

SECOND AMENDMENT TO
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS OF
HARRISBURG LAKESIDE ESTATES NO. 1 SUBDIVISION

THIS SECOND AMENDMENT to the Declaration of Covenants, Conditions, and Restrictions of Harrisburg Lakeside Estates No. 1 Subdivision, previously executed May 19, 1988, and recorded May 20, 1988, is made, amended and executed the 9th day of December, 1989 by Dixie Cove Partnership, a Utah partnership located within the State of Utah, and Alliance Development, an Idaho Corporation, hereinafter jointly and severally referred to as "Declarant"

W I T N E S S E T H.

WHEREAS, Dixie Cove Partnership, a Utah partnership, is the owner of certain property in the County of Washington, State of Utah, which is more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference, and,

WHEREAS, Alliance Development has entered into an Agreement with Dixie Cove Partnership to acquire and develop property described in Exhibit "A"; and,

WHEREAS, pursuant to that development agreement between Alliance Development and Dixie Cove Partnership, Alliance Development and Dixie Cove Partnership desire to establish this Second Amendment to the Declaration of Covenants, Conditions, and Restrictions of Harrisburg Lakeside Estates No. 1 Subdivision, and thereby be known jointly and severally, as the "Declarant" herein.

NOW THEREFORE, Declarant hereby declares that all of the properties described pursuant to Exhibit "A" above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

0370763 Bk 0572 Pg 0511

RUSSELL SMITHS * WASHINGTON CO RECORDER
1990 SEP 04 13:11 PM FEE \$45.00 BY RWM
REQUEST: DUNN CLIFFORD

ARTICLE I

DEFINITIONS

SECTION 1. "Architectural Control Committee" shall refer to a committee of three members as hereinafter defined, who shall decide those matters with respect to architectural control as are conferred upon it by this Declaration.

SECTION 2 "Articles" shall mean the Articles of Incorporation of the Association which are, or shall be filed in the office of the Secretary of State of the State of Utah, as said Articles may be amended from time to time

SECTION 3. "Association" shall mean and refer to HARRISBURG ESTATES OWNER'S ASSOCIATION, a Utah nonprofit corporation, its successors and assigns

SECTION 4 "Association Rules" shall mean the rules adopted by the Board, as they may be amended from time to time.

SECTION 5. "Board" shall mean the Board of Trustees of the Association.

SECTION 6. "Bylaws" shall mean the Bylaws of the Association, as such Bylaws may be amended from time to time.

SECTION 7 "Common Area(s)" shall mean all real property owned by the Association for the common use and enjoyment of the Owners as set forth on the Plat. A copy of said Plat is attached as Exhibit "B", and by this reference made a part hereof, as encompassed and defined by the broken straight lines on Exhibit "B".

SECTION 8. "Limited Common Areas" shall mean such real property owned by the Association for the common use and enjoyment of the owners, as specifically stated and limited herein, as set forth on the Plat whose boundaries are encompassed and defined by the small dot outlines See Exhibit "B"

SECTION 9. "Clubhouse Common Area" shall mean such real property owned by the Association as a tenant in common with the Declarant and/or the successor in interest to the Declarant The borders of said clubhouse common area are encompassed and defined by the large dot outlines shown and defined on Exhibit "B".

SECTION 10. "Adjoining Development Property" shall mean all real property owned by Declarant which is anticipated to be used by Declarant as a further development of like kind, and of similar nature to the development of the property anticipated by this Declaration, as described and defined on Exhibit "C", attached hereto, and by this reference made a part hereof.

SECTION 11. "Declarant Retained Property" shall mean that portion of the property described on Exhibit "A", as defined on Exhibit "B", the boundaries of which are outlined by a solid black line, as described in Exhibit "B".

SECTION 12. "Declarant" shall jointly and severally mean Dixie Cove Partnership, a Utah partnership located within the State of Utah, and Alliance Development, an Idaho Corporation, their successors and assigns.

SECTION 13 "Declaration" shall mean the covenants, conditions and restrictions herein set forth in this entire documents, including exhibits, as the same may from time to time be amended

SECTION 14. "First Mortgage" shall mean that certain mortgage, deed of trust or other instrument executed by the Declarant granting a first lien security interest in any of the property to one or more lenders.

SECTION 15. "Guest" shall mean a person visiting an Owner on a short-term, temporary basis.

SECTION 16. "Improvements" shall mean the buildings, roads, roadways, parking areas, lighting fixtures, fences, walls, hedges, planting, planted trees and shrubs, golf course, tennis courts, swimming pools and all other structures or landscaping of every type and kind.

SECTION 17 "Lot" shall mean and refer to any separate parcel of real property shown upon an recorded subdivision map of the Property, with the exception of the Common Area.

SECTION 18. "Manager" or "Management" shall refer to the onsite professional management retained by the Homeowners Association, which initially may be the Declarant or an affiliated person or entity.

SECTION 19 "Member" shall mean "Owner" as defined herein.

SECTION 20. "Owner(s)" shall mean and refer to the record owner, whether one or more persons or entities, of equitable or beneficial title (or legal title if same has merged) or any Lot "Owner" shall include the purchaser of a Lot under an executory contract for the sale of property. The foregoing does not include persons or entities who hold an interest in a Lot merely as security for the performance of an obligation. Except as stated otherwise herein, "Owner" shall not include a lessee or tenant of a Lot. For the purposes of ARTICLE IV only, unless the context otherwise requires, "Owner" shall also include the family, guests, invitees, licensees, and lessees of any Owner, together with any

other person or parties holding any possessory interest granted by such Owner in any Lot. "Owner" shall include Declarant so long as Declarant owns any Lot within the Property.

SECTION 21. "Property" or "Properties" shall mean and refer to that certain real property described in Exhibit "A" attached to this Declaration, and such additions hereto as may hereafter be brought within the jurisdiction of the Association

SECTION 22 "Public Purchaser" shall mean any person or other legal entity who becomes an Owner of any Lot within the Property, except Declarant. Public Purchasers in Phase I are limited to those adults age 30 or over, it being intended that Phase I shall be an adult R V subdivision.

SECTION 23. "Single Family" shall mean two (2) persons, each related to the other by blood, marriage or legal adoption, or not more than two (2) unrelated persons who maintain a common household in a Travel Trailer.

SECTION 24. "Transportation Vehicle" shall mean any motorized vehicle licensed and legally authorized to operate on state highways Golf carts, licensed or unlicensed all terrain vehicles, and motorcycles are excluded from this definition.

SECTION 25. "Travel Trailers" shall mean motor homes, tent-type folding trailers, and such other types of recreational or camping vehicles as may be designated as "Travel Trailers" by the Board. Park model recreational vehicles are specifically allowed and encouraged, and may be permanently affixed and skirted All Travel Trailers shall be no more than ten (10) years old at the time of their first use on the lot. Exceptions to this may be granted by the Architectural Control Committee upon a showing that the Travel Trailer is in a good and sightly condition, which determination shall be made at the sole discretion of said committee. A decision by the Architectural Control Committee shall be subject to appeal to the Board of Directors in accordance with Article XII, Appeal Procedure

SECTION 26 "Visible From Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six (6) feet, standing on any part of such neighboring property at an elevation no greater than the elevation of the base of the object being viewed.

ARTICLE II

PROPERTY RIGHTS

SECTION 1. OWNERS' EASEMENTS OF ENJOYMENT Except as limited herein, every Owner shall have a right and easement of enjoyment in and to the Common Areas, Clubhouse Common Area, and Limited Common Area, for the purposes for which said various areas are intended, which shall be appurtenant to, and shall pass with the title to every Lot, subject to the following provisions.

(a) the right of the Association to charge reasonable fees for the use of any facility situated upon said areas;

(b) the right of the Association to suspend the voting rights and right to use of the facilities by an Owner for any period during which any assessment against his Lot remains unpaid or for any infraction of this Declaration or the rules or regulations duly promulgated by the Association, the Board or any duly constituted committee of the Association or Board;

(c) the right of the Association to dedicate, transfer or convey, all or any part of said areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members as hereinafter provided. No such dedication, transfer, or conveyance shall be effective unless an instrument, signed by Owners representing two-thirds (2/3) of the Lots and agreeing to such dedication, transfer, or conveyance, has been recorded,

(d) the right of Declarant and its agents and representatives, in addition to the rights set forth elsewhere in this Declaration, to non-exclusive use, without charge, of said areas for maintenance of sales, shops, offices, and other facilities, display, promotional, and exhibit purposes, and for such other reasonable uses as the Declarant deems appropriate in the future.

(e) the permanent right of Declarant to have access for ingress and egress and full use of all utility lines without assessment or charge (except regular use fees charged by utilities) to properties owned by Declarant or its assigns, including but not limited to Declarant retained property, and except as described herein, Declarant retained property shall not be subject to the terms of the Declaration. Declarant shall have the right (but not the obligation) to add this and other property to the common area of the Project in addition to its right under Article X, by conveying the same to the Association. The Association shall maintain all such areas conveyed including any structures or improvements (such as other recreational amenities, clubhouses, toilet and show facilities and the like)

SECTION 2 DELEGATION OF USE Any Owner may delegate, in accordance with this Declaration, his right of enjoyment to the Common Area to the members of his family, his tenants, lessees, guests, and invitees, provided such delegation is for a reasonable

number of persons and at reasonable times, as may be regulated from time to time by Rules and Regulations adopted by the Board of Trustees

SECTION 3. OWNER'S EASEMENT OF ENJOYMENT LIMITATIONS.

