lot or Unit has suffered damage may apply for approval to the Committee for reconstruction, rebuilding, repainting or repair of the Owner's Lot or Unit in a manner which will provide for an exterior appearance and design different from that which existed prior to the date of the casualty. Application for such approval shall be made in writing together with full and complete Plans and Specifications showing the proposed reconstruction and the end result thereof. The Committee shall grant such approval only if the design proposed by the Owner would result in a finished structure in compliance with the then applicable Design Guidelines.

ARTICLE 7

Restrictions on all Property

- 7.1 **Zoning Regulations.** No lands within the Property shall ever be occupied or used by or for any building or purpose or in any manner which is contrary to a Development Agreement, this Master Declaration, or the applicable Neighborhood Declaration.
- 7.2 No Mining, Drilling or Quarrying. No Owner shall conduct mining, quarrying, tunneling, excavating or drilling for any substances within the earth, including oil, gas, minerals, gravel, sand, rock, and earth, or on the surface of the Property.
- 7.3 No Business Uses. The Lots and Units within the Project shall be used exclusively for residential living purposes, including condominium and related facilities, such purposes to be confined to approved residential buildings within the Project. No Lots or Units within the Project shall ever be occupied or used for any commercial or business purposes; within the Project shall ever be occupied or used for any commercial or business purposes; within the Project shall ever be occupied or used for any commercial or business purposes; or its duly authorized agent from using any Lot or Unit owned by Declarant as a sales model, or (b) any Owner or the Owner's duly authorized agent from renting or leasing said Owner's Lot or Unit for residential use or, (c) any home business use authorized and licensed by the City pursuant to the City's home occupation ordinance, and approved by the applicable Neighborhood Association prior to the Owner's application to the City.
- Restriction of Signs. With the exception of a sign no larger than three square feet for the Owner to advertise the Owner's Lot or Unit for sale, no signs or advertising devices shall be permitted on single family residences, including, without limitation, commercial, political, informational or directional signs or devices, except signs approved in writing by the Design Review Committee in accordance with its Design Guidelines as to size, materials, color and location: (a) as necessary to identify ownership of the Lot or Unit and its address; (b) as necessary to give directions; (c) to advise of rules and regulations; (d) to caution or warn of danger; and (e) as may be required by law. Any approved signs shall be located as approved by the Design Review Committee. The Design Review Committee may develop comprehensive sign regulations. The Declarant may erect such signs in a size and color as it deems appropriate for the advertising and sale of Lots and Units within the Project.
- be kept or allowed to remain on any Lot or Unit. Such ordinary household pets may not be kept or allowed to remain on any Lot or Unit unless and until written authorization is obtained from the Board, and no more than two ordinary pets shall be allowed on any Lot or in any Unit. The Board, in its sole discretion, shall have the right to revoke such authorization at any time in its sole discretion and shall have the power to require any Owner or Guest to remove any animal or other pet belonging to them which is not disciplined or which constitutes an undue annoyance or a danger to other Owners, their Guests, or others.
- 7.6 Underground Utility Lines. All water, gas, electrical, telephone, and other permanent utility lines within the limits of the Property must be buried underground and may not be exposed above the surface of the ground.
- 7.7 Service Yards. Service yards or storage areas on any Lot shall be kept screened by approved planting or fencing so as to conceal them from the view of neighboring Lots and Units, access roads and area surrounding the Property. Such yards or areas not part of original contstruction shall be approved in advance by the Design Review Committee pursuant to its procedures and the Design Guidelines.

