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RANDY SIMMONS
RECORDER, UINTAH COUNTY, UTAH
SUNBURST TERRACE
1135 S 1500 W VERNAL, UT 84078
Rec By: CARADIE ASH DEPUTY

FIRST AMENDMENT TO THE
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF

SUNBURST TERRACE PLANNED UNIT DEVELOPMENT

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THIS FIRST AMENDMENT TO THE DECLARATION is made and entered into this _____ day of _____, 2006, by VALLEY MORTGAGE, INC., a Colorado corporation, hereinafter referred to as the "Declarant."

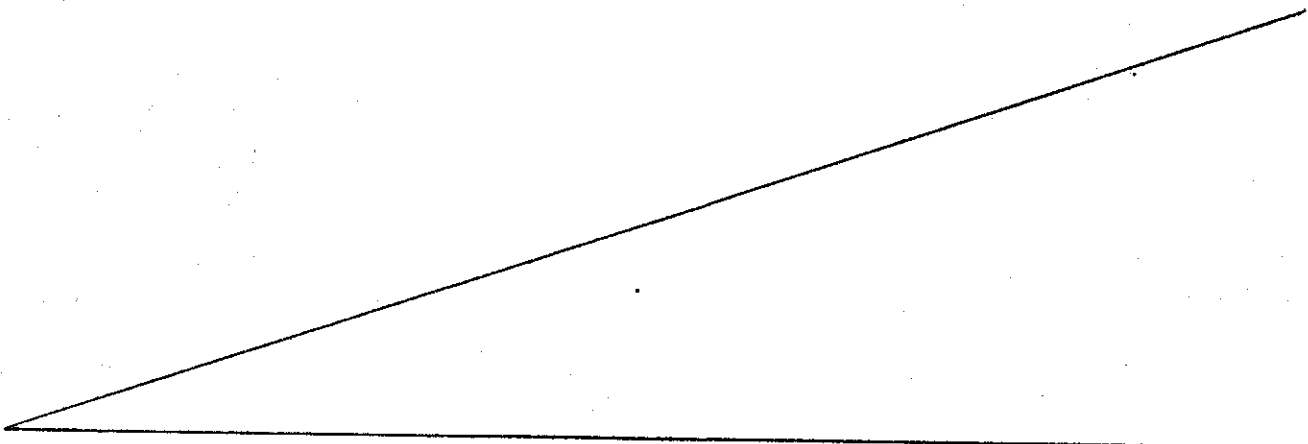
R E C I T A L S:

WHEREAS, Declarant has heretofore caused to be recorded on November 14, 2005, in Book 950 at Page 397 of the records of the Uintah County Recorder's Office, a Declaration of Covenants, Conditions and Restrictions of Sunburst Terrace Planned Unit Development, hereinafter referred to as the "Declaration";

WHEREAS, pursuant to Article VIII, Section 5, "Duration, Revocation and Amendment," Declarant, in its own right and as holder of in excess of seventy-five (75) percent Member ownership, reserves the powers and privilege to modify and amend the Declaration by executing and recording an instrument setting forth the amendment; and

WHEREAS, Declarant desires to amend the Declaration in its entirety to read as submitted herewith.

NOW, THEREFORE, in consideration of the recitals and premises contained herein, the Declaration is fully amended to read as follows:



DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
SUNBURST TERRACE PLANNED UNIT DEVELOPMENT

THIS DECLARATION is made and entered into this ____ day of _____, 200__, by VALLEY MORTGAGE, INC., a Colorado corporation.

R E C I T A L S:

WHEREAS, the undersigned is the owner of certain real property situate in Uintah County, Utah, known as Sunburst Terrace Planned Unit Development, according to the plat thereof recorded in the real property records of Uintah County, Utah, containing one hundred twenty-two (122) Lots as hereinafter defined, including the easements and licenses appurtenant to, or included in, the Property as shown on the plat; and

WHEREAS, the undersigned desires to create a planned community upon the real Property described on Exhibit "A" attached hereto and by this reference incorporated herein, including the above-described Property, and to subject and place upon the Property certain covenants, conditions, restrictions, easements, reservations, rights of way, obligations, liabilities and other charges set forth herein for the purpose of protecting the value and desirability of said Property and for the purpose of furthering a plan for the improvement, sale and ownership of said Property.