(a) Except as described herein, an Owner's right and easement of enjoyment in and to the Common Area(s), Limited Common Area, and Clubhouse Common Area shall not be conveyed, transferred, alienated or encumbered separate and apart from an Owner's Lot and such right and easement of enjoyment in and to said areas shall be deemed to be conveyed, transferred, alienated or encumbered upon the sale of any Owner's Lot, notwithstanding that the description in the instrument of conveyance, transfer, alienation or encumbrance may not refer to the areas

(b) Said areas shall remain undivided and no action for partition or division of any part thereof shall be permitted.

(c) Each Owner, tenant, and occupant of a Lot, and the invitees, tenants, agents and employees of such Owner, may use the Common Area in common with the Owners, invitees, tenants, agents and employees of other Lots in accordance with the purposes for which it is intended without hindering or encroaching upon the lawful right of such others.

(d) No Owner will be exempted from liability for assessments with respect said areas, by waiver of the enjoyment of the right to use said areas or by abandonment of his Lot or otherwise.

(e) Any Owner who rents or leases his Lot to another shall forfeit his right to the use and enjoyment of said areas during the rental or lease term unless the Owner owns another Lot or Lots which are not rented or leased. The Owner's right to the use and enjoyment of said areas shall be deemed transferred to the renter or lessee for the term of the lease

SECTION 4. SPECIAL RESTRICTIONS REGARDING LIMITED COMMON AREAS. For all purposes, the Limited Common Areas shall be treated, managed, maintained, governed and controlled as though said Limited Common Areas were Common Areas, as defined herein, with the exception that each Limited Common Area shall have the following special limitations:

(a) Said Limited Common Areas shall be for the additional use of abutting Lot Owners, as defined hereafter, for the said abutting Lot Owner's personal use for the purposes described, as limited by the Architectural Control Committee, such that said Lot Owner may not build, upon said Limited Common Area, any permanent structure, with the exception of additional outside recreational facilities such as patios, barbecue pits, etc

(b) In no event shall the abutting Lot Owner, with special right and access to the Limited Common Area, be authorized to fence said area, or to place a permanent swimming pool on said area

(c) Said abutting Lot Owner, as described hereafter, shall have the added use and benefit of said Limited Common Area, and said abutting Lot Owner shall have priority use of said Limited

Common Area Nothing as contained herein shall remove said Limited Common Area from the jurisdiction of the Association or the Architectural Control Committee of said Association, as described herein

(d) The Limited Common Area shall be provided for the benefit of abutting Lot Owners, as described above, as follows:

(1) Lot 11 shall have the additional special rights in Limited Common Area B, as described and defined in Exhibit "B".

(2) Lot 12 shall have the additional special rights in Limited Common Area C, as described and defined in Exhibit "B".

(3) Lot 78 shall have the additional special rights in Limited Common Area H, as described and defined in Exhibit "B".

(4) Lots 68 and 69 shall have the additional special rights in Limited Common Area G, as described and defined in Exhibit "B".

(5) Lot 67 shall have the additional special rights in Limited Common area F, as described and defined in Exhibit "B".

SECTION 5 SPECIAL STATUS OF CLUBHOUSE COMMON AREA The Clubhouse Common Area, as described and defined herein (See Exhibit "B"), shall be treated and administered for all purposes according to the terms and conditions of this Declaration, as said terms and conditions in this Declaration refer to Common Areas, with the exception that the Association shall own the right, title and interest to said Clubhouse Common Area, as a tenant in common with Declarant. Said tenancy in common shall be a 50% ownership interest with the Association, and a 50% ownership interest with the Declarant, all held as tenants in common. The specific intention of this Declaration is that, as Declarant develops additional property to the east of the property described in Exhibit "A" into a similar development, said additional development will be developed using the same basic legal structure, with the same basic uses, and with approximately the same basic terms and conditions as contained in this Declaration of Covenants, Conditions, and Restrictions.

At such time as said additional development is completed, and the common areas of said development are deeded to the new Association of the additional development, which is anticipated by the Declarant, then the Declarant shall deed its one-half interest as a Tenant in Common in the Clubhouse Common Area to the new Association; provided, that said new Association manage and control said Clubhouse Common Areas as a Tenant in Common with the Association planned and established, pursuant to the terms and conditions of this Declaration, known as the Harrisburg Lakeside Estates Number One Subdivision.

As an ownership right of the Tenancy in Common interest of Declarant in the Clubhouse Common Area, according to the terms and conditions of this Declaration, Declarant shall have the right to

use the space presently known as the Project Manager's Office and the Project Manager's Apartment on the upper floor of the clubhouse facility located in the Clubhouse Common Area, and the use of the accounting and sales area presently located on the main floor of the Clubhouse situated on the Clubhouse Common Area, for the purposes of the Declarant in perpetuity. Said space is more specifically defined in Exhibit "D", as attached hereto.

For and in consideration of the terms and conditions of this Declaration, the Association shall pay all costs, expenses and maintenance of the Clubhouse in perpetuity, provided, however, that when and if Declarant deeds Declarant's 50% ownership in the Clubhouse Common Area to an as yet unformed, and as yet only anticipated additional Homeowners Association, as described herein, then the cost, expenses and maintenance of the Clubhouse Common Area shall be shared mutually between the Association anticipated by this Declaration of Covenants, Conditions and Restrictions, and the Association to be formed when and if the Declarant develops the property to the east of the property described in Exhibit "A"

Declarant's use of said space, as described in Exhibit "D", shall be at a lease cost of \$1 00 per year during the period of time that said space, as described in Exhibit "D" is used by Declarant. Said space may only be used by Declarant to manage, control, and market the development, and the ongoing operations of Declarant's entire Harrisburg project, which project shall include all Harrisburg facilities, including the overnight recreational vehicle park, the marina, the convenience store, etc. Said space may be used by Declarant as a general office of Declarant.

Declarant, at Declarant's option at any time, may terminate Declarant's use of said space, and upon such abandonment, said space shall revert to the sole and exclusive use of the then existing owners of the Clubhouse Common Area.

It is anticipated that the Clubhouse Common Area shall be used mutually by the Harrisburg Lakeside Estates Number One Subdivision owners, by and through the Association of the Owners and the owners of the development anticipated to the east of said property.

Declarant covenants and affirms that the Clubhouse Common Area shall be available according to the terms and conditions of this Declaration of Covenants, Conditions and Restrictions, together with any additional Declaration of Covenants, Conditions and Restrictions anticipated to be filed upon the property east of the property on Exhibit "A", to a maximum of 275 lots, it being understood that lots shall be those parcels of property, together with the property owners as limited by this agreement. Provided, however, that the Association may contract at an appropriate fee for the use of the Clubhouse Common Area by the overnight recreational vehicle park located directly to the south of the property described on Exhibit "A", and being developed by the A. B. Harrisburg Trust.

SECTION 6 TITLE TO COMMON AREA, LIMITED COMMON AREA AND CLUBHOUSE COMMON AREA. Declarant covenants that Declarant will convey title to the Common Area and the Limited Common Area by Warranty Deed, subject to any existing mortgage lien, to the Association. Declarant further covenants that Declarant will convey the one-half interest as tenant in common to the Clubhouse Common Area by Warranty Deed, subject to any existing mortgage lien, to the Association. Said conveyances shall be made to the Association no later than the occurrence of the earliest of the following

1. No later than March 31, 1993, or
2. No later than the conveyance of 80% of the total lots available for purchase to a public purchaser

SECTION 7 EASEMENT FOR ENCROACHMENTS. Each Lot within the Project is hereby declared to have an easement over all adjoining Lots for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the Lot, or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachments so long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting, provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful misconduct of said Owner or Owners.

ARTICLE III

RIGHT OF ACCESS OVER DECLARANT RETAINED PROPERTY

SECTION 1. RIGHT OF ACCESS. Declarant hereby covenants that Declarant will convey a perpetual easement over the property described as Declarant Retained Property, pursuant to Exhibits "A" and "B", making use of such access roads presently constructed, or anticipated to be constructed, pursuant to Exhibits "A" and "B", provided however, that Association shall be responsible for its pro rata cost of maintaining all roads providing such access situated on the Declarant retained property. Said pro rata cost of maintenance shall be allocated on a per square foot basis between all parties using said roads for access to property in the Harrisburg Development.

ARTICLE IV

PROPERTY SUBJECT TO THIS DECLARATION

SECTION 1. GENERAL DECLARATION. Declarant has developed the Property into various Lots. Declarant intends to sell and convey Lots within the Property to Public Purchasers. Declarant hereby

declares that all of the Property subject hereto 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 this Declaration, as amended or modified from time to time. This Declaration is declared and agreed to be in furtherance of a general plan for the subdivision, improvements and sale of the property and is established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property and every part thereof. All of this Declaration shall run with all of the Property for all purposes and shall be binding upon and inure to the benefit of Declarant, the Association, all Owners and their successors in interest in perpetuity.