- 7.8 Maintenance of Property. All Lots and Units and all improvements on any Lot or Unit shall be kept and maintained by the Owner thereof in clean, safe, attractive and sightly condition, in good repair, and as otherwise set forth in any Neighborhood Declaration.
- 7.9 No Noxious or Offensive Activity. No noxious or offensive activity shall be carried on upon any Lot or Unit nor shall anything be done or placed on any Lot or Unit which is or may become a nuisance or cause significant embarrassment, disturbance or annoyance to others.
- 7.10 No Hazardous Activities. No activities shall be conducted on any Lot or Unit and no improvements shall be constructed on any Lot or Unit which are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon the Property and no open fires shall be lighted or permitted on the Property except in a contained barbecue unit while attended and in use for cooking purposes or within a safe and well-designed interior fireplace if such is permitted by City ordinances.
- No Unsightliness. No unsightliness shall be permitted upon any of the 7.11 Property. Without limiting the generality of the foregoing: (a) any unsightly structures, facilities, equipment, tools, boats and vehicles other than operating automobiles shall be enclosed within an approved building or appropriately screened from view, except equipment and tools when in actual use for construction, maintenance or repairs; (b) no trailers, mobile homes, tractors, truck campers or trucks other than pickup trucks shall be kept or permitted to remain upon the Property; (c) no vehicle, boat or equipment shall be constructed, reconstructed, repaired or abandoned upon the Property; (d) no lumber, grass, shrub or tree clippings, plant waste, metals, bulk materials or scrap shall be kept, stored or allowed to accumulate on the Property, except in approved service yards meeting the requirements of Section 7.7 and any requirements of the Design Guidelines and the Design Review Committee; (e) refuse, garbage and trash shall be placed and kept at all times in a covered container and such container shall be kept within an enclosed structure or appropriately screened from view; (f) hanging, drying or airing of clothing or household fabrics shall not be permitted on Lots or Units if visible from buildings, Lots, Units, or areas surrounding the Property.
- 7.12 No Annoying Lights, Sounds or Odors. No light shall be emitted from any Lot or Unit which is unreasonably bright or causes unreasonable glare or does not comply with the Master Rules and Regulations or Design Guidelines; no sound shall be emitted from any Lot or Unit which is unreasonably loud or annoying, including without limitation, speakers, horns, whistles, bells or other sounds devices, except security and fire alarm devices used exclusively to protect the Property or improvements thereon; and no odors shall be emitted from any Lot or Unit which are noxious or offensive to others.
 - 7.13 Septic Tanks. No septic tank shall be installed upon the Property.
- 7.14 Master Rules and Regulations. No Owner shall violate the Master Rules and Regulations adopted form time to time by the Master Association or rules adopted from time to time by any Neighborhood Association. No such rules shall be established which violate the intention or provisions of this Master Declaration or which shall unreasonably restrict the use of any Lot or Unit by the Owner thereof.
- 7.15 **Drainage.** No Owner alter or obstruct the established drainage pattern of runoff water or storm drainage into, from or across the Owner's Lot or any other Lots in the absence of specific approval by the Design Review Committee and the City. For purposes of

this Master Declaration, "established drainage" on any Lot is defined as the drainage pattern and facility in existence at the time that such Lot is conveyed to a purchaser by Declarant whether or not any Improvements are constructed thereon.

- 7.16 Trails. No Owner shall have the right to alter or obstruct the maintenance, use or enjoyment of any trail adjacent to any Lot or Unit.
- 7.17 **Parking.** Parking of vehicles shall be allowed only in parking areas shown on Plats or as approved by the Design Review Committee.
- 7.18 **Protection of Vegetation.** No tree of four inch caliper or greater measured 3" above the natural soil line shall be removed without the prior approval of the Design Review Committee pursuant to the Design Guidelines. Vegetation shall be placed and maintained on all Lots and in the common areas of all Neighborhoods as provided in the Design Guidelines, Neighborhood Declarations or in landscaping plans approved by the Design Review Committee.
- 7.19 Excavations. No excavation shall be made on lands subject to any Plat without the approval of the Design Review Committee and any governmental entity with jurisdiction over such activity.
- 7.20 Occupancy. No Lots or Units shall be used for human occupancy, either temporarily or permanently, until a certificate of occupancy is issued by the City.