NOW, THEREFORE, the undersigned hereby declares that all of the Property described above shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements, rights of way, obligations, liabilities, charges and other provisions set forth herein, which are for the purpose of protecting the value and desirability of, and which shall run with the above-described Property and be binding on all parties having any right, title or interest in the above-described Property or any part thereof, their heirs, personal representatives, successors and assigns and shall inure to the benefit of each Owner thereof.

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to Sunburst Terrace Planned Unit Development Home Owners Association, Inc., a Utah non-profit corporation, its successors and assigns. The Association shall act by and through its board of directors and

officers. The fiscal year of the Association shall end on December 31 of each calendar year.

Section 2. "Declarant" shall mean and refer to VALLEY MORTGAGE, INC., a Colorado corporation, its successors and assigns, if such successors or assigns should acquire more than one (1) unimproved Lot from the Declarant for the purpose of development and resale, and said person or entity shall first be designated by VALLEY MORTGAGE, INC., as a Declarant for said purposes by a written instrument duly recorded in the real property records of Uintah County, Utah.

Section 3. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions of Sunburst Terrace Planned Unit Development, as the same may be amended from time to time.

Section 4. "First Mortgagee" shall mean and refer to any person named as a mortgagee or beneficiary under any first mortgage or any successor to the interest of any such person under such first mortgage.

Section 5. "Lot" shall mean and refer to Lots 1 through 122, inclusive, shown upon any recorded planned unit development of the Property or any portion thereof, as the same may be amended from time to time, together with all appurtenances and improvements now or hereafter thereon, with the exception of the Common Area as defined herein.

Section 6. " Dwelling Unit" shall mean and refer to any residential improvement constructed within Sunburst Terrace Planned Unit Development on Lots identified in Section 5 hereof.

Section 7. "Common Area" shall mean and refer to an irrigation system, delivery and maintenance of same, designated park and vehicle storage areas shown on the recorded planned unit development of the Property or any portion thereof and improvements thereon.

Section 8. "Member" shall mean and refer to each Owner of a Lot that is subject to assessment hereunder and Declarant. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of a Lot.

Section 9. "Owner" shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Lot, which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 10. "Property" shall mean and refer to that certain real property described in Exhibit "A" to this Declaration,

together with such additions thereto, if any, as may hereafter be brought within the jurisdiction of the Association.

ARTICLE II

Property Rights in the Common Area

Owner's Right of Enjoyment. The right of enjoyment created hereby shall be subject to the right of the Association to promulgate and publish rules and regulations with which each Member shall strictly comply.

ARTICLE III

Membership and Voting Rights: The Association

Section 1. Membership. Every Owner of a Lot, which is subject to assessment hereunder, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Each Lot shall be entitled to one (1) vote, and the vote for such Lot shall be exercised by the Owner or Owners as they determine.

Section 2. Directors of the Association. The affairs of this Association shall be managed by a board of one (1) or more directors (the "Board") initially.

Section 3. Management of the Association. From date of formation of the Association until the termination of Declarant's control as provided below, Declarant shall have the right to appoint and remove all members of the Board and all officers of the Association. The period of Declarant's control of the Association shall terminate upon the first to occur of sixty (60) days after conveyance of seventy-five (75) percent of the Lots to Owners other than Declarant or two (2) years after the last conveyance of a Lot by Declarant in the ordinary course of business. Declarant may voluntarily surrender the right to appoint and remove officers of the Association and members of the Board before termination of the period of Declarant's control. Not later than sixty (60) days after conveyance of twenty-five (25) percent of the Lots to Owners other than Declarant, at least one (1) member and not less than twenty-five (25) percent of the members of the Board will be elected by Owners other than Declarant. Not later than sixty (60) days after the conveyance of fifty (50) percent of the Lots to Owners other than Declarant, not less than seventy-five (75) percent of the members of the Board will be elected by Owners other than Declarant. Not later than the termination of the period of Declarant's control as provided above, the Owners (including Declarant) shall elect a Board of at least three (3) members, at least a majority of whom must be Owners other than Declarant. Within sixty (60) days after Owners other than Declarant elect a majority of the Board,

Declarant shall deliver to the Association all Property of the Owners and the Association held or controlled by Declarant.