ARTICLE V

LAND USE CLASSIFICATIONS, PERMITTED USES AND RESTRICTIONS

SECTION 1. PERMITTED USES AND RESTRICTIONS -- ALL PROPERTY The permitted uses, easements, and restrictions for all Property covered by this Declaration, shall be as follows:

A. Use and Occupancy. All Lots shall be used solely as recreational campsites for Travel Trailers, it is the declared intention of Declarant to exclude dwelling houses and to create and maintain the Property as an area for the leisure-time residents. No gainful occupation, profession, trade or other non-residential use shall be conducted on the Property, except on designated Commercial Lots intended to provide goods and/or services to the benefit of Owners. Declarant reserves unto itself the right to change any platted Lot or Lots owned by Declarant from their existing classification as R.V. Lots(s) to Commercial Lot(s) use by filing a Supplemental Declaration so indicating. Nothing herein shall be deemed to prevent the leasing of any Lot to a Single Family from time to time by the Owner thereof, subject to all of the provisions of this Declaration. Lots owned by Declarant may be used for sales and construction offices for the purpose of enabling Declarant to sell Lots within the Property, until such time as all of the Lots owned by Declarant have been sold to Public Purchasers. Only one (1) Travel Trailer and one (1) transportation vehicle shall be parked or maintained on any Lot except that one additional Travel Trailer may be parked on a Lot for a maximum of one (1) day for the purpose of loading and unloading. No Travel Trailers shall be parked or located on the Common Area, Limited Common Area and Clubhouse Common Area, or any public roads or streets within the Property. No cars, motorcycles or other motor vehicles shall be parked or located on the Common Area, Limited Common Area and Clubhouse Common Area, or any roads or streets within the Property except in designated parking spaces or parking areas.

B. Adult-Family Community. This is an Adult-Family R.V. Community. All guests must register with the Manager. Children must be supervised at all times by their parent or guardian and

must not play or loiter in and around streets, the community center, park areas or engage in any activity which constitutes an annoyance to other owners. Use of common facilities by children shall be at the time periods as posted by management. The Rules and Regulations may provide for the payment of Guest Fees under such conditions as the Board deems reasonable.

C. Antennas No antenna or other device for transmission or reception of television or radio signals or any other form of electromagnetic radiation shall be erected, used or maintained on the Property unless and except as approved in writing by the Architectural Control Committee.

D. Utility Service No lines, wires, or other devices for the communication or transmission of electric current or power, including telephone, television, and radio signals, shall be erected, placed or maintained anywhere in or upon any Property unless the same shall be contained in conduits or cables installed and maintained underground or concealed in, under or on buildings or other structures approved in writing by the Architectural Control Committee. No provision hereof shall be deemed to forbid the erection of temporary power or telephone structures incident to the construction of buildings or structures approved in writing by the Board. No propane or other gas storage shall be allowed on lots except as are regularly installed for that purpose in or on the Travel Trailer.

E. Improvements and Alterations No improvements, alterations, repairs, excavation or other work which in any way alters the appearance of any Property or the Improvements located thereon from its natural or improved state existing on the date such Property was first conveyed or transferred by Declarant to a Public Purchaser shall be made or done without the prior written approval of the Architectural Control Committee, except as otherwise expressly provided in this Declaration. No building, fence, wall, or other structure shall be commenced, erected, maintained, improved, altered, made or done without the prior written approval of the Architectural Control Committee. No awnings or other structures shall be attached to any Travel Trailer without the prior written approval of the Architectural Control Committee unless allowed under the Association Rules. The Architectural Control Committee shall establish a procedure for the preparation, submission and determination of applications for any such alteration or improvement. The Architectural Control Committee shall have the right to refuse to approve any plans or specifications or grading plan, which, in its opinion, are not suitable or desirable for aesthetic or other reasons. In passing upon such plans, specifications and grading plans it may take into consideration the suitability of the proposed building or other structure and of the materials of which it is to be built, the site upon which it is proposed to erect the same, the harmony thereof with the surroundings, the effect of the building or other structure as planned on the outlook from the adjacent or neighboring Property and such other matters as it may deem pertinent. All subsequent additions to or changes or alterations

in any building, fence, wall or other structure, including exterior color scheme and building materials, shall be subject to the prior approval of the Architectural Control Committee. No changes or deviations in or from such plans and specifications once approved shall be made without the prior written approval of the Architectural Control Committee. All decisions of the Architectural Control Committee shall be final and no Lot Owner or other parties shall have recourse against the Architectural Control Committee or any of its members, for or with respect to any decisions made in good faith. All decisions of the Architectural Control Committee shall, however, be subject to appeal to the Board in accordance with Article XIII, Appeal Procedure

F. Maintenance of Lawns and Plantings. The Association shall maintain the lawns and plantings on the Common Area, Limited Common Area and Clubhouse Common Area, and for this purpose, Declarant and the Association shall have the right, at any time, to plant, replace, maintain and cultivate landscaping, shrubs, trees, grass, and plantings on any Common Area, Limited Common Area and Clubhouse Common Area, and on such easements over an Owner's Lot as may have been granted to Declarant or the Association, regardless of whether any Owner or the Association is responsible hereunder for maintenance of such areas. No Owner shall remove, alter, injure or interfere in any way with any landscaping, shrubs, trees, grass or plantings placed upon any Common Area, Limited Common Area, or Clubhouse Common Area, by Declarant or the Association without the written consent of the Association having first been obtained. The Association or its authorized agents shall have the right to enter upon any Lot, at any reasonable time, for the purpose of planting, replacing, maintaining or cultivating such landscaping, shrubs, trees, grass or plantings in the Common Area, Limited Common Area and Clubhouse Common Area, and shall not be liable for trespass for so doing. The Association shall also have the right and obligation to periodically, as needed, enter upon the Lot(s) to remove weeds and to spray for weed control, the cost of said service to be paid by the Owner of the Lot. In the event of the failure or refusal of any Owner to pay, the Board shall levy a special assessment against such Owner, which may be enforced under the lien provisions contained in Article III hereof

G. Operation and Maintenance by Association The Association, by its duly delegated representative, shall provide for such maintenance and operation of the Common Area, Limited Common Area and Clubhouse Common Area as may be necessary or desirable to make them appropriately usable in conjunction with the Lots and to keep them clean, functional, attractive and generally in good condition and repair. In the event that special need for maintenance or repair of Owner's Lot should be necessitated through willful or negligent act of the Owner, his family or guests, or invitees, the cost of such maintenance shall be added to and become a part of assessment to which such Lot is subject.

H. Trash Containers and Collection. No garbage or trash shall be placed or kept on any Property except in covered containers of a type, size and style which are approved in writing by the Board or authorized by the Association Rules. In no event shall such containers be maintained so as to be visible from Neighboring Property except to make the same available for collection and, then, only the shortest time reasonably necessary to effect such collection. The Board shall have the right, in its sole discretion, to require all Owners to subscribe to a trash service. All rubbish, trash or garbage shall be removed from the Lots and shall not be allowed to accumulate thereon.

I. Overhangs No tree, shrub, or planting of any kind on any Property shall be allowed to overhang or otherwise to encroach upon any Common Area, Limited Common Area or Clubhouse Common Area, from ground level to a height of twelve (12) feet, without the prior written approval of the Architectural Control Committee.

J. Right of Way During reasonable hours, Declarant, any member of the Board, or any authorized representative of any of them, shall have the right to enter upon and inspect any Property and the Improvements thereon, except for the interior portions of any Travel Trailer or building, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

K. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Property except such machinery or equipment as is usual and customary in connection with the use, maintenance or construction of buildings, improvements or structures which are within the permitted uses of such property, and except that which Declarant or the Association may require for the operation and maintenance of the Common Areas and utilities and/or drainage easement.

L. Restrictions on Further Subdivision. No Lot shall be further subdivided or separated into smaller lots or parcels by any Owner, and no portion less than all of any such Lot, nor any easement or other interest therein, shall be conveyed or transferred by any Owner, without the prior written approval of the Board. No Lot may be converted into a condominium or cooperative or other similar type of entity without the prior written approval of the Board. This provision shall not, in any way, limit Declarant from subdividing or separating into smaller lots or parcels any Property owned by Declarant. No portion of a Lot, but for the entire Lot, together with the Improvements thereon, may be rented or leased, and then only to a Single Family, provided, however, that no Lot may be leased or subleased without prior written notice to the Board of the names of the lessee and their family members and the term of the lease, and in compliance with such other rules and regulations as may be established by the Board.

Lots may only be sold as membership lots by Declarant or upon the written permission of Declarant, all such sales shall,

however, be subject to rules adopted from time to time regarding voting and assessment.

M. Signs. No signs (including For Sale signs) shall be erected or maintained on any Lot or on any travel trailer or in the window of any travel trailer except such signs the nature, number and location of which have been approved in writing by the Board, provided that the Declarant reserves the right to place such signage on the Property and Common Areas as it deems appropriate in connection with its sales and marketing efforts.

N. Utility Easements. There is hereby created a blanket easement upon, across, over and under the above-described Property for ingress, egress, installation, replacing, repairing and maintaining all utility and service lines and systems, including, but not limited to, water, sewer, gas, telephone, electricity, television cable, communication or security lines and systems, etc. By virtue of this easement, it shall be expressly permissible for the providing utility or service companies to install and maintain facilities and equipment on said Property and to affix and maintain wires, circuits and conduits on, under and across said Property. Notwithstanding anything to the contrary contained in this paragraph, no sewer lines, electrical lines, water lines, or other utilities or service lines may be installed or relocated on said Property except as initially developed and approved by the Declarant or thereafter approved by the Board. This easement shall in no way affect any other recorded easements on said Property. This easement shall be limited to improvements as originally constructed.