ARTICLE 8

Insurance

- 8.1 Common Elements. The Master Association shall maintain fire and extended coverage insurance for no less than one hundred percent (100%) of the maximum insurable value of insurable Improvements which are Common Elements. The insurance coverage shall name as the insured the Master Association for the benefit of the Owners.
- 8.2 Fidelity Coverage. The Master Association shall maintain fidelity coverage against dishonest acts on the part of managers, trustees, employees or volunteers responsible for handling funds collected and held for the benefit of the Master Association and the Members. The fidelity bond or insurance must name the Master Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half (1½) times the Master Association's estimated annual operating expenses and total reserves. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers.
- 8.3 Waiver of Subrogation. The Master Association hereby waives and releases all claims against the Board, the Owners, the Declarant, and the agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence or of a breach of any agreement by said persons, but only to the extent that insurance proceeds are received in compensation for such loss.
- 8.4. Liability Insurance. The Master Association shall maintain a comprehensive policy of public liability insurance covering the Common Elements. Such insurance policy shall contain a "severability of interest" clause or endorsement which shall preclude the insurer

from denying the claim of an Owner because of negligent acts of the Master Association or other Owners. Coverage shall have limits of liability of not less than \$1,000,000 per occurrence for personal injury and/or property damage.

8.5 Other Insurance and General. The Master Association shall also maintain Worker's Compensation Insurance as required by law and may maintain other liability insurance as it may deem desirable, insuring each Owner and the Master Association, Board and any manager, from liability in connection with the Common Elements. Such insurance policies shall have severability of interest clauses or endorsements which shall preclude the insurer from denying the claim of any Owner because of the negligent acts of the Master Association or other Owners. Premiums for all insurance carried by the Master Association are Common Expenses.

ARTICLE 9

Enforcement

- 9.1 Remedies and Enforcement. Declarant, the Master Association, and any Owner shall have the right to enforce this Master Declaration, the Design Guidelines and the Articles and Bylaws by appropriate proceedings at law or in equity, including the right to enjoin a violation thereof; provided, however, that the Master Association shall have the exclusive right to enforce the liens and remedies provided herein with respect to the levy, collection, and enforcement of liens for Common Assessments, Special Assessments, Capital Improvement Assessments and Specific Assessments.
- 9.2 Attorneys Fees and Costs. Any judgment rendered in any action or proceeding to enforce this Master Declaration, the Design Guidelines, the Articles, or Bylaws shall include a sum for attorneys' fees in an amount as the court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection and court costs.
- 9.3 Nuisance. Any act or omission resulting in a breach of this Master Declaration, the Design Guidelines, or the Articles or Bylaws is hereby declared to be and constitute a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such act or omission and may be exercised by Declarant, the Master Association, or any Owner.
- 9.4 Cumulative Remedies. All rights, options, and remedies of Declarant, the Master Association, or any Owner for the enforcement of this Master Declaration, the Design Guidelines, the Articles or Bylaws shall be deemed cumulative and none of such rights, options, or remedies shall be deemed exclusive.
- 9.5 Waiver. The failure to enforce any of the covenants contained in this Master Declaration, the Design Guidelines, the Articles, or Bylaws shall not constitute a waiver of the right to enforce the same thereafter.
- 9.6 **Personal Covenant.** To the extent the acceptance of a conveyance of a Lot or Unit creates a personal covenant between the Owner of such Lot or Unit, other Owners, or the Master Association, such personal covenant shall terminate and be of no further force or effect from and after the date such Owner ceases to be the Owner of such Lot or Unit except for the payment of moneys which came due to the Master Association during the period of such ownership.

ARTICLE 10

Mortgage Protection

All matters relating to Mortgagee protection relative to Mortgages which encumber Lots and Units within the Project shall be governed by the Mortgagee protection provisions set forth in each Neighborhood Declaration.

