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SGS Associates, Inc.
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Provo, UT 84604

ENT 47440:2016 PG 1 of 80
JEFFERY SMITH
UTAH COUNTY RECORDER
2016 May 27 9:58 am FEE 332.00 BY SS
RECORDED FOR PROVO CITY CORPORATION

DECLARATION OF COVENANTS, CONDITIONS,

EASEMENTS AND PROTECTIVE COVENANTS

FOR

ASPEN SUMMIT AT SUNRIDGE HILLS
A Planned Unit Development

Provo City, Utah County, Utah

COMMUNITY DECLARATION OF COVENANTS, CONDITIONS, EASEMENTSAND PROTECTIVE COVENANTS FOR ASPEN SUMMIT AT SUNRIDGE HILLS

THIS COMMUNITY DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND PROTECTIVE COVENANTS FOR ASPEN SUMMIT AT SUNRIDGE HILLS (this "***Declaration***") is made as of this __ day of _____, 2016, by SGS Associates, Inc., a Utah corporation ("***Declarant***").

RECITALS:

A. Declarant holds legal title to certain real property located in the County of Utah, State of Utah, described as Aspen Summit at Sunridge Hills to be known as "Aspen Summit at Sunridge Hills" which property is described in Exhibit A, attached hereto and incorporated herein (the "***Property***" and/or the "***Community***").

B. To establish efficient management and to preserve the value and appearance of the Community, the Declarant desires to create a nonprofit corporation that would be assigned the powers and delegated the duties of (i) managing certain aspects of the Community, (ii) maintaining and administering the Common Area, (iii) administering, collecting and disbursing funds pursuant to the provisions regarding assessments and charges hereinafter created and referenced, and (iv) performing such other acts that generally benefit the Community and the Owners. Aspen Summit Owners Association, a Utah nonprofit corporation, has or will be incorporated under the laws of the State of Utah for the purpose of exercising the powers and functions aforesaid.

C. Declarant desires to establish for its own benefit and for the mutual benefit of all future Owners, Mortgagees, Residents, occupants or other holders of an interest in the Community, or any part thereof, certain easements and rights and certain mutually beneficial covenants, restrictions and obligations with respect to the proper development, use and maintenance of the various parcels within the Community.

D. Declarant desires and intends that the Owners, Mortgagees, Lessees, Occupants, Residents and other persons hereafter acquiring any interest in or otherwise utilizing property within the Community, shall at all times enjoy the benefits of, and shall hold their interest subject to the rights, easements, privileges, covenants and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the aesthetic and cooperative aspects of the Community and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Community.

E. By this Declaration, Declarant intends to establish a common scheme and plan for the possession, use, enjoyment, repair, maintenance, restoration and improvement of the Community and the interests therein conveyed and to establish thereon a planned community.

F. In order to cause this Declaration to run with the land comprising the Community and to be binding upon the Community and the Owners thereof from and after the date of this Declaration is Recorded, Declarant hereby makes all conveyances within the Community, whether or not so provided in the conveying instruments, subject to the Covenants herein set forth; and by accepting deeds, leases, easements or other grants or conveyances to any portion of the Community, the Owners and other transferees for themselves and their heirs, executors, administrators, trustees, personal representatives, successors and assigns, agree that they shall be personally bound by all of the Covenants (including but not limited to the obligation to pay Assessments) hereinafter set forth except to the extent such persons are specifically excepted herefrom.

G. The Project created by this Declaration is not a cooperative.

NOW, THEREFORE, Declarant does hereby declare and establish the following covenants, conditions, easements, and protective covenants:

ARTICLE I
Definitions

1.1 "***Act***" means the Community Association Act (U.C.A. Section 57-8a-101 et seq.), as amended from time to time.

1.2 "***Additional Land***" means and consists of any other real property located not more than one mile from the exterior boundaries of the real property described in Exhibit A that Declarant or Declarant's Affiliate now owns or in the future may own. The Additional Land shall include, but is not limited to, the real property described in Exhibit B (less and except the land described in Exhibit A). This Declaration is not intended as and should not be deemed to constitute any lien, encumbrance, restriction, or limitation upon the Additional Land unless and until such land is incorporated as part of the Community in accordance with the provisions of this Declaration.

1.2 "***Architectural Guidelines***" mean those guidelines described in Section 12.5 of this Declaration.

1.3 "***Area of Common Responsibility***" means the Common Area, together with those areas, if any, which by the terms of this Declaration, Master Plan, a development agreement, plat designation or other agreement with a Municipal Authority become the responsibility of the Association, such as any parks, trials, etc. The office of the property manager contracting with the Association, if located within the Community, or any public rights-of-way within or adjacent to Community, may be part of the Area of Common Responsibility.

1.4 "***Articles of Incorporation***" or "***Articles***" mean the Articles of Incorporation of Aspen Summit at Sunridge Hills Owners Association, Inc., a Utah nonprofit corporation, as filed with the Secretary of State of the State of Utah.

1.5 "***Assessment***" means a charge imposed or levied by the Association on or against a Unit or an Owner pursuant to the terms of this Declaration or any other Governing Document,

and includes a Base Assessment and a Special Assessment.

1.6 "***Association***" means Aspen Summit at Sunridge Hills Owners Association, Inc., a Utah nonprofit corporation, its successors or assigns.

1.7 "***Base Assessment***" means the assessments levied against all Units in the Community to fund Common Expenses.

1.8 "***Board***" means the Board of Directors of the Association.

1.9 "***Bulk Provider***" means a private, public or quasi-public utility or other company which provides, or proposes to provide, cable television, satellite television, high speed internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services to the Owners, Occupants, or Units within the Community pursuant to a Bulk Service Agreement.

1.10 "***Bulk Service Agreement***" means an agreement between the Association and a Bulk Provider pursuant to which the Bulk Provider would provide cable television, satellite television, high speed internet, security monitoring or other electronic entertainment, information, communication or security services, or concierge or other personal services, to Owners, Occupants or Units within the Community.

1.11 "***Bylaws***" mean and refer to the Bylaws of the Association, attached hereto as Exhibit C and incorporated herein by reference, as they may be amended from time to time.

1.12 "***Common Area***" means all real and personal property that the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners exclusively within the Community, which Common Area is so designated by Declarant, in Declarant's sole discretion. The land that is part of the Common Area includes all the land of the Project less and except the Units that may be located within the Project from time to time, and any improvements that may be located on the Common Area, such as clubhouses, parking areas, parks, landscaping and open area.

1.13 "***Common Expenses***" mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Owners within the Community, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation of the Association, and may include, without limitation, when determined by the Board, expenses incurred in bringing or defending lawsuits and other litigation expenses.

1.14 "***Community***" means Aspen Summit at Aspen Ridge, and any Additional Land which is hereafter made subject to this Declaration.

1.15 "***Community-Wide Standards***" means those standards of aesthetics, environment, appearance, architectural design and style, maintenance, conduct and usage generally prevailing within the Community as set forth in this Declaration.

1.16 "***Declarant***" means collectively SGS Associates, Inc., a Utah corporation, and its successors or assigns which take title to any portion of the Community for the purpose of development and/or sale and who are designated as Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

1.17 "***Design Review Committee***" or "***DRC***" means the design review committee established by the Association.

1.18 "***Environmental Laws***" mean all present and future Laws, orders, permits, licenses, approvals, authorizations and other requirements of any kind applicable to Hazardous Substances.

1.19 "***Equivalent Units***" means a unit of residential density allocated by the Final Approval to the Community and then assigned to each Unit, as provided in Sections 12.1 and 11.2 of this Declaration, for purposes of allocating Base Assessments and Special Assessments among the Units subject to such assessments, as provided in Article XII.

1.20 "***Exclusive Common Area***" means any Common Area located on a Parcel within the Community that exclusively serves the Units located on such Parcel within the Community and that is designated as Exclusive Common Area by Declarant or the Association.

1.21 "***Final Approval***" means the Final Approval for the Community adopted by Provo City, Utah, as amended from time to time.

1.22 "***Governing Documents***" means all documents and applicable provisions thereof as set forth in this Declaration, any Supplemental Declaration, the Bylaws and Articles Incorporation of the Association, the Plat, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the DRC and Board, and any lawful amendments to any of the foregoing.

1.23 "Hazardous Substances" mean any substance: (a) that now or in the future is regulated or governed by, requires investigation or remediation under, or is defined as a hazardous waste, hazardous substance, pollutant or containment under any governmental statute, code, ordinance, regulation, rule or order, and any amendment thereto, including for example only the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. §9601 et seq., and the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., or (b) that is toxic, explosive, corrosive, flammable, radioactive, carcinogenic, dangerous or otherwise hazardous, including gasoline, diesel fuel, petroleum hydrocarbons, polychlorinated biphenyls (PCBs), asbestos, radon and urea formaldehyde foam insulation.

1.24 "***Improvements***" means any improvement now or hereafter constructed within the Community and includes anything that is a structure and appurtenances thereto of every type and kind, including but not limited to any (a) Residence, building, shed, guest house, screening wall, accessory building, fence, or wall; (b) any walkway, garage, road, driveway or parking area; (c) any mailbox, sign, covered patio, stairs, deck, fountain, artistic work, craft work, figurine, ornamentation or embellishment of any type or kind (whether or not affixed to a structure or permanently attached to a Unit); (d) any radio or television antenna or receiving dish; (e) any paving, exterior lights, curbing, trees, shrubs, hedges, grass, windbreak, or other landscaping

improvements of every type and kind; (f) any excavation, fill, retaining wall or other thing or device which affects the natural flow of surface water or the flow of water in a natural or artificial stream, wash or drainage channel, and related fixtures and equipment; and (g) any other structure of any kind or nature.

1.25 "***Laws***" mean any law, regulation, rule, order, statute or ordinance of any governmental or private entity in effect at any time during the Term and applicable to the Project or the Unit and the Owner's use thereof, including, but not limited to, building, fire and safety codes and regulations, building permits, conditional use permits, and certificates of occupancy.

1.26 "***Lessee***" means the lessee or tenant under a lease, oral or written, of any Unit, including an assignee of the lessee's or tenant's interest under a lease.

1.27 "***Limited Common Area***" means that portion of the Common Area that is owned by the Owner but which use is subject to the Board if not maintained according to bylaws; an example is exterior balconies or porches. Said areas may also be highlighted/cross hatched on the plat, as limited common area, for the use of the Owner for such purposes as the construction and use of a patio, hot tub, or similar type of improvement.

1.28 "***Member***" means a Person entitled to membership in the Association, as provided herein.

1.29 "***Mortgage***" means a mortgage, a deed of trust, a deed to secure debt, or any other form of security deed.

1.30 "***Mortgagee***" means a beneficiary or holder of a Mortgage.

1.31 "***Mortgagor***" means any Person who gives Mortgage.

1.32 "***Municipal Authority***" means any applicable governmental entity or municipality that has jurisdiction over all or some part of the Community including without limitation Provo City, Utah.

1.33 "***Community Assessments***" means assessments levied against the Units within Aspen Summit at Sunridge Hills to fund the costs and expenses incurred by either the Association regarding Areas of Common Responsibility or Exclusive Common Area within such Community.

1.34 "***Occupant***" means any Person other than an Owner, who has actual use, possession or control of a Unit or any portion thereof, or any other Improvement located within the Community.

1.35 "***Owner***" shall mean and refer to one (1) or more Persons who hold the record title to any Unit within the Community, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is subject to a written lease with a term in excess of one (1) year and the lease specifically so provides, then upon filing a copy of the lease with the Board the lessee (rather than the fee owner) will be considered the

Owner for the purpose of exercising all privileges of membership in the Association.

1.36 "***Parcel***" means one or more legally subdivided lot within the Project as designated on the Plat, intended for single family residential use. Parcel numbers shall be synonymous with Unit numbers notwithstanding the assignment of a separate residential address to each Parcel/Unit (Exhibit B).

1.37 "***Period of Administrative Control***" means a period of time commencing as of the date of this Declaration and expiring upon the first to occur of: (a) the date that is sixty (60) days after seventy-five percent (75%) of the Units that may be created within the Community are conveyed to Owners other than Declarant, or (b) the day seven (7) years after Declarant ceases to offer Units for sale in the ordinary course of business, or (c) the day Declarant, after giving notice to the Owners, records an instrument voluntarily surrendering all rights to control activities of the Association.

1.38 "***Person***" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.39 "***Plat***" means that certain plat entitled Aspen Summit at Sunridge Hills, Phase I, duly Recorded, as the same may be amended from time to time and any plats for future phases of the Project as included in the Additional Land, and which is incorporated herein by this reference.

1.40 "***Project***" means the development known as Aspen Summit at Sunridge Hills, located in Provo City, Utah County, Utah.

1.41 "***Public View***" means, as to each Unit, visibility of a location on the lot or exterior of the Unit from a Street or Common Area.

1.42 "***Record,*" "*Recording,*" "*Recorded*" and "*Recordation***" means placing or having placed an instrument of public record in the official records of Utah County, Utah.

1.43 "***Regulated Modification***" means (without implication that any particular matter is permitted or prohibited by this Declaration and without limitation as to Article XII of this Declaration as set forth below) the commencement, placement, construction, reconstruction or erection of, or modification, alteration, or addition to, any building, structure, improvement, thing or device, and any usage thereof, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography generally prevailing within the Community as of the date of establishment of the Regulated Modification, excluding any such matters or activities conducted by Declarant or Association, but including by way of illustration and not of limitation:

1.43.1 any building, garage, porch, shed, bathhouse, coop or cage, covered or uncovered patio, children's play fort or play set and any other recreational devices or equipment used outside of a Unit, fence, wall or other screening device, curbing, paving, wall, trees, shrubbery and any other landscaping, fountains, statuary, lighting fixtures, signs or signboard, or any temporary or permanent living quarters, and any other temporary or permanent modification or alteration;

1.43.2 any other building, structure, improvement, thing or device, and any activities related thereto and any usage thereof, as specified from time to time by applicable Architectural Guidelines, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography generally prevailing in the Community.