O. Animals. No animals, other than a maximum of two (2) generally recognized house pets, shall be maintained on any Property covered by this Declaration and then only if they are kept thereon solely as domestic pets and not for any commercial purposes. "Large dogs" are not considered house pets. By way of example only, and not by limitation, Great Danes, Saint Bernards, Doberman Pinschers, German Shepherds, and Labradors are considered to be "large dogs". The Board shall have absolute discretion for purposes of this paragraph to determine whether a dog is a "large dog" or not. No animal shall be allowed to make an unreasonable amount of noise, or become a nuisance. No separate structure for the care, housing or confinement of any animal shall be constructed or maintained on any property. Upon the written request of any Owner, the Board shall conclusively determine, in its sole and absolute discretion, whether, for purposes of this paragraph, a particular animal is a generally recognized house pet, or a nuisance. Any decision rendered by the Board shall be enforceable as other restrictions contained herein. All pets must be kept in the Travel Trailer or on a leash and shall be accompanied by their Owner when outside of the Travel Trailer or motor vehicle. Pets shall not be allowed in the Common Area, Limited Common Area, Clubhouse Common Area, or pool area. All owners of pets shall be responsible for the clean up of pet's waste.

P. Nuisances No rubbish or debris of any kind shall be placed or permitted to accumulate upon or adjacent to any Property, and no odors shall be permitted to arise therefrom, so as to render any such Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its occupants. No nuisance shall be permitted to exist or operate upon any such Property so as to be offensive or detrimental to any other Property in the vicinity thereof or to its occupants. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on any such Property. The Board in its sole discretion shall have the right to determine the existence of any such nuisance. The Manager, Board and the Association shall be vested with full rights to take all action to eliminate any nuisance, and are hereby granted the right to enter on to any Lot and into any Travel Trailer or vehicle thereon to remove or otherwise eliminate any nuisance, if after reasonable notice is given, the Owner shall not have removed or eliminated the nuisance

Q Motorcycles and ATV's. The use of motorcycles, All-Terrain Vehicles or other similar motor vehicles is generally discouraged except that use of such vehicles as transportation may be allowed, provided that the vehicles are not excessively noisy or operated in an unsafe manner, as determined at the discretion of the Manager, or the Board. Such use shall be regulated or restricted by the Rules and Regulations adopted by the Board.

R. Clothes Washing-Drying Facilities Outside clotheslines or other outside facilities for drying or airing clothes shall not be erected, placed or maintained on any Property. No clothing or other articles to be dried shall be hung outside. No washing machines shall be kept or maintained on any Lot except inside a Travel Trailer, without the prior written approval of the Board

S. Mineral Exploration. No Property shall be used in any manner to explore for or to remove any water, oil or other hydrocarbons, minerals of any kind, gravel, earth, or any earth substance of any kind

T Diseases and insects. No Owner shall permit any thing or condition to exist upon any Property which shall induce, breed or harbor infectious plant diseases or noxious insects.

U. Drainage Easement. There is hereby created a blanket easement for drainage of surface water on, over and across the property No Owner shall obstruct, divert, alter or interfere in any way with the drainage of groundwater upon, across or over any portion of the Property. Each Owner shall at his own expense maintain the drainageways and channels on his Lot in proper condition free from obstruction. The Association shall have the right, after reasonable notice to an Owner, to repair or otherwise maintain the drainageway or channel on said Owner's Lot, which the Association, acting through its Board, determines has not been maintained by the Owner in compliance with this provision. All costs and expenses incurred by the Association shall be borne by

the Owner, and shall be paid to the Association on demand. Any sum not paid by an Owner shall be treated as an assessment and collected in like manner in assessments levied pursuant to Article VIII.

V. Declarant's Exemption Nothing contained in this Declaration shall be construed to prevent the erection or maintenance by Declarant, or its duly authorized agents, of Improvements or signs necessary or convenient to the development or sale of Lots and the Property.

W. Architectural Control. Declarant hereby covenants in favor of each Owner (a) that any improvements of the Common Area, Limited Common Area and Clubhouse Common Area, accomplished by it shall be architecturally compatible with respect to one another and (b) that on or before six years from the date on which this Declaration is filed for record in the office of the County Recorder of Washington County, Utah, there shall be substantially completed and usable as part of the Common Area, Limited Common Area and Clubhouse Common Area, all improvements in the locations shown on the Plat

The Declarant shall have the right, until complete sell out of all lots of the project to public owners, to appoint a three (3) member Architectural Control Committee, which committee shall have the sole discretion in matters referred to it by the terms of this Declaration. A majority vote (2 affirmative) shall control all decisions of this Committee After sell out, the membership shall select the Committee by majority vote at the annual meeting. After sell out, additions to the Common Area, Limited Common Area, and Clubhouse Common Area, or any buildings on Lots or changes or additions to amenities or landscaping shall be subject to the review of the Architectural Control Committee for harmony in design with the Project.

SECTION 2. PERMITTED USES AND RESTRICTIONS -- COMMON AREA, LIMITED COMMON AREA AND CLUBHOUSE COMMON AREA. Except as described herein, the permitted uses and restrictions for the common area, Limited Common Area and Clubhouse Common Area shall be as follows.

A. Permitted Uses.

1. Parking in designated parking spaces and parking areas only for the purposes of parking vehicles of the Owners, his guests, tenants and invitees; limited, however, to purposes connected with or incidental to any use being made of any Owner's Lot Visitor parking may be further regulated by Rules and Regulations
2. Access for vehicles and pedestrians between public streets and any parking areas situated on the Property and any Owner's Lot; limited, however, for purposes connected with or incidental to any use being made of any Owner's Lot
3. Access for pedestrians on any sidewalks or walkways, limited, however, for purposes connected with or

incidental to any use being made of any portion of any Owner's Lot.

4. Access for persons engaged in maintaining the Common Area, Limited Common Area and Clubhouse Common Area of any Owner's Lot

5. Such other uses as may be adopted from time to time by the Board and set forth in the Association Rules.

6. In general, the Common Area, Limited Common Area and Clubhouse Common Area shall be used for the benefit of the Owners, for the furnishing of services and facilities for which the same are reasonable intended and for the enjoyment to be derived from such reasonable and proper use, without hindering the exercise of or encroaching upon the right of any other Owner to utilize the Common Area, provided that no unlawful use shall be permitted.

B. Restricted Uses.

1. The Common Area shall not be used by Owners for storage of supplies, materials or personal property of any kind.

2. Such other restrictions as may be adopted by the Board and set forth in the Association Rules

3. In general, no activity shall be carried on nor condition maintained by any Owner upon the Common Area, Limited Common Area or Clubhouse Common Area which spoils the appearance of the Property or hinders or encroaches upon the right of any other Owner to utilize the Common Area as reasonable intended

C. Maintenance by Association. The Association shall, when needed or required, as to any Common Area, Limited Common Area or Clubhouse Common Area conveyed, leased, or transferred to it, or otherwise placed under its jurisdiction, in the discretion of the Board, without any approval of the Owners being required:

1. Reconstruct, repair, replace or refinish any Improvement or portion thereof upon any such area (to the extent that such work is not done by a governmental entity, if any, responsible for the maintenance and upkeep of such area) in accordance with (a) the last plans thereof approved by the Board, (b) the original plans for the improvement, or (c) if neither of the foregoing is applicable and if such improvement was previously in existence, then in accordance with the original design, finish or standard of construction of such improvement as same existed;

2. Construct, reconstruct, repair or refinish any road improvement or surface upon any portion of such area used as a road, street, walk, and/or parking area,

3. Replace injured and diseased trees or other vegetation in any such area, and plant trees, shrubs and ground cover to the extent that the Board deems necessary for the conservation of water and soil and for aesthetic purposes;

- 4 Place and maintain upon any such area such signs, markers and lights as the Board may deem appropriate for the proper identification, use and regulation thereof.
5. Remove all papers, debris, filth and refuse from the Common Area, Limited Common Area and Clubhouse Common Area and wash or sweep paved areas as required; clean and relamp lighting fixtures as needed;
6. Repaint striping, markers, directional signs, etc , as necessary;
7. Pay all real estate taxes and assessments on the Common Area, Limited Common Area and Clubhouse Common Area;
8. Pay all electrical, water, gas and other utility charges or fees for service furnished to the Common Area, Limited Common Area and Clubhouse Common Area;
- 9 Do all such other and further acts which the Board deems necessary to preserve and protect the Common Area, Limited Common Area, Clubhouse Common Area, and the beauty thereof, in accordance with the general purposes specified in this Declaration,
10. The Board shall be the sole judge as to the appropriate maintenance of all grounds within the Common Area, Limited Common Area and Clubhouse Common Area;
11. Nothing herein shall be construed so as to preclude the Association from delegating its powers set forth above to a manager or agent or to other persons, firms or corporation.
12. Pay for the construction or installation of lights and other utility services on the Common Area, Limited Common Area, and Clubhouse Common Area,
13. Maintenance of the Common Area, Limited Common Area and Clubhouse Common Area shall be conducted by an independent contractor who may be the Declarant or an affiliate of Declarant.
- 14 The Association shall secure and at all times maintain the following insurance coverages
 - (a) A policy or policies of fire and casualty insurance, with extended coverage endorsement, for the full insurable replacement value of all improvements comprising a part of the Common Area, Limited Common Area and Clubhouse Common Area. The Association shall be named as an additional insured and in the event of loss, the proceeds shall be used to replace the damaged facility. The name of the insured under each such policy shall be in the form and substance similar to: "Harrisburg Estates Owner's Association for the use and benefit of the individual Lot Owners and Mortgagees, as their interests may appear"
 - (b) A comprehensive policy or policies insuring the Owners, the Association, and its directors, officers, agents, and employees against any liability incident to the ownership, use or operation of the

Common Area, Limited Common Area and Clubhouse Common Area, which may arise among themselves, to the public, and to any invitees or tenants of the Property or of the Owners. Limits of liability under such insurance shall not be less than \$1,000,000.00 for all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage, liability for non-owned or hired automobile, liability for property of others, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use. Such policies shall be issued on a comprehensive liability basis, shall provide a cross-liability endorsement pursuant to which the rights of the named insureds as between themselves are not prejudiced, and shall contain "a severability of interest" clause or endorsement to preclude the insurer from denying the claim of an Owner in the Development because of negligent acts of the Association or other Owners.