ARTICLE 11

General Provisions

- 11.1 Successors and Assigns. Except as otherwise provided herein, this Master Declaration shall be binding upon and shall inure to the benefit of Declarant, the Master Association, each Owner and their respective heirs, personal representatives, successors and assigns.
- 11.2 Limited Liability. Neither Declarant, the Master Association, the Board, the Design Review Committee nor any member, agent or employee of any of the same shall be liable to any party for any injury, damage, loss, cost or expense suffered by reason of any action or for failure to act with respect to any matter if the action taken or failure to act was in good faith and without notice.
- 11.3 **Duration of Declaration.** All provisions, covenants, conditions and restrictions contained in this Master Declaration shall continue and remain in full force and effect until January 1, 2050, provided however, that unless at least one year prior to said time of expiration, there is recorded an instrument directing the termination of this Master Declaration, executed by the Owners of not less than ninety percent (90%) of the Lots and Units and by all first Mortgagees then subject to this Master Declaration, said provisions, covenants, conditions and restrictions shall continue automatically for an additional 5 years and thereafter for successive periods of 5 years each unless, at least one year prior to expiration of any such extended period of duration, this Master Declaration is terminated by an instrument recorded in the Public Records directing termination signed by the Owners of not less than ninety percent (90%) of the Lots and Units and all first Mortgages then subject to this Master Declaration.
- Master Association, including assessments and reserves paid by Owners, shall be held by the Master Association in a fiduciary capacity to be expended in their entirety for not-for-profit purposes of the Master Association in managing, maintaining, caring for, preserving and architecturally controlling the Property and for other permitted purposes as set forth in this Master Declaration. No part of said funds shall inure to the benefit of any Member (other than as a result of the Master Association's managing, maintaining, caring for, preserving and architecturally controlling the Property and other than as a result of expenditures made for other permitted purposes set forth in this Master Declaration).
 - 11.5 Amendment. This Master Declaration may be revoked or amended as follows:
- (a) The Declarant may unilaterally amend this Master Declaration at any time until the Change in Control Date. Consent of the Members of the Master Association shall not be required until after the Change in Control Date.

- (b) Subsequent to the Change in Control Date, this Master Declaration and amendments thereto may be amended by affirmative vote or written consent of not less than sixty percent (60%) of all outstanding Member votes.
- (c) An amendment or revocation which only requires the execution of an instrument by Declarant shall be effective when executed by Declarant and recorded in the Public Records. An amendment which requires the affirmative vote or written consent of the Members shall be effective when executed by the President and Secretary of the Master Association (who shall certify that the amendment has been so approved) and recorded in the Public Records.
- (d) Notwithstanding the foregoing, any provision of the Articles, the Bylaws, or this Master Declaration, which expressly requires the approval of a specified percentage or specified percentages of the voting power of the Master Association or first Mortgagees for action to be taken under said provision, can be amended only with the affirmative vote or written consent of not less than the same percentage or percentages of the voting power of the Master Association and/or first Mortgagees. Any amendment subject to this provision shall be effective after the specified approval has been given and that fact has been certified in a writing executed by the President and the Secretary of the Master Association.
- 11.6 No Public Right or Dedication. Nothing contained in this Master Declaration shall be deemed to be a gift or dedication of all or any part of the Project or the Property to the public, or for any public use.
- 11.7 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in any Lot or Unit in the Project shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition and covenant contained, referred to or incorporated herein, whether or not any reference to this Master Declaration is contained in the instrument by which such person acquired an interest in said Lot or Unit.
- shall be in writing and may be delivered either personally, by mail or by facsimile. If delivery is made by mail, it shall be deemed to have been delivered 72 hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Master Association for the purpose of service of such notice, or to the residence of such person if no mailing address has been given to the Master Association. Such address may be changed from time to time by notice in writing to the Master Association. Any notice sent by facsimile shall be deemed delivered upon receipt of a facsimile confirmation sheet; provided that all such notices shall also be sent by one of the other methods set forth hereunder within 24 hours of the initial facsimile delivery.
- 11.9 Interpretation. The provisions of this Master Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development of the Project. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation and construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine and neuter shall each include the masculine, feminine and neuter. The term "person" shall refer to a person or entity. The terms "recorded and recordation" shall refer to recording in the Public Records. The word "shall" is deemed to be imperative and the word "may" is deemed to be permissive.

11.10 Severability. Invalidity or unenforceability of any provision of this Master Declaration in whole or in part shall not affect the validity or enforceability of any other provision of this Master Declaration.

IN WITNESS WHEREOF, Declarant has executed this Master Declaration the day and year first above written.