Section 4. Officers of the Association. The officers of the Association shall be as set forth in the Bylaws of the Association.

ARTICLE IV

Covenant for Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, including Declarant, 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 Association: (a) annual assessments or charges; (b) special assessments; (c) reconstruction assessments; (d) assessments for failure to maintain Lots as identified in Section 4 of Article VII hereof; and (e) assessments for maintenance or repair of Common Area and Association property as identified in Section 19 of Article VII hereof; such assessments to be established and collected as hereinafter provided. The annual, special and reconstruction assessments, assessments for failure to maintain Lots and assessments for maintenance or repair of Common Area and Association property, together with interest, late charges, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which such assessment is made. The obligation for such payments by each Owner to the Association is an independent covenant, with all amounts due from time to time payable in full without notice (except as otherwise expressly provided in this Declaration), on demand and without setoff or deduction. The lien may be enforced by foreclosure of the defaulting Owner's Lot by the Association in like manner as a mortgage on real property. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, including reasonable attorney fees. The Board of directors or managing agent of the Association may prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot and a description of the Lot. Such a notice shall be signed by one (1) of the Board of directors or by the managing agent of the Association and may be recorded in the office of the Recorder of the County of Uintah, State of Utah. The lien for each unpaid assessment attaches to each Lot at the beginning of each assessment period and shall continue to be a lien against such Lot until paid. The costs and expenses for recording any notice of lien shall be added to the assessment for the Lot against which it is recorded and collected as part and parcel thereof. Each assessment, together with interest, late charges, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass from them. The Association's lien on

a Lot for assessment shall be superior to any homestead exemption now or hereafter provided by the laws of the State of Utah or any exemption now or hereafter provided by the laws of the United States of America. The acceptance of a deed to land subject to this Declaration shall constitute a waiver of the homestead and any other exemption as against said assessment lien.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used largely for maintenance and expenses associated with the Common Area.

Section 3. Maximum Annual Assessments.

a. The initial annual assessment for each Lot shall be Two Hundred Forty Dollars (\$240.00) payable in monthly installments of Twenty Dollars (\$20.00).

b. Effective with commencement of the second and each subsequent Association fiscal year, the maximum annual assessment may be increased by a vote of the Members up to but not exceeding twenty (20) percent per year over the amount established by the application of the provision of subsection 3(a) above for the next succeeding Association fiscal year and at the end of that year, for each succeeding Association fiscal year, provided that any such increase shall have the assent of three fourths (3/4) of the Members who are voting in person or by proxy at the meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days or more than sixty (60) days in advance of such meeting setting forth the purpose thereof.

c. The Board of directors of the Association may, at any time and from time to time, after consideration of the projected maintenance costs and the other financial needs of the Association, fix the actual assessment against each Lot at an amount less than the maximum assessment for any Association fiscal year.

Section 4. Notice and Quorum for Any Action Authorized Under Section 3. Written notice of any meeting called for the purpose of taking any action requiring a vote of the Members authorized under Section 3 of this Article shall be sent to all Members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty (60) percent of the Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding month.

Section 5. Rate of Assessment. Annual and special assessments shall be fixed at a uniform rate for all Lots and shall be allocated to each Lot on the basis of a fractional share per Lot, the numerator of which fraction shall be one (1) and the denominator of which shall be the number of Lots contained within the Property, and shall be in an amount sufficient to meet the expected needs of the Association.

Section 6. Date of Commencement of Annual Assessments. The initial annual assessment shall commence upon each new Owner on the first day of the month following conveyance of the Lot upon which a residential Dwelling Unit has been constructed and a certificate of occupancy issued to an Owner other than Declarant, and the second and each subsequent annual assessment period shall correspond with the fiscal year of the Association. The annual assessments, payable monthly, shall be made due and payable within ten (10) days of receipt. Any Owner purchasing a Lot between installment due dates shall pay a pro rata share of the last installment due.

Section 7. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within ten (10) days after the due date thereof shall bear interest from the due date at the rate of eighteen (18) percent per annum, or at such lesser rate as may be set from time to time by the Association, and the Association may also assess a monthly late charge thereon. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against such Owner's Lot, and in the event a judgment is obtained, such judgment shall include interest on the assessment and a reasonable attorney fee to be fixed by the court, together with the costs of the action. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the irrigation distribution system or abandonment of his Lot.