1.43.3 any modifications to the structural, mechanical or electrical elements, systems or components of a Unit.

1.44 "***Related Parties***" means and applies as follows:

1.44.1 Lessees or other Occupants of each Owner's Unit are Related Parties of that Owner, and with respect to each such Owner, tenant or other occupant, Related Parties include: (i) their respective family and other household members (including in particular but without limitation all children and other dependents), (ii) their respective guests, invitees, servants, agents, representatives and employees, and (iii) all other Persons over which each has a right of control or under the circumstances could exercise or obtain a right of control.

1.44.2 Related Parties of the Association, DRC and Declarant include their respective officers, directors, partners, co-venturers, committee members, servants, agents, representatives and employees regarding all acts or omissions related to any of the foregoing representative capacities.

1.45 "***Residence***" means any dwelling unit situated within the Community and attached to one or more other dwelling units in a row of at least two such units in which each unit has its own front access to the outside, no unit is located over another unit, and each unit is separated from any other unit by one or more common party wall, designed and intended for separate, independent use and occupancy as a Residence, or for overnight or longer residential accommodations. The term "Residence" shall include the exterior elements of a Residence that constitute part of the Common Area.

1.46 "***Rules and Regulations***" shall mean the current applicable Rules and Regulations as same may be supplemented, amended, modified or repealed as provided in Section 11.3 of this Declaration.

1.47 "***Special Assessment***" shall mean and refer to assessments levied in accordance with Section 12.3 of this Declaration.

1.48 "***Special Service Districts***" means one or more special service districts, which may be or have been established to provide the Community with, among other things, waste water treatment and disposal services, fire protection service, road maintenance, emergency services, special lighting facilities for nonstandard street lights, culinary water and facilities including pump stations, snow plowing and school bus stop shelters.

1.49 "***Supplemental Declaration***" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects additional property to this Declaration. A Supplemental Declaration may, but need not, impose, expressly or by reference, additional restrictions and obligations on the land described therein, or may modify or delete any

restriction or obligation of this Declaration as same applies to the land described therein. The term shall also refer to the instrument recorded by the Association pursuant to Section 10.2 of this Declaration to subject Additional Property to this Declaration.

1.50 "***Unit***" means a Parcel and any Residence or Improvements constructed or located thereon, including, but not limited, to all exterior elements of the Residence and the Improvements. A Unit shall exclude any Common Area.

1.51 "***Visible Location***" means a location in the Community which is in Public View.

ARTICLE II
Declaration

2.1 Declaration. Declarant hereby declares that all of the real property described in Exhibit "A" and any Additional Land which is hereafter subjected to this Declaration by a Supplemental Declaration shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the desirability of and which shall run with the real property subjected to this Declaration and which shall be binding on all parties having any right, title, or interest in the Community or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof. All of the property within the Community shall be held, sold and conveyed subject to this Declaration, including any of the Additional Land hereafter made subject to this Declaration by the recordation of a Supplemental Declaration. By acceptance of a deed or by acquiring any interest in any of the property subject to this Declaration, each Person, for himself, herself or itself, and his, her or its heirs, personal representatives, successors, transferees and assigns, binds himself, herself or itself, and his, her or its heirs, personal representatives, successors, transferees and assigns, to all of the provisions, restrictions, covenants, conditions, rules and regulations now or hereafter imposed by this Declaration. In addition, each such Person by so doing acknowledges that this Declaration sets forth a general scheme for the development and use of the Community and evidences his, her or its agreement that all the restrictions, conditions, covenants, Rules and Regulations contained in this Declaration shall run with the land and be binding on all subsequent and future Owners, grantees, purchasers, assignees, lessees and transferees thereof. Furthermore, each such Person fully understands and acknowledges that this Declaration shall be mutually beneficial, prohibitive and enforceable by the Association and all Owners.

2.2 Development of Community. Notwithstanding the foregoing, no provision of this Declaration shall be construed or enforced to prevent or limit the Grantor's right to complete development of the Community in accordance with the plan therefor as the same exists or may be modified from time to time by the Declarant nor prevent normal construction activities during the construction of Improvements within the Community. No development or construction activities shall be deemed to constitute a nuisance or violation of this Declaration by reason of noise, dust, presence of vehicles or construction machinery, erection of temporary structures, posting of signs or similar activities, provided that the same are actively, efficiently and expeditiously pursued to completion. In the event any dispute concerning the foregoing shall arise, a temporary waiver of the applicable provision(s) of this Declaration may be granted by the Architectural Control Committee, provided that such waiver shall be for a reasonable period of

time. Any such waiver need not be recorded and shall not constitute an amendment of this Declaration.

2.3 [Reserved.]

2.4 **Conflicts with Law**. In the event of any conflicts between the provisions of this Declaration and the requirements of the applicable ordinances of any Municipal Authority, the more restrictive provisions shall control.

2.5 **No Condominium**. Declarant and each Owner hereby agree and understand that the Community is not, by execution and recording of this Declaration, being submitted to the provisions of the Condominium Ownership Act (Utah Code Ann. §57-8-1, *et seq.*). This Declaration does not constitute a declaration as provided for in the Condominium Ownership Act and the provisions of the Condominium Ownership Act shall not be applicable to the Community or any portion thereof, including without limitation all or a portion of the Additional Land made subject to this Declaration by the recordation of one or more Supplemental Declarations.

2.6 **Development**. Unless otherwise determined by Declarant, Declarant in its sole and exclusive discretion, intends to and shall have the right to construct all Residences within the Community. Notwithstanding the foregoing intention to construct all of the Residences, Declarant reserves the right to sell, convey, transfer, assign or otherwise dispose of any Parcel, without first constructing a Residence thereon.

2.7 **Readjustment of Parcel Boundaries**. Declarant hereby reserves for itself, Declarant Affiliates and Declarant's successors and assigns, the right to effectuate minor realignment and adjustment of the boundary lines between Parcels for purposes of proper configuration and final engineering of the Community; provided that any such realignment and adjustment does not affect any existing Residence or Improvement (other than landscaping) on the affected Parcel. The authority to realign and adjust such Parcel boundary lines shall be exclusively reserved to the Declarant, Declarant Affiliate and Declarant's successors or assigns, in their sole and reasonable discretion, subject to the other provisions of this Section 2.7. All Owners specifically acknowledge and agree that they shall cooperate with Declarant to effectuate such minor realignment and adjustment of their respective Parcel boundary lines by deed in form and content as requested by the Declarant for the purposes of proper configuration and final engineering of the Parcels in relationship to the development of the Community. Further, all Owners acknowledge and agree that no amendment to this Declaration or the Plat shall be required to effectuate any Parcel boundary line adjustments so long as such adjustments are made pursuant to Utah Code Ann. §17-27-808(7), as amended. More particularly, boundary line adjustments between adjacent Parcels may be executed upon the approval of the appropriate Municipal Authority and upon recordation of an appropriate deed if:

(a) No new Residence or Improvement results from the Parcel boundary line adjustment and exchange of title;

(b) The appropriate Municipal Authority and adjoining property Owners consent to the boundary line adjustment (such Owners' consent to be granted as described

above);

(c) The adjustment does not result in violation of applicable Municipal Authority zoning requirements; and

(d) The appropriate Municipal Authority Records a notice of approval in accordance with Utah Code Ann. §17-27-808(7)(c), as amended.

2.8 Development Plan. Notwithstanding any other provision of this Declaration to the contrary, and subject to the appropriate Municipal Authority, Declarant, without obtaining the consent of any other Owner or Person, shall have the right to make changes or modifications to its plan of development with respect to any Parcels owned by the Declarant in any way which the Declarant desires including, but not limited to, changing all or any portion of the Parcels owned by the Declarant or changing the nature or extent of the uses to which such Parcels may be devoted.

ARTICLE III
Property Rights

3.1 Common Area. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

(a) this Declaration as it may be amended from time to time, any applicable Supplemental Declaration, and any restrictions or limitations contained in any deed conveying the Common Area to the Association;

(b) the right of the Board to limit the number of guests who may use the Common Area, and to adopt other rules regulating the use and enjoyment of the Common Area;

(c) the right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation or for a longer period in the case of any continuing violation, of this Declaration or the other Governing Documents, after notice and a hearing pursuant to the Bylaws;

(d) the right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area to the extent expressly authorized herein;

(e) the right of the Board to impose membership requirements and charge admission or other fees for the use of any recreational facility situated upon the Common Area;

(f) the right of the Board to permit nonmember use of any recreational facility situated on the Common Area upon payment of use fees established by the Board;

(g) the right of the Association, acting through the Board, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and

(h) the right of Declarant or the Association to grant to certain Owners the exclusive use of portions of the Common Area, which areas are designated Exclusive Common Area, as more particularly described in Section 3.2 below.

Any Owner may delegate his or her right of use and enjoyment to his or her Related Parties, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights to the Unit's lessee.

3.2 Exclusive Common Area. Declarant, in Declarant's sole discretion, may designate portions of the Common Area as "***Exclusive Common Area***" which are reserved for the exclusive use of Owners and their Related Parties within a particular Parcel within the Community. All costs associated with operation, maintenance, repair, replacement and insurance of Exclusive Common Area shall be assessed as a Parcel Assessment, as defined herein, against the Owners of Units located on such Parcel for whose benefit the Exclusive Common Area are designated. By way of illustration and not limitation, Exclusive Common Area may include recreational facilities intended for the exclusive use of Owners of Units located on a particular Parcel and supported exclusively by Parcel Assessments against such Parcel(s) within the Community.

Declarant may designate any Exclusive Common Area as such, and assign the exclusive use thereof, by any of (a) the deed conveying the Common Area to the Association, (b) the Supplemental Declaration covering the particular Parcel benefited by the Exclusive Common Area, or (c) the recorded Plat covering the particular Parcel(s). Further, Declarant, during the Period of Administrative Control, or thereafter, the Association, may convert one or more areas of Common Area to Exclusive Common Area for one or more particular Parcels within the Community, or may convert Exclusive Common Area to Common Area. Any such action by the Association will require the vote of both (i) a majority of the total Association votes, and (ii) a majority of the votes within the Parcel(s) to which the Exclusive Common Area either is to be assigned or from which Exclusive Common Area is to be converted to Common Area.

Notwithstanding the above, any Supplemental Declaration may establish Exclusive Common Area. Any Exclusive Common Area designated to a particular Parcel within the Community will be maintained by the Association pursuant to the terms and conditions of the Supplemental Declaration, and the Owners within such Parcel shall be responsible to pay the costs thereof through assessments to the Association.

ARTICLE IV
Membership and Voting Rights

4.1 Membership. Every Owner shall be deemed to have a membership in the Association. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) Person, the

vote for such Unit shall be exercised as provided below. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the secretary of the Association, subject to the provisions of this Declaration and the Bylaws.

4.2 Voting. The Association shall have two (2) classes of membership, Class "A" and Class "B" as follows:

4.2.1 Class "A". Class "A" Members shall be all Owners, including Declarant, with the exception of the Class "B" Member, if any. Each Class "A" Member shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 4.1 hereof; there shall be only one (1) vote per Unit.

4.2.2 Class "B". The Class "B" Member shall be Declarant. The Class "B" Member has the right to disapprove actions by the Board. Other rights of the Class "B" Member, including the right to approve actions taken under this Declaration and the other Governing Documents, are specified elsewhere in this Declaration and the other Governing Documents. During the Period of Administrative Control, the Declarant as the sole owner of the Class "B" shares shall be the sole entity entitled to vote on all matters and to appoint the members of the Board. Since the Declarant has the sole voting rights during the Period of Administrative Control, the annual meeting during the Period of Administrative Control shall solely include the Declarant and shall not include any Class "A" Members, and the Declarant shall not be obligated to provide any notices of any meetings of the Class "B" Member to any of the Class "A" Members. Upon expiration of the Period of Administrative Control, the Class "B" Membership shall cease, and only Declarant's Class "A" Membership shall remain. Declarant, in Declarant's sole discretion, by a notice filed in the Official Public Records of Utah County, Utah, may elect to terminate the Period of Administrative Control at any time, but shall not be required to do so.

4.2.3 Suspension of Voting Rights. The Board may elect to prohibit an Owner from exercising any voting rights as a Member of the Association during any period in which the Owner is delinquent in the payment of any Assessments.

4.3 Multiple Owners. When more than one Person holds an ownership interest in a Unit (such as husband and wife,), all such Persons are Members, but in no event will they be entitled to more than one vote with respect to each particular Unit owned. The single vote, approval, or consent of such joint Owners must be cast or given in accordance with the decision of a majority, or if such joint Owners cannot reach a majority decision, then none of the joint Owners will be permitted to vote, approve, or consent as to any such matter upon which a majority decision cannot be reached. The vote, approval or consent of any single Owner from among such joint Owners is conclusively presumed to be cast or given in accordance with the decision of the majority of the joint Owners and with their full authority, but the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

4.4 Appurtenant Right. Membership shall be appurtenant to and shall run with the property interest which qualifies the Owner thereof for membership, and membership may not be severed from, or in any way transferred, pledged, mortgaged, or alienated except together with the title to such property interest.

ARTICLE V
Maintenance

5.1 Association's Responsibility. The Association shall use a reasonable standard of care in providing for the maintenance, repair, and replacement of: (a) the Area of Common Responsibility, which shall include the following: (i) all landscaping and other flora, including, but not limited to lawns, shrubs, trees, irrigation systems, etc., (ii) all paved surfaces, including, but not limited to, any private streets or drives, sidewalks, walkways, driveways to Units, etc., (iii) fences or walls, (iv) any recreation equipment, and (v) landscaped medians within public rights-of-way throughout the Community (subject to the terms of any license agreements pertaining thereto); and (b) the exterior elements of all Units, including, but not limited to, exterior walls, roofs, rain gutters and downspouts, overhangs, gables and eves, exterior side of outside doors and garage doors, exterior lighting, porches, decks (installed as part of the original construction), railings, patios, etc., including, but not limited to, all necessary routine maintenance inspections, maintenance, and repairs. The Association's maintenance of any paved surfaces shall include the removal of any snow and ice thereon in a timely manner, which definition may vary depending on the degree and extent of some winter storms. The Association shall inspect the decks and roofs and appurtenant features annually for any needed maintenance and shall perform any needed maintenance in a timely fashion to prevent leaks and any possible water damage. The Association's obligations shall be subject to the Association's and the Owner's repair and restoration obligations in the event of any damage or destruction as discussed more particularly in Article VII. The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, such as park strips, if the Board determines that such maintenance is necessary or desirable in its discretion.

Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility and the exterior elements of Units shall be a Common Expense to be allocated among all Units as part of the Base Assessment, notwithstanding that the Association may be entitled to reimbursement from the Owner(s) of certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the owners) thereof. If any Owner causes damage to the Area of Common Responsibility either through negligence or intentional act, the Association may assess the cost and expense to repair such damage to the Owner as a Special Assessment.

5.2 Owners' Responsibilities.

5.2.1 General. Each Owner must maintain the interior of its Unit in a good, attractive, clean, and sanitary condition. Notwithstanding the Association's responsibilities for snow and ice removal, to the extent feasible under the circumstances each Owner will immediately remove any snow or ice on the walkways immediately adjacent to their Unit, and in extreme storms their driveway, to minimize the risk of accident or injury. Each Owner shall comply with any and all applicable laws and shall not cause or permit any private or public nuisance on its Unit, such as excessive noise, odor, dust, vibration, or any other activity that would reasonably disturb other Owners and Occupants within the Community. It is represented and acknowledged that decks attached to Units may not be designed to handle heavy loads, such as spas and plants, and deck surfaces are not designed to have regular watering of plants, which will each soil additives onto the deck and damage the deck. The Association reserves the right to

establish and promulgate a maintenance manual regarding the maintenance of decks and other items. The Owner shall comply with the requirements set forth in such maintenance manual relating to items of Owner's responsibility. The Owner releases the Association, the Developer, any architects, contractors and suppliers for any damage to the decks resulting from Owner's actions or failure to comply with the maintenance recommendations related to the Unit, any decks, and any other element of the Unit or the Residence.

5.2.2 Landscaping. Any landscaping, shrubbery, trees, flowers, etc. to be placed on the Common Area must be reviewed and approved by the DRC. If any Owner installs any landscaping, flowers or vegetation on the Common Area immediately outside of such Owner's Unit and if such landscaping requires special care, such Owner shall provide any additional care needed for such landscaping.

5.2.3 Owners' Insurance; Casualty. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall maintain an HO-6 policy of insurance insuring furnishings, equipment, personal property, and contents within the Owner's Unit (commonly known as "all-in" coverage).

5.2.4 Disturbance of Common Area. An Owner shall not disturb or damage any portion of the Common Area without first obtaining the approval of the DRC or the Board, as the case may be.

5.2.5 Right of Entry and Inspection; Owner's Default. In the event the Board or DRC determines that: (i) an Owner may have or has failed or refused to discharge properly the Owner's maintenance obligations as provided in this Article, (ii) the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder may have or has been caused through the intentional or negligent act or omission of an Owner, or the Owner's Related Parties, or (iii) a condition exists on a Unit which may increase the possibility of a fire or other hazards, then the Association may conduct inspections of any affected Unit and the residence and all buildings, structures and other improvements thereon (a "***Compliance Inspection***") and/or perform the repair, replacement or maintenance (the "***Required Work***") in accordance with the following:

5.2.5.1 If the Board or DRC determines that a violation of this Article may exist, the Board or DRC and their representative may inspect the Unit and conduct such tests, measurements and other investigative work as may be reasonably required to confirm that a violation does or does not exist. Except in the event of an emergency, the Association must give written notice of the Association's intent to conduct a Compliance Inspection. The notice must state generally the nature of the suspected violations. The notice must also state the name, address and telephone number of a contact with whom to schedule a date and time for the inspection within ten (10) days of the date of the notice (or such longer time as may be stated in the notice), and must state that if a date and time is not so scheduled the Compliance Inspection may be conducted at any time within forty-five (45) days after the date of the notice.

5.2.5.2 Except in the event of an emergency, the Association must give written notice of the Association's intent to provide Required Work. The notice must set

forth the Required Work with reasonable particularity. The Owner of the Unit to which the notice of Required Work pertains will have ten (10) days within which to complete the Required Work as set forth in such notice, or, in the event the Required Work is not capable of completion within a ten-day period, to commence the Required Work within ten (10) days and to complete same within a reasonable time not to exceed thirty (30) days unless otherwise specifically approved by the Board or DRC. The affected Owner must give written notice of the completion of Required Work stating in detail the Required Work which has been completed. The Board or DRC may also conduct a Compliance Inspection to confirm completion of all Required Work.

5.2.5.3 A Compliance Inspection notice and a notice as to Required Work must be delivered or mailed to the street address of the affected Unit.

5.2.5.4 If any Owner fails to schedule an inspection pursuant to a Compliance Inspection notice, the Association has the right (but not the obligation), through its designated representatives, to inspect the Unit. If any Owner fails fully to comply with a notice as to Required Work, the Association has the right (but not the obligation), through its designated representatives, to do all things to the exterior of the Unit and the exterior of any other Improvements, and to all other portions of the Parcel to commence and complete the Required Work. In case of emergency the Association has the right (but not the obligation), through its designated representatives, to immediately take all actions reasonably necessary to abate the emergency.

5.2.5.5 The good faith determination by the Board or DRC as to the need for a Compliance Inspection and as to all aspects of Required Work is final and conclusive, and extends to anything or condition as to any Unit, or which adversely affects any other Unit or any Common Area. Neither the Association nor any of its representatives may be held liable for trespass or any other tort or claim for damages in connection with any actions or failure to act pursuant to this Section.

5.2.5.6 If a violation is confirmed, all reasonable costs and expenses as to conducting a Compliance Inspection and as to all aspects of Required Work which is performed by the Association pursuant to this Section, as determined in the sole opinion of the Board or DRC, shall be paid by the Owner of the Unit, and are secured by the continuing assessment lien established by this Declaration against such Owner's Unit.

5.2.5.7 The provisions hereof are cumulative of the provisions of this Declaration, and otherwise as set forth in this Declaration.

5.2.6 Hazardous Substances.

5.2.6.1 The Owners shall comply with applicable Environmental Laws, and shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, on or within a Unit or the Project. The Owners shall not do, nor allow anyone else by, through or under them such as an Occupant, contractor, or servant, anything affecting the Project that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Project of small quantities of Hazardous Substances that are generally recognized to be appropriate to the maintenance of a Unit or the

Project in compliance with Environmental Laws.

5.2.6.2 Each Owner shall indemnify, defend and hold the Association and each and every other Owner harmless from and against any and all claims and proceedings (whether brought by private party or governmental agency) for bodily injury, property damage, abatement or remediation, environmental damage or impairment, or any other injury or damage resulting from or relating to any Hazardous Substances located under or upon or migrating into, under, from or through the Project, which the Association or the other Owners may incur due to the actions or omissions of an indemnifying Owner. The foregoing indemnity shall apply: (i) when the release of the Hazardous Substances was caused by an indemnifying Owner or an Occupant; and (ii) whether or not the alleged liability is attributable to the handling, storage, generation, transportation or disposal of Hazardous Substances on the Project. The obligations of each Owner under this Section shall survive any subsequent sale by an indemnifying Owner.**5.3 Party Walls.**

5.3.1 General Maintenance of Party Walls. Each Owner shall maintain and repair the surface and non-structural elements of any party wall that separates any two (2) adjoining Units facing such Owner's Unit.

5.3.2 Structural Repair and Maintenance. The costs to maintain and repair the structural elements of any party wall that separates any two (2) adjoining Units shall be equally shared by the adjoining Unit Owners. In the event an Owner owns two adjacent Town Homes separated by a party wall, the Owner may alter the party wall to create an aperture between the two commonly owned Town Homes, subject to DRC approval and the following conditions: (i) the alteration cannot impair the structural integrity or mechanical systems of the Town Homes; (ii) the alteration cannot reduce the support of any portion of the Common Areas; or (iii) the alteration cannot violate any ordinances or codes of the Municipal Authority; (iv) the Owner shall submit an opinion by a licensed civil engineer as to the foregoing; and (v) the Owner shall pay a fee to the Association to cover the Association's costs and expenses to process and review the application. If the Town Homes are ever sold or become under separate ownership, the aperture shall be removed and the party wall restored consistent with the original construction.

5.3.3 Damage and Destruction. If a party wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and repaired out of the proceeds of insurance, any adjoining Unit Owner may repair and restore the party wall. If any adjoining Unit Owner thereafter makes use of the party wall, such Unit Owner shall contribute its proportionate share toward the cost of repair and restoration. Notwithstanding the above, the Owner who repaired and restored the party wall may require a larger contribution from any Owner under any rule of law regarding liability for negligent or willful acts or omissions. In the event any damage or destruction is covered by insurance, the party receiving any insurance proceeds hereby waives right of recovery and of subrogation against the other adjoining Unit Owner(s).

5.3.4 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors-in-title.

5.3.5 Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Section, each Owner will attempt in good faith to amicably resolve the dispute, including participating in mediation. If the dispute cannot be resolved informally or amicably, each Owner agrees to participate in arbitration to resolve the dispute. Each Owner involved in the dispute shall appoint one (1) arbitrator. Should any Owner refuse to appoint an arbitrator within ten (10) days after written request by the Board, the Board shall appoint an arbitrator for the refusing Owner. The arbitrators will then mutually appoint one (1) or two (2) additional arbitrators so that the total number of arbitrators is an odd number. The decision by a majority of the arbitrators shall be binding upon the Owners and shall be a condition precedent to any right of legal action that either Owner may have against another Owner. The costs of the arbitrators and the arbitration shall be assessed against the non-prevailing Owner(s) in the arbitration.

5.4 Utility Lines. Any utility lines that exclusively serve a Unit shall be maintained and repaired by the Owner of the Unit served by such utility lines. Any utility lines that service more than one Unit shall be maintained and repaired by the Association, and the cost of such maintenance and repair shall be allocated either among all the Units as part of the Base Assessments or to the Owners of the Units that are served by such utility lines in an equitable manner as decided by the Association in its sole discretion as part of a Special Assessment. Notwithstanding the above, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

5.5 Security. The Association may, but shall not be obligated to, maintain or support, certain activities within the Community designed to make the Community safer than it otherwise might be. NEITHER THE ASSOCIATION AND THE BOARD, THE DECLARANT, THE DRC (COLLECTIVELY, THE "***COMMUNITY GOVERNING BODIES***") SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMUNITY OR THE COMMUNITY, AND THE COMMUNITY GOVERNING BODIES SHALL NOT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS, OCCUPANTS, LESSEES, GUESTS AND INVITEES OF ANY OWNER OR OCCUPANT, AS APPLICABLE, ACKNOWLEDGE THAT THE COMMUNITY GOVERNING BODIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM OR BURGLAR ALARM SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO THE DESIGN GUIDELINES MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE NOR THAT FIRE PROTECTION OR BURGLARY ALARM SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER, OCCUPANT, TENANT, GUEST OR INVITEE OF AN OWNER OR OCCUPANT, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE COMMUNITY GOVERNING BODIES ARE NOT INSURERS AND THAT EACH OWNER, OCCUPANT, LESSEE, GUEST AND INVITEE ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PARCELS AND ANY TOWN HOMES, TO PERSONS, TO UNITS, TO IMPROVEMENTS AND TO THE CONTENTS OF UNITS AND IMPROVEMENTS AND FURTHER ACKNOWLEDGES

THAT THE COMMUNITY GOVERNING BODIES HAVE NOT MADE REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, LESSEE, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, LESSEE, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE COMMUNITY.

5.6 Bulk Service Agreements.

5.6.1 Contracting. The Board, acting on behalf of the Association, shall have the right, power and authority to enter into one or more Bulk Service Agreements with one or more Bulk Providers, for such term(s), at such rate(s) and on such other terms and condition as the Board deems appropriate, all with the primary goals of providing to Owners and Occupants of Units both within the Community, or within one or more portions thereof, cable television, community satellite television, high speed Internet, security monitoring or other electronic entertainment, information, communication or security services, or any concierge or other personal services: (a) which might not otherwise be generally available to such Owners and Occupants; (b) at rates or charges lower than might otherwise generally be charged to Owners and Occupants for the same or similar services; (c) otherwise on terms and conditions which the Board believes to be in the interests of Owners and Occupants generally; or (d) any combination of the foregoing.

5.6.2 Assessments. If all Units within the Community are to be served by a particular Bulk Service Agreement, the Board shall have the option either to: (a) include the Association's costs under such Bulk Service Agreement in the budget for each applicable fiscal year and thereby include such costs in the Base Assessments for each such applicable year; or (b) separately bill to each Owner his, her or its proportionate share of the Association's costs under such Bulk Service Agreement, as reasonably determined by the Board, and with such frequency as may be determined by the Board, but no more often than monthly. Such "separate billing" may be made as one or more separate line items on billings or invoices from the Association to the affected Owner(s) for Assessments or other charges. If not all Units within the Community will be served by a particular Bulk Service Agreement the Board shall have only the billing option described in clause (b) above.

5.6.3 No Avoidance of Payment. No Owner of a Unit covered by a Bulk Service Agreement shall be entitled to avoid or withhold payment of amounts charged by the Board to such Owner or such Owner's Unit under this Section 5.6 whether on the basis that such Owner does not use, accept or otherwise benefit from the services provided under such Bulk Service Agreement, or otherwise. Notwithstanding the above, the Board shall have the right, at its option, to exempt a Unit from payment of an assessment related to the Bulk Service Agreement if such Unit is not serviced by such Bulk Provider.