GATEWAY-ART CITY RESIDENTIAL, L.C. a Utah limited liability company

L. Wayne Moss, Managing Member

STATE OF UTAH

COUNTY OF UTAH

On this 2 day of $\frac{1}{2}$ day of $\frac{1}{2}$, 2000, personally appeared before me L. Wayne Ross, who acknowledged before me that he executed the foregoing Master Declaration in the capacity indicated.

Notary Public

EXHIBIT A TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, AND RESERVATION OF EASEMENTS

CAMELOT VILLAGES PLANNED DEVELOPMENT

NOTE: The bolded titles to the following descriptions are for purposes of Declarant's internal control and do not form a part of the legal descriptions for any purpose.

Real Property located in the City of Springville, Utah County, Utah:

Northeast Residential Area Legal Description

Commencing at a point which is S 88°59'48" W 441.52 feet along a section line and NORTH 2741.45 feet from the southeast corner of Section 6 Township 8 south, Range 3 east. Salt Lake Base and Meridian, said point being the POINT OF BEGINNING; thence S 89°51'04" W 1325.23 feet, thence N 0°35'42" W 586.25 feet, thence along an arc to the right for a distance of 39.30 feet, having a radius of 45.00 feet and a central angle of 50°02'38", said arc subtended by a chord bearing N 24°25'37" E, a distance of 38.07 feet, thence along an arc to the left for a distance of 47.79 feet, having a radius of 64.00 feet and a central angle of 42°47'13", said arc subtended by a chord bearing N 28°03'19" E, a distance of 46.69 feet, thence N 89°51'04.10" E 1291.8928 feet, thence S 0°08'56" E 662.00 feet to the POINT OF BEGINNING; Containing 20.15 acres, more or less.

West Residential Area Legal Description

Commencing at a point which is S 88°59'48" W 1845.34 feet along a section line and NORTH 1547.21 feet from the southeast corner of Section 6 Township 8 south, Range 3 east. Salt Lake Base and Meridian, said point being the POINT OF BEGINNING; thence N 63°34'28" W 262.23 feet, thence N 56°52'14" W 279.75 feet, thence S 85°41'17" W 48.49 feet, thence N 6°18'00" W 842.91 feet, thence EAST 128.85 feet, thence N 0°14'57" E 754.51 feet, thence S 89°18'07" E 439.62 feet, thence along an arc to the right for a distance of 69.67 feet, having a radius of 45.00 feet and a central angle of 88°42'25", said arc subtended by a chord bearing S 44°56'54" E, a distance of 62.92 feet, thence S 0°35'42" E 1397.23 feet, thence along an arc to the right for a distance of 189.52 feet, having a radius of 1467.00 feet and a central angle of 7°24'07", said arc subtended by a chord bearing S 3°06'21" W, a distance of 189.39 feet, thence along an arc to the left for a distance of 198.05 feet, having a radius of 1533.00 feet and a central angle of 7°24'07", said arc subtended by a chord bearing S 3°06'21" W, a distance of 197.91 feet, thence S 0°35'42" W 24.50 feet to the POINT OF BEGINNING; Containing 21.14 acres, more or less.

Southeast Residential Area Legal Description

Commencing at a point in the West Right-of-Way fence of the Utah Southern Railroad which point is S 0036'05" E along the section line 567.77 feet and West 433.07 feet from the East ¼ Corner of Section 6, Township 8 South, Range 3 East, Salt Lake Base & Meridian, said point being the POINT OF BEGINNING; thence S 535'57" W 206.73 feet, thence S 714'47" W 143.58 feet, thence S 829'18" W 145.25 feet, thence S 1015'12" W 180.17 feet, thence S 1222'57" W 203.28 feet, thence S 1319'51" W 135.92 feet, thence S 1500'26" W 99.48 feet, thence S 1632'57" W 137.52 feet, thence S 1734'11" W 186.93 feet, thence S 1937'44" W 110.42 feet, thence S 1805'44" W 72.24 feet, thence