The following additional provisions shall apply with respect to insurance:

- (1) In addition to the insurance described above, the Association shall secure and at all times maintain insurance against such risks as are or hereafter may be customarily insured against in connection with developments similar to the Property in construction, nature, and use.
- (2) All policies shall be written by a company holding a rating of Class IV or better from Best's Insurance Reports or other similar standard yielding this minimum quality of insurer. Each insurer must be specifically licensed in the State of Utah.
- (3) The Association shall have the authority to adjust losses.
- (4) Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual Owners or their Mortgagees.
- (5) Each policy of insurance obtained by the Association shall, if reasonably possible, provide: A waiver of the insurer's subrogation rights with respect to the Association, the Owners, and their respective directors, officers, agents, employees, invitees, and tenants, that it cannot be cancelled, suspended, or invalidated due to the conduct of any particular Owner or Owners; that it cannot be cancelled, suspended, or invalidated due to the conduct of the Association or of any director, officer, agent or employee of the Association without a prior written demand that the defect be cured; that any "no other insurance" clause therein shall not apply with respect to insurance held individually by the Owners.
- (6) Notwithstanding any provisions to the contrary

herein, so long as the Mortgagee or its designee holds a mortgage or beneficial interest in a trust deed on a Lot in the Development or owns a Lot, insurance policies shall meet all requirements and contain such other coverage and endorsements as may be required from time to time by the Mortgagee or its designee

(7) Mortgagee Clause. All policies of hazard insurance must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the mortgaged premises are located. The mortgagee clause must provide that the insurance carrier shall notify the first Mortgagee (or trustee) named at least thirty (30) days in advance of the effective date of any reduction in or cancellation of the policy.

(8) Review of Insurance. The Board shall periodically, and whenever requested by twenty percent (20%) or more of the Owners, review the adequacy of the Association's insurance program and shall report in writing the conclusions and action taken on such review to the Owner of each Lot and to the holder of any mortgage on any Lot who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board shall be available for inspection by any Owner.

(9) Lots Not Insured by Association. The Association shall have no duty or responsibility to procure or maintain any fire, liability, extended coverage or other insurance covering any Lot and/or Travel Trailer and acts and events thereon, except if the Association shall acquire in its own name a Lot due to donation or foreclosure of Association liens, or other valid reason.

D. Damage or Destruction of Common Area, Limited Common Area and Clubhouse Common Area by Owners. In the event any Common Area, Limited Common Area or Clubhouse Common Area is damaged or destroyed by an Owner or any of his guests, tenants, licensees, or agents, such Owner does hereby authorize the Association to repair said damaged area, and the Association shall so repair said damaged area in good and workmanlike manner in conformance with the original plans and specifications of the area involved, or as the area may have been modified or altered subsequently by the Association, in the discretion of the Association. The amount necessary for such repairs shall be paid by said Owner, upon demand, to the Association or the Association may enforce collection of same in the same manner as provided elsewhere in this Declaration for collection and enforcement of assessments

E. Condemnation. If at any time or times the Common Area, Limited Common Area or Clubhouse Common Area, or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be payable to the Association and shall be used promptly by Association to the extent necessary for restoring or replacing any improvements on the remainder of the Common Areas, Limited Common Area or

Clubhouse Common Area Upon completion of such work and payment in full therefor, any proceeds of condemnation then or thereafter in the hands of the Association which are proceeds for the taking of any portion of the Common Area, Limited Common Area or Clubhouse Common Area shall be disposed of in such manner as the Association shall reasonably determine; provided, however, that in the event of a taking in which any Lot is eliminated, the Association shall disburse the portion of the proceeds of the condemnation award allocable to the interest of the Owner of such Lot to such Owner and any first Mortgagee of such Lot, as their interests shall appear, after deducting the proportionate share of said Lot in the cost of debris removal.

F. Destruction of Improvements.

1. In the event of a total or partial destruction of the Improvements in the Project, and if the available proceeds of the insurance carried pursuant to Article IV of this Declaration are sufficient to cover not less than eighty-five percent (85%) of the cost of repair or reconstruction thereof, the same shall be promptly repaired and rebuilt, unless within ninety (90) days from the date of such destruction, seventy-five percent (75%) or more of the Owners present and entitled to vote, in person or by proxy, at a duly constituted meeting determined, and seventy-five percent (75%) of the Mortgagees holding a first lien on individual Lots which have been damaged in whole or in part, agree in writing that such reconstruction shall not take place. If reconstruction is to take place, the Board shall be required to execute, acknowledge, file and record, not later than one hundred twenty (120) days from the date of said destruction, a certificate declaring the intention of the Owners to rebuild.

2. If the proceeds of such insurance are less than eighty-five percent (85%) of the costs of reconstruction, such reconstruction may nevertheless take place if, within ninety (90) days from the date of said destruction, a majority of the Owners present at a meeting, in person or by proxy, and a majority of the Mortgagees holding a first lien on individual Lots elect to rebuild. If the Owners and the Mortgagees elect to rebuild, the Board shall file a certificate as provided in paragraph 1 of this section.

3. If the Owners determine to rebuild, either pursuant to paragraph 1 or 2 of this section, each Owner shall be obligated to pay to the Board, in cash, his share of the costs of reconstruction over and above the insurance proceeds. The amount to be paid by each Owner shall be determined on a pro-rata basis of all Lots to be assessed. In the event of the failure or refusal of any Owner to pay his proportionate share, the Board shall levy a special assessment against such Owner, which may be enforced under the lien provisions contained in Article III hereof. Any Mortgagee of an individual Lot named as an insured shall have the right to have his proportionate share of the insurance proceeds applied to the mortgage indebtedness, and in such event, the Owner of any such Lot shall be obligated to pay to the Association, in cash, forthwith, an amount equal to the amount

so applied to such mortgage indebtedness, in addition to the amount immediately hereinbefore referred to and in the event of his failure or refusal to do so, the foregoing provisions for levy and enforcement of a special assessment shall apply.

4. Prior to rebuilding, the Board shall have plans and specifications prepared, and shall obtain bids from at least two (2) reputable contractors. The contract for reconstruction shall be awarded to the lowest responsible bidder, subject to any necessary prior approval by the Trustee referred to in Article IV hereof. The Board shall have the authority, after first notifying said Trustee in writing, to enter into a written agreement with said contractor for such reconstruction, and the insurance proceeds held by said Trustee shall be disbursed to said contractor, according to the terms of this agreement. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such reconstruction at the earliest possible date.

5. If rebuilding shall not take place either pursuant to paragraphs 1 and 2 of this section

a. Any insurance proceeds available for such rebuilding shall be distributed among the Owners and the individual insured Mortgagees by said Trustee on the basis of the proportionate appraised value of a single Lot compared to the total appraised value of all Lots

b. The Board shall, within one hundred and twenty (120) days of the date of such loss, execute, acknowledge and record a certificate setting forth the determination of the Owners not to rebuild, and shall promptly cause to be prepared and filed of record such revised maps and other documents as may be necessary to show the conversion of the project to the status of unimproved land, or to show the elimination of one or more Lots or other Improvements as a result of such destruction

6. Upon recordation of said certificate of determination not to rebuild, the right of any Owner to partition his Lot through legal action shall forthwith revive.

7. In the event of a dispute among the Owners respecting the provisions of this section, any Owner may cause the same to be referred to arbitration in accordance with the then prevailing rules of the American Arbitration Association. In the event of arbitration, notice thereof shall be given to the members of the Board and all other Owners as promptly as possible after the reference to arbitration is made, giving all Owners an opportunity to appear in such arbitration proceedings. The decision of such arbitrator in this matter shall be final and conclusive upon all of the Owners. The arbitrator may include in his decision an award for costs and/or attorney's fees against any one or more parties to the arbitration.

8. Any rebuilding, reconstruction, repair or restoration done pursuant to this section must be done in accordance with the original plans and specifications, and subject to approval by the Architectural Control Committee, as provided for in Article XI

hereof. However, said committee may approve plans and specifications that vary from the original if the written approval of seventy-five percent (75%) of Mortgagees of record holding a first lien is obtained

ARTICLE VI

THE ASSOCIATION

SECTION 1 ORGANIZATION

A. The Association The Association is, or will be, a Utah non-profit corporation charged with the duties and invested with the powers prescribed by law and set forth in the Articles, Bylaws, and this Declaration. Neither the Articles nor Bylaws shall, for any reason, be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration

B. Board of Trustees and Officers The affairs of the Association shall be conducted by a Board of Trustees and such Officers as the Trustees may elect or appoint, in accordance with the Articles and the Bylaws, as same may be amended from time to time

SECTION 2 POWERS AND DUTIES OF THE ASSOCIATION The Association shall have such rights, duties and powers as set forth in this Declaration and the Articles as same may be amended from time to time.

SECTION 3 RULES By a majority vote of the Board, the Association may, from time to time and subject to the provisions of this Declaration, adopt, amend, and repeal rules and regulations. The Association Rules may restrict and govern the use of any area by any Owner, or by an invitee, licensee or lessee of such Owner, provided, however, that the Association Rules may not discriminate among Owners and shall not be inconsistent with this Declaration, the Articles or Bylaws. A copy of the Association Rules as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner and may be recorded. The Association Rules, whether or not recorded, shall have the same force and effect as if they were set forth in and were a part of the Declaration and shall be enforceable to the same extent and in the same manner as the provisions of the Declaration

SECTION 4 PERSONAL LIABILITY. No member of the Board or any committee of the Association, or any officer of the Association, or any Manager, shall be personally liable to any Owner, or to any other party, including the Association, for any damage, loss or prejudice suffered or claimed on account of any act, omission, error, or negligence of the Association, the Board, any Manager, or any other representative or employee of the Association, or any Committee, or any officer of the Association, provided that such person has, upon the basis of such information

as may be possessed by him, acted in good faith, without willful or intentional misconduct.