Section 8. Lien for Assessments.

a. The Association has a statutory lien on a Lot for any assessment levied against that Lot and for fines imposed against its Owner from the time each assessment or fine becomes due. In addition, fees, charges, late charges, attorney fees, fines and interest charged pursuant to this Declaration are enforceable as assessments. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due.

b. The statutory lien for assessments is prior to all other liens and encumbrances on a Lot except (i) liens and encumbrances recorded before the recordation of this Declaration; (ii) a lien of a first mortgage, which was recorded before the date on which the assessment sought to be enforced became delinquent; and (iii) liens for real estate taxes and other governmental assessments or charges against the Lot.

Notwithstanding the foregoing, the statutory lien for assessments is also prior to the lien of a first mortgage to the extent of an amount equal to the assessments based on a periodic budget adopted by the Association, which would have become due, in the absence of any acceleration, during the six (6) months immediately preceding institution by either the Association or any party holding a lien senior to any part of the Association lien created under this section of an action or a non-judicial foreclosure either to enforce or to extinguish the lien.

c. The recording of this Declaration constitutes record notice and perfection of the statutory lien. No further recordation of any claim of lien or assessment is required; however, a claim may be recorded at the Association's option, in which event, costs and attorney fees incurred in connection with the preparation and recording of such claim shall be assessed against the Owner's Lot as a default assessment.

ARTICLE V

Exterior Maintenance

Section 1. General. Except as otherwise provided herein, the maintenance and repair of each Lot, including but not limited to landscaping, the interior and exterior of the Dwelling Unit, improvements constructed thereon and the interior and exterior of any fence on the boundary line of each Lot shall be the responsibility of the Owner(s) thereof.

Section 2. Prior Approval. No buildings or exterior improvements of any kind shall be constructed, remodeled or altered in any fashion without prior, written approval of the Board of directors of the Association.

ARTICLE VI

Restrictions

Section 1. General Plan. It is the intention of the Declarant to establish and impose a general plan for the improvement, development, use and occupancy of the Property in order to enhance the value, desirability and attractiveness of the Property and to promote the sale thereof.

Section 2. Restrictions Imposed. The Declarant hereby declares that all of the Property shall be held and shall henceforth be sold, conveyed, used, improved, occupied, owned, resided upon and hypothecated, subject to the following provisions, conditions, limitations, restrictions, agreements and covenants, as well as those contained elsewhere in this Declaration.

Section 3. Residential Use. Lots shall be used for residential purposes permitted by applicable zoning ordinances, and each Lot shall have setback lines pursuant to Uintah County guidelines.

Section 4. Lots to be Maintained. Except during any period of construction or reconstruction, each Lot at all times shall be kept in a clean, sightly and wholesome condition. Any Lot not properly maintained by the Owner thereof shall, upon maintenance being undertaken by the Association, be assessed Twenty Dollars (\$20.00) for mowing the lawn and Twenty-Five Dollars (\$25.00) per hour for general maintenance. Failure of Lot Owner to remedy an unclean, unsightly or unwholesome condition of a Lot within ten (10) days of written notification of such condition by the Association shall result in an additional Lot assessment of Thirty-Five Dollars (\$35.00) per month until such condition meets acceptable standards.

Section 5. Temporary Structures. Except as hereinafter provided, no structure of a temporary character, including but not limited to a house trailer, tent, shack or outbuilding, shall be placed or erected upon any Lot, and no Dwelling Unit shall be occupied in any manner at any time prior to its being fully completed or shall any Dwelling Unit, when completed, be in any manner occupied until made to comply with all requirements, conditions and restrictions herein set forth; provided, however, that during the actual construction, alteration, repair or remodeling of a Dwelling Unit, necessary, temporary structures for storage of materials may be erected and maintained by the person doing such work. In addition, Owner may place a wood (not metal) shed up to a size of twelve (12) feet by fifteen (15) feet on Owner's Lot. The work of constructing, altering or remodeling any Dwelling Unit shall be performed diligently from the commencement thereof until the completion thereof.