N 1300'31" W 23.36 feet, thence N 6048'06" W 22.10 feet, thence N 1202'51" E 45.08 feet, thence N 2556'42" W 56.15 feet, thence N 1616'32" E 55.83 feet, thence N 1156'12" W 52.01 feet, thence N 3341'40" W 36.49 feet, thence N 4518'52" W 53.41 feet, thence N 5714'35" W 115.76 feet, thence N 6419'53" W 71.77 feet, thence N 7006'41" W 88.39 feet, thence N 6343'31" W 74.72 feet, thence S 8851'44" W 35.31 feet, thence S 6238'40" W 45.97 feet, thence S 8323'14" W 22.47 feet, thence N 4722'43" W 16.26 feet, thence N 1321'42" W 67.31 feet, thence N 3149'080" W 40.20 feet, thence N 7141'390" W 26.78 feet, thence N 4615'53" W 70.94 feet, thence N 3824'39" W 47.52 feet, thence N 7125'03" W 32.63 feet, thence N 5008'56" W 79.74 feet, thence N 003'49" W 68.78 feet, thence N 1511'40" W 41.56 feet, thence N 4725'15" W 53.26 feet, thence N 4233'22" W 46.81 feet, thence N 3707'52" W 61.21 feet, thence N 5627'04" W 48.18 feet, thence N 6417'12" W 73.92 feet, thence N 035'42" W 55.29 feet, thence along an arc to the right for a distance of 189.52 feet, having a radius of 1467.00 feet and a central angle of 724'07", said arc subtended by a chord bearing N 306'22" E, a distance of 189.39 feet, thence along an arc to the left for a distance of 198.05 feet, having a radius of 1533.00 feet and a central angle of 724'07", said arc subtended by a chord bearing N 306'22" E, a distance of 197.91 feet, thence N 035'42" W 142.01 feet, thence N 8939'00" E 629.00 feet, thence S 118'53" E 667.18 feet, thence N 8948'04" E 556.85 feet, thence N 1015'12" E 180.17 feet, thence N 829'18" E 145.25 feet, thence N 714'47" E 143.58 feet, thence N 535'57" E 206.73 feet, thence N 8939'00" E 12.00 feet, to the POINT OF BEGINNING; Containing approximately 21.05 acres, more or less.

EXHIBIT B TO MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, AND RESERVATION OF EASEMENTS

CAMELOT VILLAGES PLANNED DEVELOPMENT

THE FOLLOWING DESCRIPTIONS OF THE "AFTER ACQUIRED PROPERTY" ARE SET FORTH IN THIS EXHIBIT B TO THE DECLARATION SOLELY FOR PURPOSES OF IDENTIFICATION. THE DECLARATION IS NOT INTENDED AS, AND SHOULD NOT BE DEEMED TO CONSTITUTE, A LIEN, ENCUMBRANCE, RESTRICTION, OR LEMITATION UPON ANY PORTION OF THE DESCRIBED PROPERTY UNLESS AND UNTIL SUCH PORTION IS ADDED TO THE PROJECT IN ACCORDANCE WITH THE PROVISIONS OF THE DECLARATION EITHER IN FEE OR BY EASEMENT RIGHTS.

NOTE: The bolded titles to the following descriptions are for purposes of Declarant's internal control and do not form a part of the legal descriptions for any purpose.

Real Property located in the City of Springville, Utah County, Utah:

Harmer Property Parcel 3 Legal Description

Commencing at a point which is S 0036'05" E along the section line 567.86 feet and West 445.07 feet from the East ¼ Corner of Section 6, Township 8 South, Range 3 East, Salt Lake Base & Meridian, said point being the POINT OF BEGINNING; thence along the southeast residential area boundary the following six courses S 535'57" W 206.73 feet, thence S 714'47" W 143.58 feet, thence S 829'18" W 145.25 feet, thence S 10°15'12" W 180.17 feet, thence S 89°48'04" W 556.85 feet, thence N 1°18'53" W 667.18 feet, thence N 89°39'00" E 663.96 feet, to the POINT OF BEGINNING; Containing approximately 9.451 acres, more or less.