5.6.4 Approval of Bulk Service Agreement. The Board shall not without the

approval of at least fifty-one percent (51%) of the Members then entitled to vote, represented in person or by proxy at an annual or special meeting of the Association, enter into a Bulk Service Agreement which imposes on the Association or the Members any obligation to pay the direct costs of construction of any cable, lines or other facilities or equipment for any cable television, community satellite television, high speed internet, security monitoring or electronic entertainment, information, communication or security services. Notwithstanding the above, nothing in this Section shall prevent the Board from entering into, or require approval by the Members of any Bulk Service Agreement which imposes on the Association or the Owners installation, connection, service charge or similar charges or fees which do not exceed those generally prevailing at the time within the greater Utah County, Utah area, or which includes as a component of the monthly fee charged by the Bulk Provider amortization of some or all of its capital costs and related costs in providing services under the Bulk Service Agreement.

ARTICLE VI
Insurance

6.1 Association's Insurance. Commencing no later than the time of the first conveyance of a Unit to an Owner other than Declarant or a Declarant Affiliate, the Association shall obtain and thereafter maintain, to the extent reasonably available, the following insurance coverage:

6.1.1 Commercial Property Insurance. The Association shall maintain, to the extent readily available, blanket property insurance or guaranteed replacement cost insurance on the physical structure of all attached dwellings, Limited Common Area appurtenant to a Unit, and the Common Area within the Project, insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage perils. The total amount of coverage provided by blanket property insurance or guaranteed replacement cost insurance maintained by the Association may not be less than 100% of the full replacement cost of the insured property at the time the insurance is purchased and at each renewal date, excluding items normally excluded from property insurance policies. Property insurance shall include coverage for any fixture, improvement, or betterment installed at any time to an attached dwelling or to a Limited Common Area appurtenant to a Unit, whether installed in the original construction or in any remodel or later alteration, including a floor covering, cabinet, light fixture, electrical fixture, heating or plumbing fixture, paint, wall covering, window, and any other item permanently part of or affixed to an attached dwelling or to a Limited Common Area. An Association is not required to obtain property insurance for a loss to a Unit that is not physically attached to another Unit or to a Common Area structure. Each Owner will be an insured person under the Association's property insurance policy. If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner, the Association's policy shall provide primary insurance coverage and the Owner is responsible for the Association's policy deductible, and the building property coverage, often referred to as coverage "A" of the Owner's separate property insurance policy, will apply and cover that portion of the loss that is subject to the deductible under the Association's property insurance policy.

An Owner who owns a Unit that has suffered damage as part of a covered loss is responsible for an amount calculated by applying the lot damage percentage for that Unit to the amount of the deductible under the Association's property insurance policy. If an Owner does not pay the amount required in the preceding sentence within thirty (30) days after substantial completion of the repairs to, as applicable, the Parcel or the Unit, or the Limited Common Area appurtenant to the Unit, the Association may levy an assessment against the Owner for that amount. The Association will set aside an amount equal to the amount of the Association's property insurance policy deductible, or if the policy deductible exceeds $10,000.00, an amount not less than $10,000.00. The Association shall provide notice to each Owner of the Owner's obligations for the Association's policy deductible and of any change in the amount of the deductible. If the Association fails to provide notice to an Owner regarding the Owner's obligations for the Association's policy deductible and of any change in the amount of the deductible, the Association will be responsible for the amount of the deductible increase that the Association could have assessed the Owner to whom notice was not sent but only to the extent that the Owner does not have insurance coverage that would otherwise apply under this section. The Association's failure to provide notice shall not be construed to invalidate any other provision in this Section or this Declaration. The term "***covered loss***" means a loss, resulting from a single event or occurrence, that is covered by the Association's property insurance policy. The term "***lot damage***" means damage to any combination of a lot, a Unit on a lot, or a Limited Common Area appurtenant to a lot or appurtenant to a Unit on a lot. The term "***lot damage percentage***" means the percentage of total damage resulting in a covered loss that is attributable to lot damage.

If, in the exercise of the business judgment rule, the Board determines that a covered loss is likely not to exceed the Association's property insurance policy deductible and until it becomes apparent the covered loss exceeds the Association's property insurance deductible and a claim is submitted to the Association's property insurance insurer: (a) For a Unit to which a loss occurs, the Owner's policy is considered the policy for primary coverage for the damage to that Unit; (b) the Association is responsible for any covered loss to any Common Area; (c) an Owner who does not have a policy to cover the damage to the Owner's Unit is responsible for that Unit damage, and the Association may, as provided herein, recover any payments the Association makes to remediate and repair the Unit as provided above; and (d) the Association need not tender the claim to the Association's insurer. Notwithstanding the preceding, if the Association provides notice of the Association's policy deductible but fails to provide notice of a later increase in the amount of the deductible, the Association is responsible only for the amount of the increase for which notice was not given.

The insurer under a property insurance policy issued to an Association shall adjust with the Association a loss covered under the Association's policy. Notwithstanding the above, the insurance proceeds for a loss under an Association's property insurance policy: (i) are payable to an insurance trustee that the Association designates or, if no trustee is designated, to the Association; and (ii) may not be payable to a holder of a security interest.

An insurance trustee or the Association shall hold any insurance proceeds in trust for the Association, Owners, and lien holders. If damaged property is to be repaired or restored, insurance proceeds shall be disbursed first for the repair or restoration of the damaged property.

After the disbursements are made and the damaged property has been completely repaired or restored or the project terminated, any surplus proceeds are payable to the Association, Owners and lien holders as provided in this Declaration.

The Board that acquires from an insurer the property insurance required in this Section is not liable to Owners if the insurance proceeds are not sufficient to cover 100% of the full replacement cost of the insured property at the time of loss.

6.1.2 Commercial General Liability Insurance. The Association shall maintain liability insurance covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Area providing coverage on an occurrence basis with limits reasonably determined by the Board, but not less than $1,000,000 "Combined Single Limit." Each Owner will be an insured person under the Association's liability insurance policy but only for liability arising from the Owner's ownership interest in the Common Area, and maintenance, repair or replacement of Common Areas.

6.1.3 Workers' Compensation Insurance. Workers' compensation insurance to the extent necessary to meet the requirements of applicable law.

6.1.4 Fidelity Insurance/Bonds. The Board shall obtain fidelity bond/fidelity insurance coverage against dishonest acts on the part of directors, officers, managers, trustees, agents, employees, agents, employees or other individuals responsible for handling funds belonging to or administered by the Association. If funds of the Association are handled by a management agent, fidelity insurance coverage, the Association shall require the management agent to maintain fidelity bond/fidelity insurance coverage for its officers, employees or agents thereof handling or responsible for funds of, or administered on behalf of, the Association. The fidelity insurance must name the Association as the named insured and shall be written to provide protection in an amount not less than the lesser of (a) estimated maximum of funds, including reserve funds, in the custody of the Association or management agent at any given time during the term of such bond or period of coverage of such insurance, (b) a sum equal to three months' aggregate Base Assessments plus reserves, or (c) the estimated maximum amounts of funds, including reserves, in the custody of the Association (or its management agent) at any one time. In connection with this coverage, an appropriate endorsement to the policy to cover any individual who serves without compensation shall be added if the policy would not otherwise cover volunteers. Any such coverage must also name the Association as an obligee.

6.1.5 D&O Insurance. A policy of "directors and officers" liability insurance, including errors and omissions coverage for the Board.

6.1.6 Other Insurance. Such other insurance or policies with greater coverage than provided herein as the Board shall determine from time to time to be appropriate to protect the Association or the Owners.

6.1.7 Readily Available. If the Association becomes aware that property insurance under Section 6.1.1 or liability insurance under Section 6.1.2 is not reasonably

available, the Association shall, within seven (7) calendar days after becoming aware, give all Owners notice that the insurance is not reasonably available. The term, "***reasonably available***" means available using typical insurance carriers and markets, irrespective of the ability of the Association to pay.

6.2 Authorized Companies. All policies shall be written with a company authorized to do business in Utah which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available.

6.3 Authority to Adjust Losses. Exclusive authority to adjust losses under policies obtained by the Association on the Community shall be vested in the Board; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

6.4 Insurance Requirements. The Board shall be required to use reasonable efforts to secure insurance policies that will provide the following:

6.4.1. Owner's Insurance. A property insurance or liability insurance policy issued to the Association may not prevent an Owner from obtaining insurance for the Owner's own benefit.

6.4.2 Waiver of Subrogation. An insurer under a property insurance policy or liability insurance policy obtained by the Association shall waive its right to subrogation under the policy against any Owner or any person residing with an Owner.

6.4.3 Severability of Interest. The insurance maintained by the Association shall contain a "severability of interest" clause or endorsement, which precludes the insurer from denying the claim of the Association, Declarant, Owner, or Occupant because of the negligence or other acts of another insured party or canceling, invalidating, suspending, or refusing to renew a policy on account of any one or more individual Owners.

6.4.4 Curable Violation. The insurance maintained by the Association shall contain a statement or endorsement that no policy may be canceled, invalidated, suspended, or subject to non-renewal on account of any curable defect or violation without prior demand in writing delivered to the Association to cure the defect or violation and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee.

6.4.5 Insured Party. The Association shall be the named insured under the insurance maintained by the Association. The Board may elect to include other parties as either named or additional insureds under its commercial general liability insurance policy.

6.4.6 Mortgagee Notification. For policies of hazard insurance, a standard mortgagee clause providing that the insurance carrier shall notify any Mortgagee named in the policy at least ten (10) days in advance of the effective date of any substantial modification, reduction or cancellation of the policy.

6.4.7 Other Insurance. The insurance maintained by the Association shall contain a statement or endorsement that any "other insurance" clause in any policy exclude individual Owners' policies from consideration.

6.4.8 Notification. The insurance maintained by the Association shall contain a statement or endorsement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or non-renewal.

6.4.9 Owner's Actions. Unless an Owner is acting within the scope of the Owner's authority on behalf of the Association, an Owner's act or omission may not void a property insurance policy or a liability insurance policy maintained by the Association or be a condition to recovery under a policy.

6.4.10 Compliance with Act. An insurance policy issued to the Association may not be inconsistent with any provision of the Act. In the event this Declaration or any Government Document is contrary to a provision of the Act, such provision shall be revised and interpreted to be consistent with the provisions of the Act.

6.5 Insurance Costs. The cost to obtain and maintain the insurance carried by the Association, including reasonable deductibles, shall be included as part of the Base Assessments.

6.6 Deductible. If a loss occurs that is covered by a property insurance policy in the name of the Association and another property insurance policy in the name of an Owner, the Association's policy provides primary insurance coverage. The deductible on a claim made against the Association's property insurance policy shall be paid by the Owner who would be liable for the loss, damage, claim, or repair in the absence of insurance, and in the event multiple Units are damaged then the deductible will be the sole responsibility of the Owner of the unit where the loss originated. To the extent required by applicable law, the Owner's property insurance policy, if any, applies to that portion of the loss attributable to the Association's policy deductible. If the loss, damage, or claim results from a peril affecting the exterior of the building the deductible will be paid equally by all Owners affected by the loss. The Association's deductible shall not exceed $5,000 unless thirty (30) day written notice is mailed to all Owners. Notwithstanding the foregoing, in the event coverage of any deductible by an Owner's property insurance is not required by applicable law, the coverage of any deductible by an Owner's property insurance shall comply with the current and applicable HUD and FHA guidelines.

6.7 Earthquake & Flood Insurance. The Association shall have the right, but not the obligation to maintain earthquake and flood insurance. The Association shall obtain earthquake and flood insurance if approved through an affirmative vote of at least sixty-seven percent (67%) of the Members of the Association in a meeting of the Association.

6.8 Indemnification. To the extent not prohibited or inconsistent with any applicable Laws, each Owner, by acceptance of a deed to a Unit, agrees to release, indemnify, hold harmless and defend each and every other Owner and Occupant within the Project and the Association against any claim for bodily injury or property damage occurring within the Unit of the indemnifying Owner, including Limited Common Area, if any, except to the extent that: (a)

such injury, damage, or claim is covered and defended by the Association's or an indemnified Owner's insurance; or (b) the injury or damage occurred by reason of the intentional act of the Association.

ARTICLE VII
Damage and Restoration

7.1 **Adjustment of Claims**. Immediately after damage or destruction by fire or other casualty to all or any part of the Project, Common Area, or Units covered by insurance where the Association is the insured party or a loss payee, the Board or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed portions of the Project, Common Area, or Units within the Community. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Project, Common Area, or Units to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

7.2 **Repair**. If a portion of the Project, Common Area or Units for which insurance is required to be maintained by the Association in this Declaration or the Act is damaged or destroyed, the Association shall repair or replace the portion within a reasonable amount of time unless: (a) the Project is terminated; (b) the repair or replacement would be illegal under a state statute or local ordinance governing health or safety; or (c) (i) at least seventy-five percent (75%) of the allocated voting interests of the Members in the Association vote not to rebuild; and (ii) each owner of a Unit and the Limited Common Area appurtenant to that Unit that will not be rebuilt votes not to rebuild. If a portion of a Project, Common Area, or Unit is not repaired or replaced because the Project is terminated, the termination provisions of applicable law and the Governing Documents apply. The cost of repair or replacement of any Unit in excess of insurance proceeds and reserves is a Common Expense to the extent the Association is required to provide insurance for the Unit. The cost of repair or replacement of any Common Area in excess of insurance proceeds and reserves is a Common Expense. If the entire Project is damaged or destroyed and not repaired or replaced, the Association shall use the insurance proceeds attributable to the damaged portions of the Project, Common Area, and/or Units to restore the damaged area to a condition compatible with the remainder of the Project. Unless otherwise provided in the Act, no Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Community shall be repaired or reconstructed.

7.3 **No Repair**. In the event that it should be determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Community shall be cleared of all debris and ruins and maintained by the Association in a neat and attractive, landscaped condition consistent with the terms and conditions of this Declaration.