Section 7. Miscellaneous Structures.

a. No advertising or signs of any character other than political campaign signs shall be erected, placed, permitted or maintained on any Lot other than a name of the occupant and a street number, and except for a "For Sale" or "For Rent" sign not to exceed five (5) square feet; notwithstanding the foregoing, signs, advertising or billboards used by the Declarant or its assigns and designees in connection with the sale of Lots or otherwise in connection with any development of the Property shall be permissible, provided that such use by the Declarant or its designees shall not unreasonably interfere with any Owner's use and enjoyment of an Owner's Lot or with such Owner's ingress or egress from a public way to an Owner's Lot.

b. Storage shed size, appearance and placement must be pre-approved by the Association.

c. No motor homes or commercial vehicles or trucks exceeding one (1) ton shall be stored on the Owners' Lots. No vehicles shall be parked in areas not specifically designated for parking. No vehicles shall be parked overnight on the street. Any storage not within a storage shed or within the designated vehicle storage area will need the prior approval of the Association.

Section 8. Residential Building Site. The erection or placement of more than one (1) Dwelling Unit per building Lot or the re-subdivision of Lots into smaller units is prohibited. In this connection, however, the combination of more than one (1) Lot or parts of contiguous Lots into one (1) site is not prohibited. For example, two (2) Lots may be used for one (1) building site or three (3) Lots may be used for a total of two (2) building sites. No Lot shall be subdivided. Each building site shall contain a two (2) car garage, which structure may be attached or detached from the Dwelling Unit.

Section 9. Nuisances. No nuisance shall be permitted on or within the Property or any unreasonable activity. No Lot Owner shall have outside storage for trash or permit the burning of trash or materials on a Lot. Aggressive behavior of pets or excessive barking or noise from pets and late night and early morning noise from music of Owner and Owner's guests shall be deemed a nuisance hereunder.

Section 10. Underground Utility Lines. All electric, television, radio and telephone line installments shall be placed underground, except that during the construction of any residence, the contractor or builder may install a temporary overhead utility line, which shall be promptly removed upon installation of the Dwelling Unit. Small satellite dishes and services are permitted.

Section 11. Rules and Regulations. Rules and regulations concerning and governing the Property or any portion thereof may be adopted, amended or repealed, from time to time by the Board of directors of the Association, and the Board of directors may establish and enforce penalties for the infraction thereof, including without limitation the levying and collecting of fines for the violation of any of such rules and regulations.

Section 12. No Mining or Drilling. No mining, drilling, quarrying, digging or excavating for the purpose of testing for the existence of, or extracting oil, gas, coal or minerals of any kind shall be performed upon or within the Property.

Section 13. Drainage. Release of contaminants or hazardous materials into the planned unit development drainage is prohibited.

Section 14. Pets. Up to two (2) pets are permitted on the Lot of each Owner, however, farm animals of any description and dogs in excess of fifty (50) pounds are prohibited. Dog breeds, including chows, Doberman pinschers, German shepards, pit bull terriers, as well as wolves and partial breeds thereof, are specifically prohibited. The yard of any Owner having a dog or dogs as pets must fence the yard area. All fences must be pre-approved by the Association.

Section 15. Vehicle Parking. No vehicles of any description may be parked in or along the streets of the Property other than in specifically designated parking areas. No junk vehicles, vehicles under repair, unlicensed vehicles or vehicles not under current license shall be parked on the Property or any Lot. No unlicensed vehicles, such as dirt bikes or ATVs, may be operated on the Property.

Section 16. Landscaping. Each Lot Owner is required to landscape that Owner's Lot. Each Lot Owner's landscape plan must be submitted to and pre-approved by the Association. The front yard must be landscaped within six (6) months from date of purchase, and the back yard must be landscaped within one (1) year from the date of purchase.

Section 17. Skirting. All manufactured homes must be skirted with materials, colors and plans pre-approved by the Association.

Section 18. Fences. Perimeter fences of the planned unit development shall be maintained by the Association. All Lot fences must be pre-approved by the Association.

Section 19. Exterior Colors. Stains and paints shall be colors of subdued earth tones. No bright or garish colors, except white, shall be permitted on the exterior of any manufactured home or storage shed. Wood fences may be stained but not painted. All color and stain for manufactured homes, storage sheds and fences must be pre-approved by the Association.

Section 20. Owner's Negligence. In the event the need for maintenance or repair of the Common Area or its improvements, including signs, is caused by the willful or negligent act or omission of an Owner or an Owner's guest or invitee, the cost of repair shall be the personal obligation of such Owner, and if not immediately paid, is subject and shall become a lien against such Owner's Lot as provided in Section 1 of Article VII hereof.