ARTICLE VII

MEMBERSHIP AND VOTING RIGHTS

SECTION 1 Every Owner shall be a Member of the Association

SECTION 2. The Association shall have two (2) classes of voting membership

Class A Class A Members shall be all Owners, as defined herein, with the exception of the Declarant and shall be entitled to one vote for each Lot owned

Class B The Class B Member shall be the Declarant. The Class B Member shall be entitled to nine (9) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership with regard to the specific property described in Exhibit "B", as attached hereto, on the earliest of

(a) The date on which the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or

(b) The date on which the Declarant notifies the Association in writing that it relinquishes its Class B membership.

Upon the addition of any phase as allowed by this Declaration, the voting rights of the Class B stock (9 votes per Lot owned) shall be re-established and restored as to the additional phase only, if previously converted or relinquished, provided that the new total of votes of Class B Lots after the addition is more than the new total of Class A votes

SECTION 3 When more than one person is the Owner of a Lot, all such persons shall be Members. The vote for such Lot may be exercised as the Owners among themselves determine, but in no event shall more than one ballot be cast with respect to any Lot. The vote for each such Lot must be cast as a unit, and fractional votes shall not be allowed. In the event that Joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one ballot is cast for a particular Lot, none of said votes shall be counted and said votes shall be deemed void.

SECTION 4. So long as the Declarant owns a Lot or Lots, no Member other than the Declarant shall be allowed to vote in any election of the Board. Only the Declarant shall be entitled to vote in any such election. This section shall not affect the right of the other members to vote on any other matters that come before the members for a vote.

SECTION 5. Each Member shall have such other rights, duties, and obligations as set forth in the Articles and Bylaws, a same may be amended from time to time.

SECTION 6. The Association membership of each Owner of a Lot shall be appurtenant to and may not be separated from the ownership of the Lot. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed, or alienated in any way except upon transfer of ownership to Owner's Lot and then only to the transferee of ownership to such Lot, or by intestate succession, testamentary disposition, foreclosure of a mortgage of record, exercise of a power of sale under the provisions of a deed of trust, or such other legal process as now in effect or as may hereafter be established under or pursuant to the laws of the State of Utah. Any attempt to make a prohibited transfer shall be void. Any transfer of ownership to said Lot shall operate to transfer said membership to the new Owner thereof.

ARTICLE VIII

COVENANTS FOR ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. Each Owner, other than Declarant, of a Lot is deemed to covenant and agree to pay to the Association. (1) annual assessments or charges, (which may be payable in monthly or quarterly installments as determined by the Board) and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the Property and shall be a continuing lien upon the Lot against which each such assessment is made. Such assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successor in title unless expressly assumed by him. No Lot shall be sold, transferred or conveyed by any Owner without all assessments having been paid in full, whether or not a lien has been filed or recorded.

SECTION 2 PURPOSE OF ASSESSMENTS The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners of the Property and for the improvement and maintenance of the Common Area, Limited Common Area and Clubhouse Common Area. Without limiting the generality of the foregoing, such purposes shall include the payment for the following

A. Water, sewer, garbage, electrical, lighting and other necessary utility services for the Common Area,

Limited Common Area and Clubhouse Common Area;
B. Maintenance and repair of storm drains, sanitary sewers and private streets lying within the Common Area, Limited Common Area and Clubhouse Common Area;
C. Operating costs of the Common Area, Limited Common Area and Clubhouse Common Area facilities,
D. Property taxes on Common Area, Limited Common Area and Clubhouse Common Area and facilities,
E. Fire and casualty insurance covering the Common Area, Limited Common Area and Clubhouse Common Area, and at the election of the Board, a blanket fire and casualty insurance policy or policies covering the improvements on the Lots;
F. Public liability insurance insuring the Association against any liability to the public or to any Owner, their invitees or tenants, incident to their occupation and/or use of the Common Area, Limited Common Area or Clubhouse Common Area with such limits of coverage as may be determined by the Board;
G. Workmen's Compensation Insurance to the extent necessary to comply with any applicable laws, and any other insurance deemed necessary by the Board,
H. Standard fidelity bonds covering those certain members of the Board, the officers, and those certain employees of the Association who are authorized to sign checks on behalf of the Association, in such amounts as the Board may determine from time to time;
I. Painting, maintenance, repair, and replacement of the Common Areas,
J. Reserves for repair and replacement of Improvements on the Common Area, Limited Common Area and Clubhouse Common Area, and for exterior maintenance;
K. Reimbursement for reasonable expenses incurred by members of the Board and officers in the discharge of their duties,
L. Management fees incurred for the professional management of the Association; and
M. Such other and further items of expense relating to any services or facilities which may be necessary or which the Board may deem advisable or expedient in order to carry out the intent, purposes and objectives of the Association as set forth in this Declaration

SECTION 3. ASSESSMENTS.

A. Advance Assessment. At the time of closing of a Lot sale, each Owner shall contribute the sum of One Hundred Seventy-Five and no/100 Dollars (\$175.00) to fund a reserve account for the purpose of funding capital expenditures and maintenance and repair costs. The advance assessment fund reserve account shall, however, not be subject to claims so long as the Declarant controls the Owner's Association

B Annual Assessment. The amount of the annual assessment for each Lot shall, for each fiscal year of the Association, be determined by the Board at least thirty (30) days in advance of each fiscal year. The assessment shall be paid in monthly or quarterly installments, or annually, as determined from time to time by the Board. The annual assessment shall be determined by the Board after giving due consideration to current maintenance and repair costs of the Common Area, Limited Common Area and Clubhouse Common Area, insurance premiums for insurance on the Common Area, Limited Common Area and Clubhouse Common Area, operating costs of the Association and the need for contingency and maintenance reserves. Written notice of the annual assessment for each Lot shall be sent to every Owner at least thirty (30) days in advance of the commencement of each fiscal year. If the annual assessment for any fiscal year is not made by the Board at least thirty (30) days in advance of the commencement of the fiscal year, then the regular assessment for the immediately preceding fiscal year shall be deemed automatically assessed against each Lot and such assessment shall remain in effect until the Board determines the assessment for the new fiscal year and give thirty (30) days written notice of the new assessment to each Owner.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS

In addition to the annual assessments authorized above, the Association may levy, in any assessment year for a period not extending beyond ten (10) years, special assessments for the purpose of defraying, in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Common Area, Limited Common Area and Clubhouse Common Area, including fixtures and personal property related thereto, provided that any such special assessment over \$100.00 per Lot shall have the assent of Owners representing two-thirds (2/3) of the votes of each class of members present in person or represented by proxy are entitled to cast at a meeting duly called for the purpose.

SECTION 5. NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED UNDER

SECTION 4 Written notice of any meeting called for the purpose of taking any action authorized under Section 4 above shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all outstanding votes 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 meeting

SECTION 6. DECLARANT'S LOTS. None of the Lots owned by Declarant shall be subject to assessments while they are owned by the Declarant. Until the Class B membership in the Association ceases, and is converted to Class A membership, the Declarant shall pay to the Association such sums as may be necessary, when added to assessments against Lots owned by Owners other than Declarant, to provide for the operation and maintenance of the Common Area, Limited Common Area and Clubhouse Common Area, provided that Declarant's obligation shall not be more than the amount Declarant would have to pay if Declarant paid by regular prorated annual assessments of Lots owned by Declarant. After the Class B membership ceases and is converted to Class A membership, the Declarant shall not have any obligation to pay any sums whatsoever to the Association, including all assessments of any nature made against other Lot Owners, unless by virtue of expansion, the Class B rights are restored.

SECTION 7. UNIFORM RATE OF ASSESSMENT. Except as provided in Section 6 above, both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly, quarterly, or annual basis, as determined by the Board.

SECTION 8. DATE OF CONTRIBUTION TO ADVANCE RESERVE FUND AND COMMENCEMENT OF ANNUAL ASSESSMENTS The advance assessment to fund the reserve account shall be due at the time of closing the purchase and sale of a Lot. The annual assessment applicable to a Lot shall commence upon the happening of the earlier of the following events:

(a) The date on which the Association notifies the Owner of the Lot that the amenities located upon the Common Areas and the Improvements on the Lot, including utility service to the Lot, are substantially completed and available for use, or

(b) The date on which a Travel Trailer on the Lot is first occupied and the utilities for the Lot are used by the occupants of the Travel Trailer; or

(c) The date on which the Owner first uses any of the amenities located upon the Common Areas; or

(d) Thirty (30) days from the date of lot closing or the first of the following month, whichever is later

The first annual assessment shall be adjusted according to the number of months remaining in the fiscal year as of the date of commencement of the assessment. The due dates for the annual and special assessments shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Any assessments not paid when due shall bear interest at the rate equal to eighteen percent (18%) per annum, or such other

maximum rate as may be permitted by the laws of the State of Utah, whichever rate shall be greater Interest shall be accrued from and after the date of delinquency

SECTION 9. EFFECT OF NON-PAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION Each Owner of any Lot shall be deemed to covenant and agree to pay to the Association the assessments provided for herein, and agrees to the enforcement of the assessments in the manner herein specified In the event of a default in payment of any assessment, or any installment of an assessment, when due, in which case the assessment shall be deemed delinquent, and in addition to any other remedies herein or by law provided, the Association may accelerate the entire unpaid balance of any such annual or special assessment and may enforce each such obligation in any manner provided by law or in equity, or without any limitation of the foregoing, by either or both of the following procedures

A. **Enforcement by Suit.** The Board may cause a suit at law to be commenced and maintained in the name of the Association against an Owner or Member to enforce each such assessment obligation without waiving the lien rights it may have against said Owner's Lot.