7.4 **Disbursement of Proceeds**. If the damage or destruction for which the proceeds of insurance policies held by the Association are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in

payment of such repairs or reconstruction as hereinafter provided. The Association shall distribute the insurance proceeds attributable to the Units that are not rebuilt to the Owners of such Units that are not rebuilt or to any Mortgagees holding security interests in such Units. Any proceeds remaining after defraying such costs of repair or reconstruction and after distributing any proceeds to the Owners of Units that were not repaired and/or restored, shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the alternative, the Association shall distribute the remainder of the proceeds to all the Owners or Mortgagees in proportion to the allocation of Base Assessments to the Units and Owners. If the Owners vote not to rebuild a Unit, the Unit's allocated interests are automatically reallocated upon the Owner's vote as if the Unit had been condemned, and the Association shall prepare, execute, and submit for recording an amendment to this Declaration reflecting the reallocations described above. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

7.5 Insufficient Proceeds. If the damage or destruction to the Project, Common Area, and/or Units for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board shall, without the necessity of a vote of the Members, levy a Special Assessment against the Owners of Units. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

ARTICLE VIII
No Partition

8.1 No Partition. There shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Community or any part thereof seek any judicial partition unless the Community has been removed from the provisions of this Declaration. This Article shall not be construed to prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration, nor shall it be construed to preclude Declarant from withdrawing any portion of the Community in accordance with Article X below.

ARTICLE IX
Condemnation

9.1 Taking. Whenever all or any part of the Common Area shall be taken (or conveyed by the Board in lieu of and under threat of condemnation), each Owner shall be entitled to notice thereof. A decision by the Board to convey a part of the Common Area under threat of condemnation shall be binding on the Association so long as it is made in good faith. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Common Area on which recreational improvements have been constructed, then, unless within sixty (60) days after such taking, both Declarant (if during the Period of Administrative Control), and the Owners representing at least seventy-five percent (75%) of the total Class "A" votes of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included

in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board. Neither the Board nor Declarant shall have any obligation to obtain or dedicate any Common Area in order to accomplish such a repair or restoration if such land is not available at the time of the condemnation. If such improvements are to be repaired or restored, the above provisions in Article VI hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. Notwithstanding the above, the Association shall restore any Improvements or property required to be restored by Provo City, Provo County, Utah or any other applicable Municipal Authority.

If the taking does not involve any recreational improvements on the Common Area, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

ARTICLE X
Annexation or Withdrawal of Additional Property

10.1 Annexation By Declarant. During the Period of Administrative Control, Declarant, acting without the consent or approval of the Association or any other Owner, shall have the right to bring within the scheme of this Declaration additional land (an "***annexation***") within the area defined as Additional Land herein, so long as the owner of such land (if not Declarant) consents to such action. Such annexation shall be accomplished by filing in the Official Public Records of Utah County, Utah, a Supplemental Declaration annexing such property in the form prescribed below. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

10.2 Annexation By Association. Subject to the consent of the owner thereof, the Association may annex real property into the Community at any time upon the affirmative vote of both Declarant (if during the Period of Administrative Control) and Members representing a majority of the Class "A" votes of the Association present at a meeting duly called for such purpose. Such annexation shall be accomplished by filing of record in the Official Public Records of Utah County, Utah, a Supplemental Declaration in the form described below, signed by the President and the Secretary of the Association, and by the owner of the property being annexed. Any such annexation shall be effective upon filing unless otherwise provided therein.

10.3 Form of Supplemental Declaration. Each Supplemental Declaration must state that land is being annexed, and must contain at least the following provisions: (i) a reference to this Declaration, which reference shall state the document number under which this Declaration is recorded in the Official Public Records of Utah County, Utah; (ii) statement that the provisions of this Declaration shall apply to the annexed land, except as expressly provided otherwise therein; (iii) a legal description of the annexed land; and (iv) if Declarant or the Association is not the owner of the land being annexed, the signatures of both such owner and Declarant, if during the Period of Administrative Control or the Association, if after the Period of Administrative Control. A Supplemental Declaration may, but need not, contain a description of any Common Area within the annexed land. Each Supplemental Declaration shall contain such additional matters as may be required by the Municipal Authority or other applicable government entity.

10.4 Common Area. At any time and from time to time during the Period of Administrative Control, Declarant may convey to the Association fee simple or easement interests in real property, improved or unimproved. Upon such conveyance to the Association, such real property interest shall be accepted by the Association as Common Area and thereafter shall be maintained by the Association at its expense.

10.5 Withdrawal of Property. During the Period of Administrative Control, Declarant shall have the right at any time to remove or withdraw lands then owned by Declarant (or other Persons with Declarant's consent) from the Community, so long as such withdrawal is not prohibited by any Municipal Authority. Upon any such withdrawal this Declaration and the covenants, conditions, restrictions and obligations set forth herein shall no longer apply to the lands withdrawn. In order to withdraw lands from the Community hereunder, Declarant shall be required only to record in the Official Public Records of Utah County, Utah, a notice of withdrawal of land which contains: (i) a reference to this Declaration (including the document number under which this Declaration is recorded in the Official Public Records of Utah County, Utah); (ii) a statement that the provisions of this Declaration shall no longer apply to the withdrawn land; (iii) if Declarant is not the owner of the land so withdrawn, the signatures of both such owner and Declarant; and (iv) a legal description of the withdrawn land.

ARTICLE XI
Rights and Obligations of the Association

11.1 Common Area/Exterior of Units. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Common Area and all Improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas) and the exterior elements of the Units, and shall keep them in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standards.

11.2 Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within or benefiting the Community conveyed to it by Declarant.

11.3 Rules and Regulations. The Board is hereby specifically authorized to adopt, amend, modify, cancel, limit, create exceptions to, expand, or enforce such reasonable Rules and Regulations applicable to the operation and use of the Common Area within the Community. The Board shall have the right from time to time through the exercise of its business judgment on behalf of the Association to promulgate reasonable rules and regulations that it deems beneficial to the Community, including, but not limited to: (i) traffic and parking regulations and other traffic control procedures; (ii) procedures and reasonable restrictions and limitations on the right to use any Common Area; and (iii) all procedural and substantive aspects for the establishment, levy, collection and payment of fines for any violations of any Governing Documents. Rules and Regulations are of equal dignity with and may be enforceable in the same manner as the provisions of this Declaration; provided:

(a) Rules and Regulations may not be enacted retroactively (except that if any activity is subsequently covered by Rules and Regulations and such activity ceases after enactment of the Rules and Regulations covering same, then the Rules and Regulations will apply to the activity thereafter);

(b) Rules and Regulations may not be incompatible with the provisions of this Declaration or any Supplemental Declaration; and

(c) Before adopting, amending, modifying, canceling, limiting, creating exceptions to, or expanding the rules and design criteria of the Association, the Board shall (i) at least fifteen (15) days before the Board will meet to consider a change to the Rules and Regulations, deliver notice to the Owners that the Board is considering a changes to the Rules and Regulations, (ii) provide an open forum at the Board meeting giving Owners an opportunity to be heard at the board meeting before the board takes action on the Rules and Regulations, and (iii) deliver a copy of the changes in the Rules and Regulations approved by the Board to the Owners within fifteen (15) days after the date of the Board meeting.

(d) Notwithstanding the requirement in (c) above, the Board may adopt Rules and Regulations without first giving notice to the Owners if there is an imminent risk of harm to the Common Area, the Limited Common Area, a Unit, an Owner, or an Occupant or Resident. The Board shall provide a copy of the changes in the Rules and Regulations as provided in (c) above.

(e) A Board action pursuant to this Section 11.3 is disapproved if within sixty (60) days after the date of the board meeting where the action was taken: (i) (1) there is a vote of disapproval by at least fifty-one percent (51%) of all the allocated voting interests of the Owners in the Association; and (2) the vote is taken at a special meeting called for that purpose by the Owners; or (ii) the Declarant delivers to the Board a writing of disapproval during the Period of Administrative Control if Declarant still has the right to add real estate to the Project pursuant to the terms of this Declaration.

(f) The Board has no obligation to call a meeting of the Owners to consider disapproval of any action to adopt, amend, modify, cancel, limit, create exceptions to, expand, or enforce any Rules and Regulations, unless Owners submit a petition, in the manner prescribed in this Declaration for a special meeting, for the meeting to be held. Upon the Board receiving a petition as provided in the preceding sentence, the effect of the Board's action is: (i) stayed until after the meeting is held; and (ii) subject to the outcome of the meeting.

(g) During the Period of Administrative Control, the Declarant may exempt the Declarant from the Rules and Regulations and the rulemaking procedure under this section.

(h) The Rules and Regulations shall treat similarly situated Owners similarly, except that Rules and Regulations may vary according to the level and type of service that the Association provides to Owners and differ between residential and nonresidential uses, if applicable.

(i) The criterion of any Rules and Regulations may not abridge the rights of an Owner to display religious and holiday signs, symbols, and decorations inside a Unit,

provided that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the Unit.

(j) Rules and Regulations may not regulate the content of political signs; provided that Rules and Regulations may regulate the time, place, and manner of posting a political sign, and the Association design provision may establish design criteria for political signs.

(k) Rules and Regulations may not interfere with the freedom of an Owner to determine the composition of the Owner's household; provided that an Association may: (i) require that all Occupants of a Unit be members of a single housekeeping unit; and (ii) limit the total number of Occupants permitted in each Unit on the basis of the Unit's size and facilities and the fair use of the Common Area.

(l) Rules and Regulations may not interfere with an activity of an Owner within the confines of a Unit to the extent that the activity is in compliance with local laws and ordinances; provided that Rules and Regulations may prohibit an activity within a Unit if the activity is not normally associated with a residential use or permitted by this Declaration or (i) creates monetary costs for the Association or other Owners, (ii) creates a danger to the health or safety of occupants of other lots, (iii) generates excessive noise or traffic, (iv) creates unsightly conditions visible from outside the Unit, (v) creates an unreasonable source of annoyance to persons outside the Unit, or (vi) if there are attached Units, creates the potential for smoke to enter another Owner's Unit, the Common Area, or Limited Common Area.

(m) Rules and Regulations may not, to the detriment of an Owner and over an Owner's written objection to the Board, alter the allocation of financial burdens among the various Units; provided that the Association may: (i) change the Common Area available to an Owner, (ii) adopt generally applicable Rules and Regulations for the use of Common Area; or (iii) deny use privileges to an Owner who is delinquent in paying assessments, abuses the Common Area, or violates the Governing Documents. Notwithstanding the foregoing, Rules and Regulations cannot alter the method of levying assessments; or increase the amount of assessments as provided in this Declaration.

(n) Rules and Regulations may not prohibit the transfer of a Unit or require the consent of the Association or Board to transfer a lot; provided that Rules and Regulations may require a minimum lease term of any rental of a Unit consistent with the terms and conditions of this Declaration.

(o) Rules and Regulations may not require an Owner to dispose of personal property that was in or on a Unit before the adoption of Rules and Regulations if the personal property was in compliance with all Rules and Regulations and the terms and conditions of the Governing Documents previously in force; provided that such exception only applies during the period of the Owner's ownership of the Unit and does not apply to a subsequent Owner who takes title to the Unit after adoption of such Rules and Regulation.

(p) Rules and Regulations or action by the Association or Board may not unreasonably impede a Declarant's ability to satisfy existing development financing for

community improvements and right to develop the Project or other properties in the vicinity of the Project.

(q) Rules and Regulations or action by the Association or Board may not interfere with the use or operation of an amenity that the Association does not own or control the exercise of a right associated with an easement.

(r) Rules and Regulations may not divest an Owner of the right to proceed in accordance with a completed application for design review, or to proceed in accordance with another approval process, under the terms of the Governing Documents in existence at the time the completed application was submitted by the Owner for review.

(s) The Association may through Rules and Regulations: (i) regulate the use, maintenance, repair, replacement, and modification of the Common Area; (ii) impose and receive any payment, fee, or charge for the use, rental, or operation of the Common Area, except Limited Common Area; and a service provided to an Owner; (iii) impose a charge for a late payment of an Assessment; or (iv) provide for the indemnification of its officers and board consistent with applicable laws.

(t) The Association may not prohibit an Owner from displaying a United States flag inside a dwelling or Limited Common Area or on a lot, if the display complies with United States Code, Title 4, Chapter 1, The Flag. The Association may restrict the display of a flag on the Common Area.

(u) If permitted by applicable law, the Board may modify the conditions and stipulations set forth in subsections (c) through (s) above.

11.4 Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the other Governing Documents, and every other right or privilege reasonably to be implied from the existence of any right or privilege so given to it or reasonably necessary to effectuate any such right or privilege.

11.5 Governmental Interests. During the Period of Administrative Control, Declarant shall have the right to designate sites within the Community, which may include Common Area owned by the Association, for fire, police, water, and sewer facilities, public schools and parks, and other public facilities.

11.6 Enforcement.

11.6.1 General. Declarant, the Association, and their successors and assigns, and any Owner, have the right to enforce observance and performance of all restrictions, covenants, conditions and easements set forth in this Declaration and in all other Governing Documents, and in order to prevent a breach thereof or to enforce the observance or performance thereof have the right, in addition to all legal remedies, and all other rights and remedies set forth in this Declaration, to an injunction either prohibitive or mandatory.

11.6.2 Right to Inspect and Cure Defaults. The provisions of Section 5.2.8 apply to any breach of this Declaration and any other applicable Governing Documents. In addition

and without prior notice, the Association may photograph any violation or suspected violation at any time and otherwise obtain evidence to confirm the existence or non-existence of any suspected violation in any reasonable manner without liability in trespass or otherwise.

11.6.3 No Estoppel, Waiver or Liability. Failure of Declarant, the Association or any Owner to enforce any of the provisions of this Declaration or any other Governing Documents will in no event be deemed a waiver of the right to do so thereafter (including without limitation as to the same or similar violation whether occurring prior or subsequent thereto). No liability may attach to Declarant, the Association, or their respective Related Parties or committee members, for failure to enforce any provisions of this Declaration or any other Governing Documents.

11.6.4 Cumulative Rights and Remedies. Each right and remedy set forth in this Declaration and each other Governing Document is separate, distinct and non-exclusive, and all are cumulative. The pursuit of any right or remedy so provided or as provided by law, or the failure to exercise a particular right or remedy, will not be construed as a waiver of such right or remedy or any other right or remedy. Without limitation of the foregoing, the provisions of this Section are declared specifically to be cumulative of the provisions of Section 5.2 of this Declaration as hereinabove set forth and in the Bylaws.