Section 21. Association Rules and Regulations. The Association shall adopt and ratify the Rules and Regulations of Sunburst Terrace Planned Unit Development, and each and every provision of such rules and regulations are enforceable by the Association and are hereby fully incorporated herein.

ARTICLE VII

First Mortgages

Section 1. Member and First Mortgagee Approval. The Association shall not, unless it has obtained the prior written consent of at least seventy-five (75) percent of the Members and seventy-five (75) percent of the First Mortgagees [based upon one (1) vote for each first mortgage owned]:

- a. By act or omission, change, waive or abandon any scheme of restrictions or enforcement thereof as set forth in this Declaration regarding the design or maintenance of the Lots or improvements thereon.
- b. Change the method of determining the obligations, assessments, dues or other charges, which may be levied against an Owner.
- c. Add or amend any material provisions of this Declaration, the Articles of Incorporation or Bylaws of the Association, which establish, provide for, govern or regulate any of the following, provided that any First Mortgagee who receives a written request to approve any additions or amendments to any such documents and who does not deliver or post to the requesting party a negative response within thirty (30) days after receipt of such a request shall be deemed to have approved such request and provided that such additions or amendment shall not be considered material if they are for the purpose of correcting technical errors or for clarification only, the Articles of Incorporation or Bylaws of the Association made as a result of destruction, damage or condemnation of the Property or the improvements thereon:
 - i. Voting;
 - ii. Assessments, assessment liens or subordination of such liens;
 - iii. Insurance, including but not limited to fidelity bonds;
 - iv. Rights to use of the irrigation distribution system;
 - v. Responsibility for maintenance and repair of any portion of the irrigation distribution system;
 - vi. Contraction of the Property or the withdrawal of property from the Property;
 - vii. Convertibility of Lots or Dwelling Units constructed thereon;

viii. Leasing of Lots or Dwelling Units constructed thereon;

ix. Any provisions which are for the express benefit of First Mortgagees or insurers or guarantors of first mortgages.

Section 2. Notice of Action. Upon written request to the Association, identifying the name and address of the First Mortgagee or insurer or guarantor of the first mortgage and the residence address of Property, which is subject to such first mortgage, each such First Mortgagee or insurer or guarantor of such a first mortgage shall be entitled to timely written notice of:

a. Any condemnation loss or casualty loss, which affects a material portion of the Property or any Lot subject to a first mortgage held, insured or guaranteed by such First Mortgagee, insurer or guarantor of a first mortgage.

b. Any delinquency in the payment of assessments or charges owed to the Association by the Owner of the Lot subject to a first mortgage held, insured or guaranteed by such First Mortgagee, insurer or guarantor of any default by such Owner in any obligation under the Declaration, Articles of Incorporation or Bylaws of the Association and the Board of directors of the Association has actual knowledge of such default, when such delinquency and/or default remains uncured for a period of sixty (60) days.

c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

d. Any proposed action, which would require the consent of a specified percentage of First Mortgagees as provided in this Article VIII.

ARTICLE VIII

General Provisions

Section 1. Enforcement. Enforcement of the covenants, conditions, restrictions, easements, reservations, rights of way, liens, charges and other provisions contained in this Declaration, the Articles of Incorporation, Bylaws or rules and regulations of the Association, as amended, shall be by any proceeding at law or in equity against any person or persons, including without limitation the Association, violating or attempting to violate any such provision. The Association and any aggrieved Owner shall have the right to institute, maintain and/or prosecute any such proceedings, and the Association shall further have the right to levy and collect fines of the violation

of any provision of the aforesaid documents in any action instituted or maintained under this Section, and the prevailing party shall be entitled to receive its costs and reasonable attorney fees incurred pursuant thereto, as well as any and all other sums awarded by the court. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any of the covenants, restrictions or other provisions contained in this Declaration by judgment or court order shall in no way affect or limit any other provisions, which shall remain in full force and effect.

Section 3. Easements. Easements for the installation and maintenance of utilities, irrigation and drainage facilities are reserved as shown on the recorded plat of the Property, or any portion thereof, or other duly recorded instrument(s). Within these easements, no structure, planting or other material shall be placed or permitted to remain, which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow of drainage channels in the easements. Declarant hereby reserves the right to enter upon the Property to correct any flow of water and to establish and re-establish drainage channels.

