

AFTER RECORDING PLEASE RETURN TO:

SUNCOR DEVELOPMENT COMPANY  
Attention: Michael Gardner  
2303 North Coral Canyon Blvd, Suite 200  
Washington, Utah 84780

00963868 Bk 1777 Pg 0173  
RUSSELL SHIRTS \* WASHINGTON CO RECORDER  
2005 AUG 11 15:58 PM FEE \$22.00 BY SW  
FOR: SOUTHERN UTAH TITLE CO

DECLARATION OF ANNEXATION  
AND TRACT DECLARATION  
AREA 2 – Phase 3  
Coral Canyon Development

THIS DECLARATION OF ANNEXATION AND TRACT DECLARATION (the "Tract Declaration") is made this 13<sup>th</sup> day of July, 2005, by SUNCOR DEVELOPMENT COMPANY, an Arizona corporation and THE STATE OF UTAH, ACTING THROUGH THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION.

RECITALS:

A. Declarant has executed and caused to be recorded that certain Amended and Restated Residential Declaration of Covenants, Conditions, and Restrictions for Coral Canyon dated February 21, 2002 and recorded on April 3, 2002, as Entry No. 00759602, in Book 1459, page 1213, of the records of the Washington County, Utah Recorder and that certain First Amendment to Amended and Restated Residential Declaration of Covenants, Conditions, and Restrictions for Coral Canyon dated July 16, 2002, and recorded on July 23, 2002, as Entry No. 00774326, in Book 1477, page 121, of the records of the Washington County, Utah Recorder (as so amended, and as the same may be amended and supplemented in the future, the "Declaration").

B. The real property described on **Exhibit A** attached hereto and incorporated herein by this reference (the "Annexable Property") is Coral Canyon Property intended for Residential Use and is subject to annexation into the Covered Property pursuant to Section 3.1 of the Declaration.

C. Article 3 of the Declaration contemplates that Tract Declarations for parcels of land will be executed and recorded periodically as the development of the Coral Canyon Property proceeds and Land Use Classifications are determined; and

D. Declarant now wishes to annex the Annexable Property to the Covered Property and impose on said Annexable Property the Land Use Classification hereinafter set forth as contemplated and permitted by the Declaration.

E. SITLA is joining in this Tract Declaration pursuant to Section 5.8(c) of the Development Lease and Section 2.5 of the Declaration.

NOW, THEREFORE, IT IS HEREBY DECLARED AS FOLLOWS:

1. **Definitions.** Unless otherwise provided herein, all capitalized terms used in this Tract Declaration shall have the same meanings as set forth in the Declaration.

2. **Annexation.** The Annexable Property is hereby annexed to the Covered Property.

3. **General Declaration.** Declarant declares that all of the Annexable Property is and shall be held, conveyed, hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred, in whole or in part, subject to the Declaration and this Tract Declaration. This Tract Declaration shall be deemed a "Tract Declaration" pursuant to the terms and conditions of the Declaration and is subsidiary and supplemental to the Declaration, and the Annexable Property is "Covered Property" within the meaning of the Declaration. This Tract Declaration is declared and agreed to be in furtherance of a general plan for the subdivision, development, improvement and sale of the Covered Property and is established for the purpose of enhancing and perfecting the value, desirability and attractiveness of each portion of the Covered Property. This Tract Declaration shall run with the Annexable Property for all purposes and shall be binding upon and inure to the benefit of Declarant, the Association, all Owners and Residents and their respective successors in interest.

4. **Land Use Classification.** The permitted Land Use Classifications within the Property are established as follows:

(a) **Single Family Residential.** The Land Use Classification for the Lots is "Single Family Residential".

(b) **Common Area.** The Land Use Classification for the HOA Tracts is "Common Area".

(c) **General Public or Quasi-Public.** The Land Use Classification for Tract 67 is "General Public or Quasi-Public".

5. **SITLA.** By executing this Tract Declaration, SITLA joins in and consents to this Tract Declaration pursuant to Section 5.8(c) of the Development Lease, for the purpose of subjecting the fee ownership interest in the Annexable Property to all of the terms, covenants, conditions, easements, restrictions, servitudes, and other provisions of this Tract Declaration. Any other provision of this Tract Declaration to the contrary notwithstanding, unless Declarant specifically assigns to SITLA, and SITLA specifically assumes, the rights and obligations of Declarant under this Tract Declaration, SITLA shall have no rights, obligations or liabilities as Declarant. Upon a termination of the Development Lease, SITLA shall have the right, but not the obligation, to succeed to the rights and obligations of Declarant by executing and recording an Assumption of Declarant's Rights and Obligations with the Washington County Recorder's office, whereupon SITLA shall be entitled to exercise all rights of Declarant under this Tract Declaration and shall be subject to all of the obligations of Declarant under this Tract Declaration. From time to time, as requested by Declarant, SITLA will join in such documents and instruments as are necessary or appropriate to effectuate or further the intents and purposes

of this Tract Declaration. At such times as the Development Lease is in effect as to any portion of the Annexable Property and Declarant is the lessee of such portion of the Annexable Property, Declarant shall, solely for the purposes of this Tract Declaration, be deemed to be the fee owner of such Annexable Property and the Owner of such Annexable Property for all purposes of this Tract Declaration. At such time as Declarant is no longer the lessee of any portion of the Annexable Property and SITLA is the fee owner of such portion of the Annexable Property, SITLA shall be deemed the Owner of such portion of the Annexable Property.