11.6.5 Liability for Conduct of Related Parties. Each Owner, Lessee and Occupant must ensure that their respective Related Parties strictly comply with all applicable provisions of this Declaration and all other Governing Documents. Each Owner, Lessee, and Occupant is liable for all consequences of any such violation by such party's Related Parties, and each Owner, Lessee and Occupant are jointly and severally liable for all consequences of any such violation by the Lessee's and Occupant's Related Parties. To the same extent as aforesaid each Owner, Lessee and Occupant must indemnify and hold harmless Declarant, the Association and their respective Related Parties from any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, resulting, directly or indirectly, from any such violation.

11.6.6 Obligation for Payment of Costs and Expenses Resulting from Violations. Each Owner, Lessee and/or Occupant found to have committed, or who is responsible for, a violation or violations of any of the provisions of this Declaration or any other Governing Documents is jointly and severally liable for payment to the Association for, and to indemnify and to hold and save harmless the Association and its Related Parties from, any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, incurred or attributable to any such violation(s), and must pay over to the Association all sums of money which the Association or its representatives may pay or become liable to pay as a consequence, directly or indirectly, of such violation(s). All such sums are secured by the continuing assessment lien established by this Declaration. All such sums are due and payable upon demand by the Association or its representative without the necessity of any other or further notice of any act, fact or information concerning the Association's rights or such Owner's or their tenant's liabilities under this Section; provided, in the case of indemnification the demand shall contain a statement setting forth the Association's payment or liability to pay

the claim with sufficient detail to identify the basis for the payment or liability to pay.

11.6.7 Notice and Opportunity to be Heard. Substantial compliance with the procedures set forth in the Bylaws is sufficient whenever this Declaration or other Governing Documents require notice and opportunity to be heard regarding any alleged violation of the Governing Documents. The right of appeal to the Board as provided in the By-Lays includes appeal from the decisions of any Association committee except the DRC.

11.6.8 Filing of Notices of Non-Compliance. At any time the Board determines in good faith there probably exists any noncompliance with any provisions of this Declaration or any other Governing Documents, the Board may at its option direct that a notice of noncompliance be filed in the Official Public Records of Utah County, Utah covering the affected Unit or Units and the Owner(s) thereof at the sole cost and expense of such Owner(s). All such costs and expenses are due and payable upon demand, and are secured by the Association's continuing assessment lien.

ARTICLE XII
Assessments

12.1 Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board, to be commenced at the time and in the manner set forth in Section 12.8. There shall be two (2) types of assessments: (a) Base Assessments to fund Common Expenses for the benefit of all Members of the Association; and (b) Special Assessments as described in Section 12.4. Each Owner, by acceptance of a deed is deemed to covenant and agree to pay these assessments.

All assessments, together with interest at the greater of fifteen percent (15%) per annum or the prime lending rate plus 400 basis points (provided that the interest rate cannot exceed the maximum rate allowed by Utah law), as computed from the date the delinquency first occurs, late charges, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and, in the event of a transfer of title, his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of any assessments therein stated to have been paid. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board. Unless the Board otherwise provides, the Base Assessment and any Community Assessment shall be due and payable on the first day of each fiscal year. If any Owner is

delinquent in paying any assessments or other charges levied on his Unit, the Board shall require any unpaid installments of the annual assessment and/or any other assessments to be paid in full immediately, unless exceptional circumstances exist (as determined by the Board in its sole discretion).

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Area or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of any assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Governing Documents, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials with Declarant or other entities for the payment of some portion of the Common Expenses.

12.2 Computation of Base Assessment. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing a reserve fund in accordance with a budget separately prepared, as provided in Section 12.7 of this Article.

The Base Assessments shall be equally allocated to all Units within the Community. Notwithstanding the above, the Board may, in its sole discretion, reduce the Base Assessments determined pursuant to the above formula by taking into account:

(a) other sources of funds available to the Association; and

(b) assessments to be levied upon additional Units reasonably anticipated to become subject to assessment during the fiscal year.

During the Period of Administrative Control, Declarant may elect on an annual basis, but shall not be obligated, to reduce the resulting Base Assessments for any fiscal year by payment of a subsidy (in addition to any amounts paid by Declarant under Section 12.1 above); provided, any such subsidy shall be conspicuously disclosed as a line item in the income portion of the Common Expense budget and shall be made available to the membership. The payment of such subsidy in any year shall under no circumstances obligate Declarant to continue payment of such subsidy in future years.

The Board shall cause a copy of the Common Expense budget and notice of the amount of the Base Assessment to be presented to the Owners at a meeting of the Association. The budget and the amount of the Base Assessment shall become effective unless disapproved by at least fifty-one percent (51%) of all of the allocated voting interests of the Owners in the Association. The budget may also be disapproved if within forty-five (45) days after the date of

the meeting where the budget is presented, there is a vote of disapproval by at least fifty-one percent (51%) of all of the allocated voting interests of the Owners in the Association, and the vote is taken at a special meeting called for that purpose by Owners under the this Declaration or the Governing Documents. If the budget is disapproved, the budget that the Board last adopted that was not disapproved by the Owners continues as the budget until and unless the Board presents another budget to the Owners and that budget is not disapproved. During the Period of Administrative Control, Owners may not disapprove of a budget.

Notwithstanding the foregoing, however, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

12.3 Special Assessments.

12.3.1 Entire Membership. The Association may levy Special Assessments against all the Members as follows:

(a) for purposes of defraying, in whole or in part, the cost of any action or undertaking on behalf of the Association in connection with, or the cost of, any construction or replacement of, a specific capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto; provided, however, that without the vote of a majority of a quorum (as specified in the Bylaws) of the Class A Members, and, if during the Period of Administrative Control, the written consent of Declarant, the Association shall not impose a Special Assessment for the purposes described in this Section 12.3.1 in an amount that in any one year exceeds ten percent (10%) of the estimated annual Common Expenses for that year; and

(b) for purposes of providing any necessary funds for restoration and repair of damaged or destroyed Common Area or Areas of Common Responsibility in accordance with the provisions hereof, unless the Owners elect not to repair same pursuant to Section 7.1.2 of this Declaration.

Special Assessments levied against all the Members shall be equally allocated to the Units unless the Board determines that another method is more equitable. Special Assessments pursuant to this paragraph shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines.

12.3.2 Less Than All Members. The Association may levy a Special Assessment against any Member individually and against such Member's Unit to reimburse the Association for costs incurred in bringing a Member and his Unit into compliance with the provisions of this Declaration and the other Governing Documents, which Special Assessment may be levied upon the vote of the Board after compliance with Section 11.7.

Special Assessments as aforesaid shall also include, without limitation of the foregoing:

(a) reasonable charges for:

i. providing a statement of assessments or indebtedness, including resale certificates;

ii. transfer fees to reflect changes of ownership, tenancy or occupancy on the records of the Association, including, but not limited to a fee for providing Association payoff information needed in connection with the financing, refinancing, or losing of an Owner's Parcel, which amount shall not exceed the maximum amount allowed by applicable law; and

iii. Plan fees and other fees associated with reviewing, processing and approving applications for architectural approval, which fee may not exceed the actual cost of reviewing, processing and approving such applications;

(b) admission or usage fees applicable to any Common Area as from time to time established by applicable Rules and Regulations;

(c) fines as from time to time established by applicable Rules and Regulations for any violation of this Declaration or other Governing Documents; and

(d) all other monetary obligations established by or pursuant to this Declaration or other Governing Documents which are intended to apply to one or several Units but not to all Units, including all Compliance Assessments.

12.3.4 Payment; Waiver. Special Assessments as authorized by Section 12.4.2 are due and payable immediately upon the occurrence of the event giving rise to liability for payment of same. Failure of the Association (or managing agent as applicable) to impose or collect any Special Assessment is not grounds for any action against the Association, any managing agent, or their respective directors, officers, agents or employees, and does not constitute a waiver of the right to exercise authority to collect any Special Assessments in the future. For good cause shown as determined in the sole opinion of the Board, the Board may waive, wholly or partially, imposition of any special Assessment authorized by Section 12.4.2, provided, any such waiver must be conditioned upon payment in full of all remaining monetary obligations or receipt of written commitment that same will be paid within a specified period of time.

12.4 Reserve Budget and Capital Contribution. The Board shall prepare a reserve fund analysis and a reserve analysis as required by the Act to determine (a) the need for a reserve fund to accumulate money to cover the cost of repairing, replacing, and restoring Common Area to the extent required by the Act (currently Common Area improvements that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years), but excluding any cost that can reasonably be funded from the Association's general budget or from other Association funds, and (b) the appropriate amount of any reserve fund. The Association shall review and, if necessary, update the reserve analysis as required by the Act. Based upon the reserve analysis, the Board shall establish a reserve budget. The Board will provide a copy of the reserve analysis and any update thereto to any Member requesting the same. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect both to amount and timing by annual Base Assessments over the period of the budget. The capital contribution required, if

any, shall be fixed by the Board and included within and distributed with the applicable budget and notice of assessments, as provided in Section 12.2. The reserve funds shall not be used for daily maintenance expenses, unless a majority of Owners vote to approve the use of the reserve funds for that purpose, or for any purpose other than the purpose for which the reserve fund was established. The reserve fund shall be maintained separate from other Association funds. The Board will prepare and submit the reserve fund analysis and reserve analysis as required by the Act. The reserve fund may be invested in a prudent manner, subject to any investment constraints imposed by the governing documents. The above requirements do not apply to an Association during the Period of Administrative Control.

12.5 Clubhouse Assessment. At the time of the initial purchase of any Unit, the purchasing Owner will pay an assessment to the Association in the amount of $1,000.00, which amount shall be held in escrow by the Association and shall be used and/or applied toward the costs and expense associated with the future capital improvements, such as the design and construction of the Clubhouse and other amenities that may be constructed by the Association within the Common Area.

12.6 Date of Commencement of Assessments. The obligation to pay the assessments provided for herein shall commence as to each Unit on the first day of the month following the annexation of the Unit into the Community. Assessments shall be due and payable in a manner and on a schedule as the Board may provide. The first annual Base Assessment levied on a Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

12.7 Written Statement of Unpaid Assessment. The manager or Board will issue a written statement indicating any unpaid assessment with respect to a Unit covered by the request upon: (a) the written request of any Owner and payment of a reasonable fee not to exceed the maximum amount permitted by applicable law.

12.8 Fines. The Board may assess a fine against any Owner for a violation of the Governing Documents, subject to the following: (a) before assessing a fine, the Board will (i) notify the Owner of the violation as provided herein, and (ii) inform the Owner that a fine will be imposed if the violation is not remedied. Any unpaid fines shall be treated as Special Assessments and subject to any applicable interest and late fees commencing as of the later of (1) the date of the assessment, or (2) if the Owner requests a hearing, the date of the final decision following the hearing. If an Owner disputes the assessment of a fine, the Owner may request an informal hearing to protest or dispute the fine within fourteen (14) days from the date of the notice of the fine. For any of the fines imposed against the offending Owner, the offending Owner shall be barred from challenging the validity of the fine if the Owner does not deliver a written hearing request to the Board within fourteen (14) days of the notice of the fine. At any such informal hearing, the Board shall make a reasonable determination, based on the information provided by the Owner and any other information available to the Board, whether to rescind, reduce, or waive the fine. Without limiting the application of fines to violations of the Governing Documents, Fines may be issued for violation of the following covenants:

(a) No animals, livestock, or poultry of any kind shall be permitted on Common Areas or within any Unit except such domesticated household pets or birds as are allowed pursuant to the Rules

and Regulations, including leash laws, adopted by the Management Committee pursuant to Section 10.10 of this Declaration.

(b) No parking of vehicles of any kind, including recreational vehicles and boats shall be permitted on the streets within the Project. Recreational vehicles and boats may not be stored within the Project. Parking in designated guest parking within the Project shall be subject to the Rules and Regulations adopted by the Management Committee pursuant to Section 10.10 of this Declaration. The provisions of this Section shall be non-amendable.

(c) No outside television or radio aerial or antenna, or other similar device for reception or transmission, shall be permitted on any Common Area or the exterior of any Unit except pursuant to written approval of the Management Committee which approval shall be site specific and non-precedent setting.

(d) No Unit within the Project shall contain any fireplace or any window mount evaporative coolers or air conditions.

(e) Resident's business vehicles in excess of 3/4 ton trucks shall not be parked in front of Units overnight, nor shall any vehicle be repaired, disassembled, or reassembled on any Common Area, garage apron, public street, or designated guest parking in the Project.

(f) Unit garages are to be used for the parking of automobiles and not for general storage, boats, recreational vehicles or miscellaneous items. The garages must actually accommodate the number of cars the garage is designed to accommodate (i.e., two cars in a two-car garage). Garages shall be used for overnight vehicle parking.

(g) Except for trash collection days, trash receptacles are not to be left outside within view of the community streets. Empty trash receptacles must be returned to garages the day of collection.

(h) Unit interior windows shall be covered within 30 days of occupancy with permanent window coverings, white or off white in color (as seen from the exterior).

(i) Unit patios and balconies shall not be used as general storage areas, for the hanging and drying of laundry, nor for decorative items visible from adjoining Units or public streets.

To the extent not prohibited by law, the Board shall have the right to revise and modify the list of covenants for which fines may be issued from time to time.

For violation of any of the above covenants, the Board (or, at the request of the Board, the management company of the Association) may provide written notice to an Owner identifying the violation and requesting corrective action or compliance within thirty (30) days of the notice (the "***Warning Notice***"). The following fines shall be imposed if the violation is not corrected:

(1) First Fine. A fine of $50.00 (the "***First Fine***") shall be imposed against the offending Owner if the violation is not corrected within the initial thirty-day period following the Warning Notice. A written notice to the offending owner shall be provided at this time, notifying the offending owner of the First Fine and explaining that an additional

fine of $100.00 will be imposed if the violation is not corrected within the next thirty-day period;

(2) Second Fine. An additional fine of $100.00 (the "***Second Fine***") shall be imposed against the offending Owner if the violation is not corrected within the second thirty-day period following the Warning Notice. A written notice to the offending owner shall be provided at this time, notifying the offending Owner of the Second Fine and explaining that an additional fine of $200.00 will be imposed if the violation is not corrected within the next thirty-day period.