Section 4. Conflict of Provisions. In case of any conflict between this Declaration, the Articles of Incorporation or Bylaws of the Association, this Declaration shall control. In case of any conflict between the Articles of Incorporation and the Bylaws of the Association, the Articles of Incorporation shall control.

Section 5. Duration, Revocation and Amendment.

a. Each and every provision of this Declaration shall run with and bind the land for a term of twenty (20) years from the date of recording of this Declaration, after which time, this Declaration shall be automatically extended for successive periods of ten (10) years each. Except as provided in Article VIII hereof and in subsections (b) and (c) of this Section 5, this Declaration may be amended during the first twenty (20) year period, and during subsequent extensions thereof, by any instrument approved in writing by not less than seventy-five (75) percent of the Members. Such amendment shall be effective when duly recorded in the real estate records of Uintah County, Utah.

b. If Declarant shall determine that any amendments to this Declaration or any amendments to the Articles of Incorporation or Bylaws of the Association shall be necessary in order for existing or future mortgages, deeds of trust or other security instruments to be acceptable to any of the agencies, Declarant shall have and is hereby specifically granted the right

and power to make and execute any such amendments without obtaining the approval of any Owners or First Mortgagees. Each such amendment of this Declaration or of the Articles of Incorporation or Bylaws shall be made, if at all, by Declarant prior to termination of the Declarant's control of the Association.

c. Declarant hereby reserves and is granted the right and power to record amendments to this Declaration, the Articles of Incorporation or Bylaws of the Association at any time prior to the termination of Declarant's control of the Association or the purposes of correcting errors or as may otherwise be necessary to clarify or further define the meaning of any provisions of any such document.

Section 6. Rights of Declarant Incident to Construction. An easement is hereby retained by and granted to Declarant, its successors and assigns for access, ingress and egress over, in, upon, under and across the irrigation distribution system, including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's or its designees' construction on the Property; provided, however, that no such rights or easements shall be exercised by Declarant in such a manner as to unreasonably interfere with the occupancy, use, enjoyment or access by any Owner, an Owner's family members, guests or invitees to or of that Owner's Lot.

Section 7. Expansion.

a. Supplemental Declarations and Supplemental Plats. Such expansion may be accomplished by the recording by Declarant in the Uintah County, Utah, Recorder's Office one (1) or more supplemental declarations setting forth the lots and other real property, if any, to be included in the expansion, together with any covenants, conditions, restrictions and easements particular to such property. The expansion may be accomplished in stages by successive supplements or in one (1) supplemental expansion.

b. Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration shall be expanded automatically to encompass and refer to the Property subject to this Declaration as so expanded. For example, "Lot" shall mean the Lot described in Section 5 of Article I plus any additional lots added by a supplemental declaration or declarations, and reference to this Declaration shall mean this Declaration as supplemented. All conveyances of Lots shall be effective to transfer rights in the Property as expanded. The recordation in the real property records of Uintah County, Utah, of a supplemental parcel map or maps incident to any expansion shall operate automatically to grant, transfer and convey to the Association any new Common Area added to the Property as the result of such expansion. The allocation for assessments shall

be amended pro rata to reflect the increase in the number of lots added to the Declaration.

c. Declaration Operative to New Lots. The new lots shall be subject to all of the terms and conditions of this Declaration and of any supplemental declaration upon placing the supplemental parcel map(s) depicting the expansion property and supplemental declaration(s) of public record in the real property records of Uintah County, Utah.

d. No Objection to Expansion. No Member of the Association shall have any right to the exercise of the developmental right set forth above including but not limited to the inclusion of a maximum of one hundred twenty-two (122) Dwelling Units.

Section 8. Registration by Owner of Mailing Address. Each Owner shall register his mailing address with the Association, and except for statements and other routine notices, all other notices or demands intended to be served upon an Owner shall be sent postage prepaid by certified mail, return receipt requested,

Entry 2007000109
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EXHIBIT "A"

Lots 1 through 122, inclusive,
of SUNBURST TERRACE PLANNED UNIT DEVELOPMENT;

County of Uintah,
State of Utah.