East Condie Property Open Area Legal Description

Commencing at a point which is N 00°36'05" W 2644.70 feet along a section line and S 89°08'30" W 414.14 feet along the quarter section line from the southeast corner of Section 6 Township 8 south, Range 3 east. Salt Lake Base and Meridian, said point being the POINT OF BEGINNING; thence along the exterior boundary of West Dry Creek Estates Subdivision Plat "A" the following two courses N 00°13'52" E 95.38 feet, thence S 89°51'04" W 25.00 feet, thence S 00°13'52" W 367.60 feet, thence S 01°37'29" W 100.49 feet, thence S 02°45'53" W 189.18 feet to a point on the exterior boundary of West Dry Creek Estates Subdivision Plat "A", thence along said boundary the following four courses N 89°39'00" E 25.04 feet, thence N 02°45'53" E 188.12 feet, thence N01°37'29" E 100.94 feet, thence N 00°13'52" E 272.74 feet to the POINT OF BEGINNING; Containing 0.377 acres, more or less.

Northwest Condie Property Open Area Legal Description

Commencing at a point which is N 00°36'05" W 2547.59 feet along a section line and West 1721.35 feet from the southeast corner of Section 6 Township 8 south, Range 3 east. Salt Lake Base and

Meridian, said point being the POINT OF BEGINNING; thence along the public right of way boundary inside West Dry Creek Estates Subdivision Plat "A" the following two courses northwesterly 23.40 feet along a curve to the right having a radius of 15.00 feet, a central angle of 89°23'31" and being subtended by a chord bearing N 45°27'11" W 21.10 feet to a point of tangency, thence N 00°45'23" W 168.06 feet to a point on the exterior boundary of said subdivision, thence along said exterior boundary N 89°51'04" E 15.00 feet, thence along the west boundary of Lot 1 inside said subdivision S 00°42'27" E to the POINT OF BEGINNING; Containing 0.061 acres, more or less.

West Condie Property Open Area (Detention Basin) Legal Description

Commencing at a point which is N 00°36'05" W 2262.40 feet along a section line and West 1685.41 feet from the southeast corner of Section 6 Township 8 south, Range 3 east. Salt Lake Base and Meridian, said point being the POINT OF BEGINNING; thence along the public right of way boundary inside West Dry Creek Estates Subdivision Plat "A" the following seven courses S 89°51'04" W 35.16 feet to a point of curvature, thence northwesterly 23.40 feet along a curve to the right having a radius of 15.00 feet, a central angle of 89°23'33" and being subtended by a chord bearing N 45°27'09" W 21.10 feet to a point of tangency, thence N 00°45'23" W 199.28 feet to a point of curvature, thence northeasterly 23.72 feet along a curve to the right having a radius of 15.00 feet, a central angle of 90°36'23" and being subtended by a chord bearing N 44°32'49" E 21.33 feet to a point of tangency, thence N 89°51'04" E 25.86 feet, thence easterly 37.02 feet along a curve to the left having a radius of 228.00 feet, a central angle of 09°18'08" and being subtended by a chord bearing N 85°12'00" E 36.98 feet to a point of tangency, thence N 80°32'56" E 54.34 feet, thence along the west boundary of lot 57 inside said subdivision S 00°45'23" E 107.65 feet, thence along the north boundary of lot 33 inside said subdivision N 87°09'16" W 81.78 feet, thence along the west boundary of lot 33 inside said subdivision S 00°45'23" E 137.69 feet to the POINT OF BEGINNING; containing 0.447 acres more or less.

Southwest Condie Property Open Area Legal Description

Commencing at a point which is N 00°36'05" W 2206.31 feet along a section line and West 1720.10 feet from the southeast corner of Section 6 Township 8 south, Range 3 east. Salt Lake Base and Meridian, said point being the POINT OF BEGINNING; thence along the west boundary of lot 32 inside West Dry Creek Estates Subdivision Plat "A" S 00°45'27" E 137.24 feet to a point on the exterior boundary of said subdivision, thence along said exterior boundary of said subdivision S 89°39'00" W 15.16 feet, thence along the public right of way boundary inside said subdivision the following two courses N 00°45'23" W 122.13 feet to a point of curvature, thence northeasterly 23.72 feet along a curve to the right having a radius of 15.00 feet, a central angle of 90°39'27" and being subtended by a chord bearing N 44°32'50" E 21.32 feet to the POINT OF BEGINNING; Containing 0.047 acres, more or less.