(3) Third Fine. An additional fine of $200.00 (the "***Third Fine***") shall be imposed against the offending Owner if the violation is not corrected within the third thirty-day period following the Warning Notice. A written notice to the offending Owner shall be provided at this time, notifying the offending Owner of the Third Fine and explaining that additional fines of $200.00 will be imposed for each additional thirty-day period if the violation is not corrected within the next 30-day period.

(4) Additional Fines. Additional Fines of $200.00 each (the "***Additional Fines***") shall be imposed against the offending Owner for each additional thirty-day period in which the violation remains uncorrected. A written notice to the offending Owner shall be sent to the Owner of each Additional Fine, continuing until the violation is fully corrected.

12.9 Lien for Assessments. The Association has a lien on a Unit for Assessments and, except as otherwise provided in this Declaration, for fines, fees, charges, and costs associated with collecting an unpaid assessment, including court costs and reasonable attorney fees, late charges, interest, and any other amount that the Association is entitled to recover under this Declaration, at law, or an administrative or judicial decision, and a fine that the Association imposes against the Owner. The obligation to pay assessments hereunder is part of the purchase price of each Unit when sold to an Owner, and an express vendor's lien is hereby retained to secure the payment thereof and is hereby transferred and assigned to the Association. Additionally, a lien with a power of sale is hereby granted and conveyed to the Association to secure the payment of such assessments. The recording of this Declaration constitutes record notice and perfection of the above-described lien. If an Assessment is payable in installments, the lien will be for the full amount of the Assessment from the time the first installment is due, unless the Association otherwise provides in a notice of Assessment. An unpaid Assessment or fine accrues interest at the rate provided in this Declaration. The lien provided in this Section 12.9 has priority over each other lien and encumbrance on a Unit except: (a) a lien or encumbrance recorded before the Declaration is recorded; (b) a first or second security interest on the Unit secured by a Mortgage that is recorded before a recorded notice of lien by or on behalf of the Association; or (c) a lien for real estate taxes or other governmental assessments or charges against the Unit. To evidence any lien hereunder, the Association may prepare a written Notice of Assessment Lien setting forth the amount of the Assessments and other amounts due and owing, the name of the Owner of the Unit subject to such Assessments and amounts and a description of such Unit, which shall be signed by an officer of the Association and may be recorded in the Official Public Records of Utah County, Utah.

12.10 Enforcement of a Lien. To enforce the lien, the Association may cause a Unit to be sold through non-judicial foreclosure as though the lien were a deed of trust, in the manner provided by Utah Code Ann. §§57-1-24, 57-1-25, 57-1-26, and 57-1-27 (as amended from time to time) and the Act, or foreclose the lien through a judicial foreclosure in the manner provided by law for the foreclosure of a mortgage and the Act. For purposes of a non-judicial or judicial foreclosure, the Association is considered to be the beneficiary under a trust deed; and the Owner is considered to be the trustor under a trust deed. An Owner's acceptance of the owner's interest in a Unit constitutes a simultaneous conveyance of the lot in trust, with power of sale, to the trustee designated below for the purpose of securing payment of all amounts due under this Declaration. A power of sale and other powers of a trustee under this part and under Utah Code Ann. §57-1-19 through 57-1-34 (as amended from time to time) may not be exercised unless the Association appoints a qualified trustee. The trustee herein designated may be changed any time and from time to time by execution of an instrument in writing signed by the President or Vice President of the Association and attested to by the Secretary of the Association and filed in the Official Public Records of Utah County, Utah pursuant to Utah Code Ann. §57-1-22 (as amended from time to time). A person may not be a trustee under unless the person qualifies as a trustee under Utah Code Ann. §57-1-21(1)(a)(i) or (iv) (as amended from time to time). A trustee is subject to all duties imposed on a trustee under Utah Code Ann. §§57-1-19 through 57-1-34 (as amended from time to time). Notwithstanding the foregoing, the Association may bring an action against an Owner to recover an amount for which a lien is created under Utah Code Ann. § 57-8a-301 (as amended from time to time) or from taking a deed in lieu of foreclosure, if the action is brought or deed taken before the sale or foreclosure of the Owner's Unit.

Declarant hereby appoints Steven L. Whitehead, Esq., a member of the Utah State Bar, as trustee (and to any substitute or successor trustee as hereinafter provided for). The Declarant hereby conveys and warrants pursuant to Utah Code Ann. §§57-1-20 and 57-8a-402 (as amended from time to time) to Steven L. Whitehead, Esq., a member of the Utah State Bar, as trustee (and to any substitute or successor trustee as hereinafter provided for) with power of sale, the Parcel, Unit, and all improvements to the Parcel for the purpose of securing payment of assessments under the terms of this Declaration to the Association, which shall be the beneficiary under such conveyance. In the event of the election by the Board to foreclose the liens herein provided for nonpayment of sums secured to be paid by such lien, then it shall be the duty of the trustee, or his successor, as hereinabove provided, at the request of the Board (which request shall be presumed by a request by the President of the Association) to enforce this trust and to sell such Unit, and all rights appurtenant thereto.

At least thirty (30) calendar days before initiating a non-judicial foreclosure, the Association shall provide notice ("***Notice of Sale***") to the Owner of the Unit that is the intended subject of the non-judicial foreclosure. The Notice of Sale shall: (a) notify the Owner that the Association intends to pursue non-judicial foreclosure with respect to the Owner's Unit to enforce the Association's lien for an unpaid assessment; (ii) notify the Owner of the Owner's right to demand judicial foreclosure in the place of non-judicial foreclosure; (iii) be sent to the Owner by certified mail, return receipt requested; and (iv) be in substantially the following form:

NOTICE OF NONJUDICIAL FORECLOSURE AND RIGHT TO DEMAND JUDICIAL FORECLOSURE

> The Aspen Summit at Sunridge Hills Owners Association, the association for the project in which your Unit is located, intends to foreclose upon your Unit using a procedure that will not require it to file a lawsuit or involve a court. This procedure is being followed in order to enforce the association's lien against your Unit and to collect the amount of an unpaid assessment against your Unit, together with any applicable late fees and the costs, including attorney fees, associated with the foreclosure proceeding. Alternatively, you have the right to demand that a foreclosure of your property be conducted in a lawsuit with the oversight of a judge. If you make this demand and the association prevails in the lawsuit, the costs and attorney fees associated with the lawsuit will likely be significantly higher than if a lawsuit were not required, and you may be responsible for paying those costs and attorney fees. If you want to make this demand, you must state in writing that "I demand a judicial foreclosure proceeding upon my lot," or words substantially to that effect. You must send this written demand by first class and certified U.S. mail, return receipt requested, within fifteen (15) days after the date of the postmark on the envelope in which this notice was mailed to you. The address to which you must mail your demand is [insert the association's address for receipt of a demand]."

The Notice of Sale may be included with other Association correspondence to the Owner. The Association may not use a non-judicial foreclosure to enforce a lien if the lot owner mails the Association a written demand for judicial foreclosure by U.S. mail, certified with a return receipt requested, to the address stated in the Notice of Sale sent to the Owner; and within fifteen (15) days after the date of the postmark on the envelope of the Notice of Sale sent to the Owner.

A court entering a judgment or decree in a judicial action brought by the Association shall award the prevailing party its costs and reasonable attorney fees incurred before the judgment or decree and, if the Association is the prevailing party, any costs and reasonable attorney fees that the Association incurs collecting the judgment. In a non-judicial foreclosure, the Association may include in the amount due, and may collect, all costs and reasonable attorney fees incurred in collecting the amount due, including the costs of preparing, recording, and foreclosing a lien.

The Association's non-judicial foreclosure of a Unit is governed by Utah Code Ann. §§ 57-1-19 through 57-1-34 to the same extent as though the Association's lien were a trust deed and this Act. If there is a conflict between a provision of the Act and a provision of Utah Code Ann. §§57-1-19 through 57-1-34 with respect to the Association's non-judicial foreclosure of a Unit, the Act controls. The Association may abandon a judicial foreclosure, non-judicial foreclosure, or sheriff's sale and initiate a separate action or another judicial foreclosure, non-judicial foreclosure, or sheriff's sale if the initial judicial foreclosure, non-judicial foreclosure, or sheriff's sale is not complete. In the event of an amendment to applicable Utah law regarding the enforcement of any lien and the judicial or non-judicial foreclosure on any Unit, the President of the Association, acting without joiner of any other Owner or Mortgagee or other person may, by amendment to this Declaration filed in the Official Public Records of Utah County, Utah, amend the provisions hereof so as to comply with said amendments to the applicable Utah law.

At any judicial foreclosure or non-judicial foreclosure, the Association shall be entitled to

bid up to the amount of the sum secured by its lien, together with interest, costs, and expenses of sale, including trustee's and attorney's fees and other amounts due and owning, and to apply as a cash credit against its bid all sums due to the Association covered by the lien foreclosed.

From and after any such foreclosure, the Occupants of such Unit shall be required to pay a reasonable rent for the use of such Unit and such occupancy shall constitute a tenancy-at-sufferance, and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect such rents and, further, shall be entitled to sue for recovery of possession of such Unit by forcible detainer without further notice. During any period in which a Unit is owned by the Association following foreclosure or sale in lieu thereof: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure.

The Association need not pursue a judicial foreclosure or non-judicial foreclosure to collect an unpaid Assessment but may file an action to recover a money judgment for the unpaid Assessment without waiving the lien or its rights and remedies as provided herein or available at law or in equity.

12.11 Subordination of the Lien. The lien of assessments, including interest, late charges (subject to the limitations of Utah law), and costs (including attorney's fees and costs) provided for herein, shall be subordinate to tax liens and to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or non-judicial foreclosure (i.e., power of sale) of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer unless the Owner against whom the original assessment was made is the purchaser at the foreclosure sale (in which event such lien shall remain in full force and effect). No sale or transfer shall relieve such Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or non-judicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including such acquirer, its successors and assigns.

12.12 Termination of Rights. The Board may terminate a Delinquent Owner's right to receive utility service for which the Owner pays as a Common Expense and/or of access to and use of Common Area. A "***Delinquent Owner***" means an Owner who fails to pay an Assessment when due. Before terminating a utility service or right of access to and use of Common Area and/or recreational facilities, the manager or Board shall give the Delinquent Owner notice ("***Termination Notice***") in a manner provided in this Declaration. The Termination Notice shall state: (a) that the Association will terminate the Owner's utility service or right of access to and use of the Common Area and/or recreational facilities, or both, if the Association does not receive payment of the Assessment within fourteen (14) days after the date of the Termination Notice, and (b) the amount of the Assessment due, including any interest or late payment fee, and may include the estimated cost to reinstate the utility service if the service is terminated or

disconnected; and (c) the Owner's right to request a hearing. A Delinquent Owner may submit a written request to the Board for an informal hearing to dispute the Assessment, which request must be submitted within fourteen (14) days after the date the Delinquent Owner receives the Termination Notice. If the Delinquent Owner timely requests a hearing, the Board shall conduct an informal hearing in accordance with the standards provided in this Declaration or the Rules and Regulations. If a Delinquent Owner requests a hearing, the Association may not terminate a utility service or right of access to and use of the Common Area and/or recreational facilities until after the Board conducts the hearing and enters a final decision. If an Association terminates a utility service or a right of access to and use of the Common Area and/or recreational facilities, the Association shall take immediate action to reinstate the service or right following the Delinquent Owner's payment of the past due Assessment, including any interest and late payment fee. The Association may assess the Delinquent Owner for the cost associated with reinstating a utility service that the Association terminates as provided in this section and demand that the estimated cost to reinstate the utility service be paid before the service is reinstated, if the estimated cost is included in the Termination Notice.

12.13 Rent Application. The Board may require an Occupant under a Lease with an Owner to pay to the Association all future Lease payments payable and due to the Owner if the Owner fails to pay an Assessment for a period of more than sixty (60) days after the Assessment is due and payable, beginning with the next monthly or periodic payment due from the Occupant and continuing until the Association is paid in full the Amount Owing. Before requiring an Occupant to pay Lease payments to the Association, the Association's manager or Board shall give the Owner written notice in accordance with the terms of this Declaration ("***Rent Application Notice***"). The Rent Application Notice shall state: (a) the amount of the Assessment due, including any interest, late fee, collection cost, and attorney fees; (b) that any costs of collection, including attorney fees, and other Assessments that become due may be added to the total amount due and be paid through the collection of Lease payments; and (c) that the Association intends to demand payment of future Lease payments from the Occupant of the Owner's Unit if the Owner does not pay the Amount Owing within fifteen (15) days after the date of the Rent Application Notice. If an Owner fails to pay the amount owing within fifteen (15) days after the date of the Rent Application Notice, the Association's manager or Board may exercise the Association's rights herein delivering a written notice to the Occupant ("***Rent Payment Notice***"). The Rent Payment Notice shall state that: (i) due to the Owner's failure to pay an Assessment within the required time, the Board has notified the Owner of the Board's intent to collect all Lease payments from the Occupant until the Amount Owing is paid; (ii) the law requires the Occupant to make all future Lease payments, beginning with the next monthly or other periodic payment, to the Association, until the Amount Owing is paid; and (iii) the Occupant's payment of Lease payments to the Association does not constitute a default under the terms of the Lease with the Owner. The manager of the Association or the Board shall mail a copy of the Rent Payment Notice to the Owner. An Occupant who receives a Rent Payment Notice shall pay to the Association all future Lease payments as they become due and owing to the Owner beginning with the next monthly or other periodic payment after the Rent Payment Notice is delivered to the Occupant and until the Association notifies the Occupant that the Amount Owing is paid. An Owner shall credit each payment that the Occupant makes to the Association pursuant to a Rent Payment Notice against any obligation that the Occupant owes to the Owner as though the Occupant directly made the payment to the Owner, and the Owner may not initiate a suit or other action against an Occupant that receives a Rent Payment Notice for

failure to make a Lease payment that the Occupant pays to the Association as required herein. Within five (5) business days after the Amount Owing is paid in full, the manager of the Association or the Board shall notify the Occupant in writing that the Occupant is no longer required to pay future Lease payments to the Association. The manager of the Association or the Board shall mail a copy of the cessation notification to the Owner. The Association shall deposit money paid to the Association under this section in a separate account and disburse that money to the Association until the Amount Owing is paid and any cost of administration, not to exceed $25, is paid. The association shall, within five (5) business days after the Amount Owing is paid, pay to the Owner any remaining balance. The term "***Amount Owing***" means the total of any Assessment or lien amount that is due and owing and any applicable interest, late fee, and cost of collection. The term "***Lease***" means an arrangement under which an Occupant occupies a Unit in exchange for the Owner receiving a consideration or benefit, including a fee, service, gratuity, or emolument.