B. **Enforcement by Lien.** There is hereby created a claim of lien on each and every Lot within the Property to secure payment to the Association of any and all assessments levied against any and all Owners of such Lots covered by the Declaration together with interest thereon at the rate of eighteen (18%) percent per annum from the date of delinquency, and all costs of collection which may be paid or incurred by the Association in connection therewith, including reasonable attorney's fees. At any time after the occurrence of any default in the payment of any such assessment, the Association, or any authorized representative may, but shall not be required to, make a written demand for payment to the defaulting Owner, on behalf of the Association. Said demand shall state the date and amount of the delinquency Each default shall constitute a separate basis for a demand or claim of lien or a lien, but any number of defaults may be included within a single demand or claim of lien If such delinquency is not paid within ten (10) days after delivery of such demand, or even without such a written demand being made, the Association may elect to file such a claim of lien on behalf of the Association against the Lot of the defaulting Owner Such a claim of lien shall be executed and acknowledged by an officer of the Association, and shall contain substantially the following information:

- (1) The name of the delinquent Owner,
- (2) The legal description and street address of the Lot against which claim of lien is made;
- (3) The total amount claimed to be due and owing for the amount of the delinquency, interest thereon, collection costs, and reasonable attorneys' fees (without any offset or deduction allowed),

- (4) That the claim of lien is made by the Association pursuant to the Declaration; and
- (5) That a lien is claimed against said Lot in the amount equal to the amount stated.

Upon recordation of a duly executed original or copy of such a claim of lien, and mailing a copy thereof to said Owner, the lien claimed therein shall immediately attach and become effective in favor of the Association as a lien upon the Lot against which such Assessment was levied. Such a lien shall have priority over all liens or claims created subsequent to the recordation of the claim of lien thereof, except only tax liens for real property taxes on any Lot, assessments on any Lot in favor of any municipal or other governmental assessing unit, and the liens which are specifically described in Section 10 of this Article. Any such lien may be foreclosed by appropriate action in court in the manner provided by law for the foreclosure of a mortgage as set forth by the laws of the State of Utah, as the same may be changed or amended. The lien provided for herein shall be in favor of the Association and shall be for the benefit of all other Lot Owners. The Association shall have the power to bid in at any foreclosure sale and to purchase, acquire, hold, lease, mortgage, and convey any Lot. In the event of such foreclosure, the Association shall be entitled to recover from the defaulting Owner its reasonable attorneys' fees, court costs, title search fees, interest and all other costs and expenses incurred in connection with the foreclosure. By accepting a deed to a Lot, each owner hereby expressly waives any objection to the enforcement and foreclosure of this lien in this manner.

SECTION 10. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE IX

SPECIAL DECLARANT RIGHTS

SECTION 1. RIGHTS RESERVED TO DECLARANT. So long as the Declarant owns a Lot or Lots the following rights shall be reserved to the Declarant and neither this Declaration, the Articles, Bylaws or Association Rules may be amended in any way which would eliminate, modify or impair any rights granted to the Declarant under the terms of this Declaration, the Articles, Bylaws or Association Rules including, but not limited to the following.

- (a) The right to maintain sales offices, management offices, signs advertising the Project and the Lots for sale, and models;
- (b) Use the Common Area, Limited Common Area, and Clubhouse Common Area for the purpose of making improvements within the Project or within any real property which is subject to annexation under Article X of this Declaration;
- (c) The right to annex additional real property pursuant to Article XI of this Declaration;
- (d) The right to abandon unannexed property pursuant to Article XI of this Declaration;
- (e) Voting rights of the members of the Association as set forth in Article VII of this Declaration;
- (f) The right to use the Common Areas, Limited Common area and Clubhouse Common Area and facilities for commercial or promotional purposes including the right to allow nonowners the right to use facilities and, at Declarant's option, to charge for such use to offset Declarant's obligation to subsidize Association expenses.

ARTICLE X

NOTICE OF VIOLATION

Subject to appeal as is more specifically described in Article XIII below, there is hereby created a right to record a written notice of violation (or suspected violation) by any Owner of any restriction or provision of this Declaration or the Association Rules. The notice shall be executed and acknowledged by any officer of the Association and shall contain substantially the following information:

1. The name of the Owner,
2. The legal description and street address of the Lot against which the notice is being recorded;
3. A brief description of the nature of the violation;
4. A statement that the notice is being recorded by the Association pursuant to this Declaration; and
5. A statement of the specific steps which must be taken by the Owner to comply with this Declaration or the applicable rule.

Such statement shall be delivered to the Owner by delivering in person or as provided at Article XIII, Section 7. The Owner shall have the right to appeal any decision by bringing the matter for hearing or rehearing (as the case may be) to the Board, who shall hear the appeal as soon as is reasonably possible, and whose decision shall be final

ARTICLE XI

ANNEXATION

SECTION 1 ANNEXATION OF ADDITIONAL PROPERTY.

Notwithstanding any contrary provision of this Declaration, Declarant shall have the right, without the consent of any Owner to annex to the Property covered by this Declaration additional real property, including but not limited to, the real property described on Exhibit E attached to this Declaration, and to develop thereon a maximum of two thousand five hundred (2,500) Lots. However, the Declarant shall have no obligation to annex any additional real property including the real property described on Exhibit E attached to this Declaration. Any annexation of additional property by the Declarant shall be at the sole discretion of the Declarant. Annexation of additional property shall be effective when Declarant records a Declaration of Annexation (1) describing the property to be annexed, and (2) referring to this Declaration by reference. Upon the recordation of the Declaration of Annexation, the property described in the Declaration of Annexation shall be deemed to be within the property covered by this Declaration and within the jurisdiction of the Association. Declarant specifically reserves the right to add common area amenities to the project, the maintenance cost of which shall become a portion of the annual assessment, provided, however, that regardless of any annexation of additional property, the maximum usage of the Clubhouse Common Area shall be usage by 275 lot owners, as described herein, and according to the terms and conditions of this Declaration of Covenants, Conditions and Restrictions, subject to the power to contract for use by the overnight recreational vehicle park.

SECTION 2. ABANDONMENT OF UNANNEXED PROPERTY

Notwithstanding any provision of this Declaration, the Declarant shall have the right to abandon its right to annex all or any portion of the real property described in Exhibit E attached to this Declaration, provided, however, that such right shall terminate upon the recording of a Declaration of Annexation annexing the property to the property covered by this Declaration. Any such abandonment shall become effective upon the recording by the Declarant of a Declaration of Abandonment describing the property to be abandoned and referring to this Declaration by reference. Upon the recordation of any such Declaration of Abandonment, the provisions of this Declaration shall terminate as to the property described in the Declaration of Abandonment and said property shall not thereafter be subject to annexation.

SECTION 3 DECLARANT'S RIGHT TO ADD PHASES

Declarant specifically reserves the right to add a phase or phases for which the prohibition of sale to adults (over 30 only) shall not apply. This, however, shall not apply to any existing or subsequent phase.

which is specifically dedicated to the adults only policy found at Article V, Section 1B.

ARTICLE XII

RIGHTS OF FIRST MORTGAGEES

Notwithstanding any other provisions of this Declaration, the following provisions concerning the rights of first Mortgagee shall be in effect:

SECTION 1 PRESERVATION OF REGULATORY STRUCTURE AND INSURANCE Unless the holders of seventy-five percent (75%) of all first Mortgagees and seventy-five percent (75%) of the Lot Owner shall have given their prior written approval, the Association shall not be entitled:

(a) by act or omission to change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the upkeep of the Common Areas of the Property;

(b) to fail to maintain fire and extended coverage on insurable portions of the Common Areas on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement costs), or

(c) to sue hazard insurance proceeds for losses to the Common Areas for other than the repair, replacement or reconstruction of improvements on the Common Areas.

SECTION 2 PRESERVATION OF COMMON AREA, LIMITED COMMON AREA AND CLUBHOUSE COMMON AREA, CHANGE IN METHOD OF ASSESSMENT Unless the Association shall receive the prior written approval of (1) at least seventy-five (75%) of all first mortgagees (based on one vote for each Mortgagee) of the Lots and (2) the Owners of at least seventy-five Percent (75%) of the Lots (not including Lots owned by Declarant) the Association shall not be entitled

(a) by act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the Common Areas, Limited Common Area or Clubhouse Common Area except to grant easements for utilities and similar or related purposes, as herein elsewhere reserved; or

(b) to change the ratio or method of determining the obligations, assessments, dues or other charges which may be levied against a Lot or the Owner thereof.

Neither this Article XII nor the insurance provision contained in Article V may be amended without the prior approval of all first Mortgagees.