6. Incorporation of Recitals. The Recitals above are incorporated into and are a part of this Tract Declaration.

7. Amendments. This Tract Declaration may only be amended as provided in the Declaration. Any such amendment shall be recorded and shall be subject to applicable zoning restrictions.

8. Term. This Tract Declaration is effective as of the date of recordation and shall continue in full force and effect during such time as the Declaration is in effect. If the Declaration is terminated, then this Tract Declaration shall thereupon terminate.

9. Interpretation. This Tract Declaration shall be considered as an integral part of the Declaration and construed with the Declaration as if the provisions hereof were set forth therein as a section thereof. This instrument and the provisions hereof, shall run with the Annexable Property and shall be enforceable in accordance with and as a part of the Declaration.

10. Miscellaneous.

(a) Interpretation of the Covenants. Except for judicial construction, the Board shall have the exclusive right to construe and interpret the provisions of this Tract Declaration. In the absence of any adjudication to the contrary by a court of competent jurisdiction, the Board's construction or interpretation of the provisions hereof shall be final, conclusive and binding as to all persons and property benefited or bound by this Tract Declaration.

(b) Severability. Any determination by any court of competent jurisdiction that any provision of this Tract Declaration is invalid or unenforceable shall not affect the validity or enforceability of any of the other provisions hereof.

(c) Change of Circumstances. Except as otherwise expressly provided in this Tract Declaration, no change of conditions or circumstances shall operate to extinguish, terminate or modify any of the provisions of this Tract Declaration.

(d) Declarant's Disclaimer of Representations. Anything to the contrary in this Tract Declaration notwithstanding, and except as otherwise may be expressly set forth on a recorded plat or other instrument recorded in the office of the County Recorder of Washington County, Utah, Declarant makes no warranties or representations whatsoever that the plans presently envisioned or the complete development of the Annexable Property can or will be carried out, or that any land now owned or hereafter

acquired by Declarant is or will be committed to or developed for a particular (or any) use, or if that land is once used for a particular use, such use will continue in effect.

(e) No Warranty of Enforceability. While Declarant has no reason to believe that any of the provisions contained in this Tract Declaration are or may be invalid or unenforceable for any reason or to any extent, Declarant makes no warranty or representation as to the present or future validity or enforceability of any of the provisions of this Tract Declaration. Any Owner acquiring a Lot in the Covered Property in reliance on one or more of the provisions in this Tract Declaration shall assume all risks of the validity and enforceability thereof and by acquiring any Lot agrees that Declarant shall have no liability therefor.

(f) References to the Covenants in Deeds. Deeds or any instruments affecting any part of the Covered Property may contain the provisions of this Tract Declaration by reference to this Tract Declaration; but regardless of whether any such reference is made in any deed or instrument, each and all of the provisions of this Tract Declaration shall be binding upon the grantee Owner or other person claiming through any instrument and such Owner's heirs, executors, administrators, successors and assigns.

(g) Gender and Number. Wherever the context of this Tract Declaration so requires, words used in the masculine gender shall include the feminine and neuter genders; words used in the neuter gender shall include the masculine and feminine genders; words in the singular shall include the plural; and words in the plural shall include the singular.

(h) Captions and Titles. All captions, titles or headings of the Articles and Sections in this Tract Declaration are for the purpose of reference and convenience only and are not to be deemed to limit, modify or otherwise affect any of the provisions hereof or to be used in determining the intent or context thereon. References in this Tract Declaration to "Articles" and "Sections" are to the Articles and Sections in this Tract Declaration, unless otherwise expressly noted.

IN WITNESS WHEREOF, the undersigned has executed this Declaration of Annexation and Tract Declaration as of the day and year first above written.

SUNCOR DEVELOPMENT COMPANY,  
an Arizona corporation

By: *DSB*  
Name: Duane S. Black  
Title: VP.

STATE OF ARIZONA )  
County of Maricopa ) ss.

The foregoing instruments was acknowledged before me this 13 day of July, 2005, by Duane S. Black, the Vice president of SUNCOR DEVELOPMENT COMPANY, an Arizona corporation, on behalf of the corporation.

*Gail Sanchez*  
Notary Public

My commission expires: 4-30-09



Approved as to Form:

*Mark L. Shurtleff*  
Mark L. Shurtleff, Utah Attorney General  
By John W. Andrews  
Special Assistant Attorney General

THE STATE OF UTAH, ACTING THROUGH  
THE SCHOOL AND INSTITUTIONAL TRUST  
LANDS ADMINISTRATION

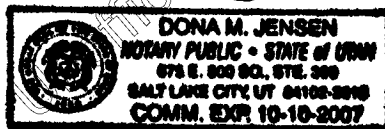
By: *Kevin S. Carter*  
Its: Director

STATE OF UTAH     )  
                                  )ss.  
County of Salt Lake    )

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of July, 2005, by Kevin S. Carter, the Director of STATE OF UTAH, ACTING THROUGH THE SCHOOL AND INSTITUTIONAL, TRUST LANDS ADMINISTRATION, on behalf of the Sate of Utah, School and Institutional Trust Lands Administration.

*Dona M. Jensen*  
Notary Public

My commission expires:  
10-10-2007



**EXHIBIT A**

**LEGAL DESCRIPTION OF ANNEXABLE PROPERTY**

**AREA 2 – Phase 3**

Lots 627-759 inclusive and Tracts 63, 66 and 67 of the Final Plat for Area 2 – Phase 3 recorded in Book ~~177~~, Page 172, on 8-11-05, 2005, Official Records of Washington County, Utah.