SECTION 3 NOTICE OF MATTERS AFFECTING SECURITY. The Association shall give written notice to any first Mortgagee of a Lot requesting such notice wherever

(a) there is any default by the Owner of the Lot subject to the first mortgage in performance of any obligation under this Declaration or the Articles or Bylaws of the Association which is not cured within thirty (30) days after default occurs, or

(b) there occurs any substantial damage to or destruction of any Lot or any part of the Common Areas involving an amount in excess of, or reasonably estimated to be in excess of \$5,000 00 Said notice shall be given within ten (10) days after the Association learns of such damage or destruction, or

(c) there is any condemnation proceedings or proposed acquisition of a Lot or of any portion of the Common Areas within ten (10) days after the Association learns of the same; or

(d) any of the following matters come up for consideration or effectuation by the Association:

(i) abandonment or termination of the Subdivision established by this Declaration;

(ii) material amendment of the Declaration or the Articles or Bylaws of the Association, or

(iii) any decision to terminate professional management of the Common Areas and assume self-management by the Owners

SECTION 4 NOTICE OF MEETINGS. The Association shall give to any first Mortgagee of a Lot requesting the same, notice of all meetings of the Association; and such first Mortgagee shall have the right to designate in writing a representative to attend all such meetings.

SECTION 5. RIGHT TO EXAMINE ASSOCIATION RECORDS Any first Mortgagee shall have the right to examine the books, records and audits of financial statements of the Association

SECTION 6. RIGHT TO PAY TAXES AND CHARGES First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any portion of the Common Area, Limited Common Area or Clubhouse Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Area, Limited Common Area and Clubhouse Common Area, and First Mortgagees making such payments shall be owed immediate reimbursement therefore from the profits of the Association and shall be subrogated to the rights of the Association in this event. Declarant, for the Association as owner of the Common Area, Limited Common Area and Clubhouse Common Area, hereby covenants and the Association by acceptance of the conveyance of the Common Areas, whether or not it shall be so expressed in such conveyance, is deemed to covenant and agree to make such reimbursement

SECTION 7 EXEMPTION FROM ANY FIRST RIGHT OF REFUSAL Any first Mortgagee and any purchaser therefrom who obtains title to the Lot pursuant to the remedies provided in the first Mortgage, or by foreclosure of the first Mortgage, or by deed or assignment in lieu of foreclosure, or by sale pursuant to any power of sale or otherwise shall be exempt from any "right of first refusal" which would otherwise affect the Lot

SECTION 8. RIGHTS UPON FORECLOSURE OF MORTGAGE. Each holder of a first Mortgage (or deed of trust) on a Lot and any purchaser from it who comes into possession of the Lot by virtue of foreclosures of the Mortgage, or by deed or assignment in lieu of foreclosure, or pursuant to power of sale or otherwise will take the Lot free of, and shall not be liable for, any claims for unpaid assessments and charges against the Lot which accrue prior to the time such holder comes into possession of the Lot.

SECTION 9. RESTRICTIONS WITHOUT APPROVAL OF MORTGAGEES. Except as to the Association's right to grant easements for utilities and similar or related purposes, the Development's Common Area, Limited Common Area and Clubhouse Common Area may not be alienated, released, transferred, hypothecated, or otherwise encumbered without the approval of seventy-five percent (75%) of the holders of first Mortgage liens on the Lots.

ARTICLE XIII

APPEAL PROCEDURE

The Architectural Control Committee shall provide adequate notice in writing to any Owner or other person before any action by it shall be undertaken. The notice shall set forth:

- (a) The specific reason for the action,
- (b) Specific references to pertinent Declaration or Rules provisions on which the Committee bases its action;
- (c) A description of any additional material information needed for the Owner to avoid the action and an explanation of why the information is needed, and
- (d) That any appeal the Owner wishes to make must be in writing to the Board of Directors within thirty (30) days after receipt of the Committee's notice of intended action. The Committee's notice must further advise the Owner that his failure to appeal the action to the Board of Directors in writing within the thirty (30) day period will render the Committee's action final, binding and conclusive.

If the Owner should appeal to the Board of Directors, he, or his duly authorized representative, may submit, in writing, whatever issues and comments he, or his duly authorized representative, feels are pertinent. The Owner, or his duly authorized representative, may review pertinent documents. The

Board of Directors shall re-examine all facts related to the appeal and make a final determination as to whether the Committee's action is justified under the circumstances. The Board of Directors shall advise the Owner of its decision within thirty (30) days of the Owner's written request for review, unless special circumstances (such as a hearing) would make the rendering of a decision within the thirty (30) days limit unfeasible, but in no event shall the Board of Directors render a decision later than one hundred twenty (120) days after its receipt of a request for review.

ARTICLE XIV

MISCELLANEOUS

SECTION 1 ENFORCEMENT. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by 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 one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

SECTION 3 AMENDMENT. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time by an instrument signed by Owners representing not less than two-thirds (2/3) of the Lots. Notwithstanding this Second Amendment provision, the Declarant reserves unto itself until all Lots are sold by Declarant or it assigns, without the approval of Owners, to amend the Declaration:

1. For expansion as provided in Article X;
2. To more accurately express the intent of any provisions of the Declaration in the light of then existing circumstances or information,
3. To better insure, in light of the existing circumstances or information, workability of the arrangement which is contemplated by the Declaration;
4. To facilitate the practical, technical, administrative or functional integration of any additional tract or subdivision into the Development;
5. To meet the requirements of any jurisdiction where the Declarant may register the project, and any lender in order to secure financing for the project, and

6. Prior to the close of the first escrow on a sale of a Lot in the Project

SECTION 4 VIOLATIONS AND NUISANCE Every act or omission whereby any provision of this Declaration is violated in whole or in part is hereby declared to be a nuisance and may be enjoined or abated, whether or not relief sought is for negative or affirmative action, by Declarant, the Association or any Owner or Owners of Lots within the Property. However, any other provision to the contrary notwithstanding, the Declarant, the Association, the Board, or the duly authorized agents of any of them, may enforce by self-help any of the provisions of this Declaration.

SECTION 5 VIOLATION OF LAW Any violation of any state, municipal, or local law, ordinance or regulation, pertaining to the ownership, occupation or use of any property within the Property is hereby declared to be a violation of the Declaration and subject to any or all of the enforcement procedures set forth in said Declaration.

SECTION 6 REMEDIES CUMULATIVE Each remedy provided by the Declaration is cumulative and not exclusive

SECTION 7. DELIVERY OF NOTICES AND DOCUMENTS. Any written notice or other documents relating to or required by this Declaration may be delivered either personally or by certified or regular mail, return receipt requested, addressed as follows: if to the Association, at 75 South 100 East, St. George, Utah 84770; if to an Owner, to the address of any Lot within the Property owned, in whole or in part by him or to any other address last furnished by an Owner to the Association; and if to Declarant, at 4500 West 1700 North, Hurricane, Utah 84737, provided, however, that any such address may be changed at any time by the party concerned by mailing written notice of change of address and delivering a copy thereof to the Association. Each Owner of a Lot shall file the correct mailing address of such Owner with the Association, and shall promptly notify the Association in writing of any subsequent change of address.

SECTION 8. THE DECLARATION By acceptance of a deed or by acquiring any ownership interest in any of the real property included within this Declaration, each deed or by acquiring any ownership interest in any of the real property included within this Declaration, each person or entity, for himself or itself, his heirs, personal representatives, successors, transferees and assigns, binds himself, his heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules, and regulations now or thereafter imposed by this Declaration and any amendments hereto. In addition, each such person by so doing thereby acknowledges that this Declaration sets forth a general scheme for the improvement and development of the real property covered thereby

and thereby evidences his interest that all the restrictions, conditions, covenants, rules and regulations contained herein shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, and transferees thereof. Furthermore, each such person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the various subsequent future Owners

SECTION 9. ATTORNEYS' FEES. In the event the Declarant, the Association or any Owner employs an attorney or attorneys to enforce a lien, to collect any assessment or other amounts due from an Owner or to enforce compliance with and recover damages for any violation and non-compliance with the Declaration, Articles, Bylaws or Association rules, the prevailing party in any such action shall be entitled to recover from the other party the reasonable attorneys' fees incurred in the action

SECTION 10. GENDER. All references to his, him, or other references that may be construed as the masculine gender shall also refer to the feminine.

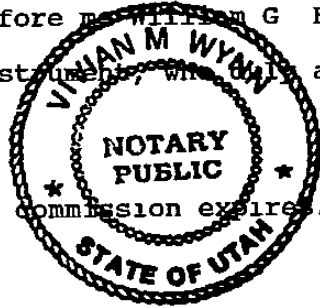
IN WITNESS WHEREOF, the undersigned, being the Declarants herein, have hereunto set their hands this 13th day of March, 1990

DIXIE COVE PARTNERSHIP
A Utah Partnership

By *William G. Bain*
WILLIAM G. BAIN, MANAGER

STATE OF UTAH)
) :ss
COUNTY OF WASHINGTON)

On the 13th day of March, 19 90, personally appeared before me William G. Bain, manager, the signer of the within instrument, who acknowledged to me that he executed the same



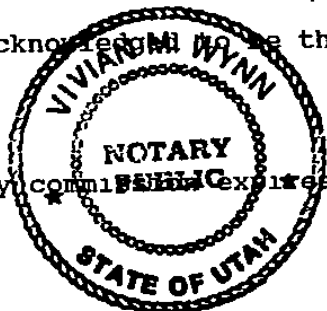
Virvan M Wagon
Notary Public
Residing in Hurricane, Utah

ALLIANCE DEVELOPMENT
An Idaho Corporation

By: Dean W Bitney, President

STATE OF UTAH)
) .ss
COUNTY OF WASHINGTON)

On the 13th day of March, 1990, personally appeared before me Dean W Bitney the signer of the within instrument, who duly acknowledged to me that he executed the same



Vivian M Wynn
Notary Public

My commission expires: 1/20/91 Residing in: Hamman, Utah