12.14 Exempt Property.

12.14.1 Common Area. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Base Assessments and Special Assessments:

(a) all Common Area; and

(b) all property dedicated to and accepted by any governmental authority or public utility, including, without limitation, public schools, public streets, and public parks, if any.

12.14.2 Declarant Property. Notwithstanding anything to the contrary herein, any property and Units owned by the Declarant and not occupied, such as model homes and Units for sale, shall be exempt from payment of Base Assessments.

12.15 Property Manager. The Board shall contract with an independent third-party professional property manager to provide the services and/or to perform the duties of the Association herein, and in connection therewith, by contract or resolution, assign to such managing agent the right to set the amounts of and to receive payments of the applicable charges. The property manager so engaged shall be an independent contractor and not an agent or employee of the Association. The obligation to contract with a property manager may not be waived, cancelled, modified, or amended in any way. The right and authority of any property manager to set the amounts and receive payment as aforesaid is deemed to be assigned by virtue of contracting with a property manager to provide the associated functions and services for so long as the applicable contract remains in effect unless the applicable contract expressly provides otherwise. A property manager must give written notice to the Board as to the initial establishment of, and as to any subsequent increase in the amount of, charges under, Section 12.4.2(a). Subject to the aforesaid notice requirement as to a property manager and as required regarding Rules and Regulations, the Board or its property manager, as applicable, may adopt, amend, revise and repeal any such charges from time to time without notice.

12.16 Enforcement. The Board shall use its reasonable judgment to determine whether

to exercise the Association's powers to impose sanctions or pursue legal action for a violation of the Governing Documents, including: (a) whether to compromise a claim made by or against the Board or the Association; and (b) whether to pursue a claim for an unpaid assessment. The Association may not be required to take enforcement action if the Board determines, after fair review and acting in good faith and without conflict of interest, that under the particular circumstances: (i) the Association's legal position does not justify taking any or further enforcement action; (ii) the covenant, restriction, or rule in the Governing Documents is likely to be construed as inconsistent with current law; (iii) a technical violation has or may have occurred, and the violation is not material as to a reasonable person or does not justify expending the Association's resources; or (iv) it is not in the Association's best interests to pursue an enforcement action, based upon hardship, expense, or other reasonable criteria. If the Board decides to forego enforcement, the Association is not prevented from later taking enforcement action and any inaction by the Board or the Association shall not be deemed a waiver of any rights to take any enforcement action in the future. The Board may not be arbitrary, capricious, or against public policy in taking or not taking enforcement action.

12.17 Conflict Resolution Regarding Claims against Association or Declarant.

12.17.1 Statement of Intent. Every Owner is capable of obtaining an inspection and is permitted to perform, or pay someone else to perform, any inspection on any Unit that Owner is purchasing or owns or any aspect of the Project; all prior to purchasing a Unit. Moreover, if any warranty has been provided, an Owner Warranty has been provided to each Owner identifying those items that are warranted by the builder. Having had the ability to inspect prior to purchasing a Unit, having received a written warranty if any warranty is provided, and having paid market price for a Unit in the condition it and the Units and Common Area are in at the time of purchase, it is acknowledged that it is unfair and improper to then seek to have the Declarant, a builder, a contractor, and/or any subcontractor performing work in the Project to change, upgrade, or add additional work to the Project outside of any express warranty obligation. Moreover, the Owners (by purchasing a Unit) and the Declarant acknowledge and agree that litigation is an undesirable method of resolving certain conflicts in that it is slow, expensive, uncertain, and can often negatively impact the sale value and ability to obtain financing for the purchase of Units for years, unfairly prejudicing those Owners who must or want to sell their Unit during any period when litigation is pending. For this reason, the Owners by purchasing a Unit and the Declarant agree and acknowledge that certain disputes simply shall not be pursued, to the extent permitted by law, and that others shall be pursued only through certain specific alternative dispute resolution mechanisms and only after full disclosure, right to cure periods, and knowing approval of the Owners. Consistent with this dispute avoidance intent and mandate and in an effort to provide an avenue of recovery against the party responsible for faulty construction, the Declarant may obtain and provide warranties to the Association, or that the Association may enforce, from subcontractors related to the construction of the Project. It is the intent of the Parties hereto, as agreed to by the Owners by and upon the purchase of a Unit, that these warranties (from subcontractors), if they are obtained, whatever they might cover and whomever they are from, are the sole remedy to the extent permitted by law, in case of any defects or damages arising from defects of any kind related to construction or development of the Project, including any Unit or the Common Area. The intent of this section is to eliminate, to the extent possible, claims against or involving the Declarant and claims related to the construction of the buildings and fixtures on the Project, and, when and if any such claim is permitted as a

matter of law or pursuant to this Declaration, to ensure that every opportunity is made to resolve the claim outside of a normal court procedure. This effort shall include, but not be limited to, the right to cure and the requirements for mediation and arbitration.

12.17.2 Association Warranties. The Declarant may, but is not obligated to, provide for certain warranties from subcontractors to the Association related to the construction of the Project ("***Association Warranties***" or an "***Association Warranty***"). The Association shall have the right, as provided for in any such warranties, to directly enforce and seek performance of these warranties from the subcontractors who performed the work in the construction of the Project. There is no guarantee or warranty by the Declarant that any warranties will be provided or that the warranties will cover any particular component or aspect of the Project.

12.17.3 Owner Warranties. The Declarant, builder, or contractor may have provided certain warranties to the Owners related to the Unit purchased ("***Owner Warranties***" or an "***Owner Warranty***"). The first Owner of a Unit to whom any warranty is issued or with whom a legal warranty arises, and only that Owner, shall have the right to directly enforce and seek performance from the entity providing such warranty of any terms of the warranty and only consistent with the warranty itself. The Association shall have no right to seek the performance of or take assignment of any rights in any warranties granted to any Owner and the Owner shall have no right to assign any rights of any kind arising under a warranty to the Association.

12.17.4 Waiver of Subrogation and Release. The Association and each Owner waives, and shall cause its insurance carrier to waive, any right to subrogation against the Declarant or any builder or contractor of any portion of the Project. This waiver shall be broadly construed and applied to waive, among other things, any attempt by any insurer of any Owner or of the Association from pursuing or exercising any subrogation rights, whether arising by contract, common law, or otherwise, against the Declarant, a builder or a contractor, and their officers, employees, owners, and representatives. To the fullest extent permitted by law, the Association and Owners hereby release Declarant and builder and contractors, their officers, employees, owners, and representatives from any and all liability to the Association and all Owners, and anyone claiming through or under them by way of subrogation or otherwise, for any loss, injury, or damage to property, caused by fire or any other casualty or event, even if such fire or other casualty shall have been caused by the fault or negligence of Declarant, builder, or contractor, their officers, employees, owners, and representatives. The Association and each Owner agrees that all policies of insurance shall contain a clause or endorsement to the effect that this release and waiver of subrogation shall not adversely affect or impair such policies or prejudice the right of the Association or any Owner to recover thereunder. The Association and all Owners shall indemnify and defend the Declarant, the builder, the contractor and any of their officers, employees, owners, or representatives from any claims barred or released by this provision, including but not limited to any claim brought under any right of subrogation.

12.17.5 Declarant and/or Builder Litigation.

12.17.5.1 An Owner may only make a claim against the Declarant, the building, or the contractor to the extent allowed herein or by law after the following efforts at dispute resolution have been completed: (1) the Owner shall provide to the Declarant, the

building, or the contractor a Notice of Claim (defined below) and permit the Declarant, the building, or the contractor, as the case may be, one hundred eighty (180) days ("***Right to Cure Period***") to cure or resolve the claim or defect or to try to get the builder or the appropriate subcontractor to cure or resolve the claim or defect, prior to initiating any lawsuit, claim, or dispute resolution process; (2) if the dispute is not resolved within the 180-day Right to Cure Period, the parties agree to mediate the dispute prior to taking further action. If additional, different, or modified claims, damages, calculations, supporting information, or descriptions are added, provided to, or asserted against the Declarant, the builder and/or the contractor that were not included in any previously submitted Notice of Claim, the Right to Cure Period provided for in this section shall immediately apply again and any pending action, including any mediation or arbitration, shall be stayed for the 180-day period.

12.17.5.2 For any claim allowed by law or by this Declaration, the parties agree to binding arbitration of all claims asserted against the Developer, builder, or contractor by either the Association or any Owner, with the initiating party advancing all arbitration costs subject to assignment of those costs by the arbitrator in a final decision on the merits. The parties to any such arbitration shall mutually work, in good faith, to agree upon the arbitrator, mediator, arbitration service, and all aspects of the arbitration and mediation proceedings. In case of any disagreement regarding the mediation or arbitration service, the American Arbitration Association shall administer the mediation and arbitration and the rules applicable to construction disputes shall apply. The arbitration rules shall be subject to the requirements of this Declaration and shall be modified accordingly in case of any conflict between the Rules and this Declaration.

12.17.5.3 "***Notice of Claim***" shall mean and include the following information: (1) The nature of the claim, (2) a specific breakdown and calculation of any alleged damages, (3) a specific description of the claim along with any supporting opinions, information, or other factual evidence upon which the claim is based, (4) photographs of any alleged condition, if applicable, (5) samples of any alleged defective conditions or materials, (6) all efforts taken to avoid, mitigate, or minimize the claim or any alleged damages arising therefrom, and (7) the names, phone numbers, and address of every Person providing factual information, legal or factual analysis, or legal or factual opinions related to the claim.

12.17.5.4 Notwithstanding any other provision in this Declaration, except as to an Owner Warranty and to the fullest extent permitted by the law, an Owner shall not and agrees not to commence or maintain any litigation, arbitration, or other action against the Declarant, the builder and/or the contractor, or any of their officers, directors, members, employees, or agents for any reason, including but not limited to alleged construction defects, any related damages, or any damages arising therefrom.

12.17.5.5 Notwithstanding any other provision in this Declaration, and to the fullest extent permitted by the law, the Association shall not and cannot commence or maintain any litigation, arbitration, or other action against the Declarant, the builder, and/or the contractor or any of their officers, directors, members, employees, or agents for any reason, including but not limited to for alleged construction defects, any related claims, or any damages arising therefrom other than arising from an Association Warranty.

12.17.5.6 The Association shall indemnify and defend the Declarant, the builder, and/or the contractor and their officers, directors, members, employees, and agents against any litigation, arbitration, or the assertion of any claim arising out of any alleged construction defect in or related to the Project and/or any damages arising therefrom, except to the extent covered by an Association Warranty. By purchasing a Unit, the Owner specifically disclaims and releases the Declarant, the builder and/or the contractor from any claim, known or unknown, related to any defect in the Project not specifically covered by either an Association Warranty or an Owner Warranty, except only as limited by law. The Association and each Owner acknowledges and agrees that the Association Warranties and the Owner Warranties, if provided, and whatever coverage they might provide are the sole remedy of the Association related to any alleged or actual construction defects. In case of any claim or litigation asserted related to any construction defect arising in any Unit, the Owner agrees to defend the Declarant, builder and/or contractor (which shall permit the Declarant, builder, and/or contractor to select counsel and require the Owner to advance all costs and fees related to any such claim) from any such claim and to indemnify Declarant, builder and/or contractor from any liability arising therefrom.

12.17.5.7 Subject only to the provisions in the Owner Warranties and any Association Warranties (if any), the Association and the Owners take ownership and possession of the Units, Common Areas, and Limited Common Areas AS IS and WITH ALL FAULTS with no warranties of any kind except as otherwise required as a matter of law. The Declarant specifically disclaims, and the Association and any Owner hereby waive, any warranties of merchantability, fitness for a particular use, or of habitability, to the full extent allowed by law.

12.17.5.8 If otherwise allowed by law notwithstanding the terms of this Declaration or if allowed in this Declaration; prior to the Association making any demand or commencing any mediation, arbitration, or litigation (any "***action***") against a Declarant or any builder or contractor involved in the original construction of the Project, other than a claim made solely upon an Association Warranty against a subcontractor, the Association must have a meeting of the Owners, with proper notice, and have all attorneys, experts, and other Persons expected to be involved in the claim present at the meeting. Those people present, including the Board and the Association officers, must permit discussion among the Owners and questions from the Owners and must respond to all reasonable questions of the Owners related to the proposed claims. The notice for the meeting must include the following information:

(i) a statement must be made on the first page of such notice in bold, upper case, and not less than 22-point font:

> The association is contemplating serious and potentially time-consuming and expensive litigation against the Declarant of this project. This litigation could cost you money in the form of increased assessments and will likely impact the resale value of your unit and your ability to sell your unit while this litigation is pending. This litigation could take years to resolve. You should think seriously about this issue and attend the meeting on this issue.

(ii) a budget and detailed breakdown of all costs and legal fees reasonably estimated to be

caused by the expected litigation including a breakdown of any costs and fees to be advanced by anyone including any attorney or other representative of the Association under any contingency arrangement, and all those costs and fees to be paid directly by the association, all of which shall assume the litigation will last five years (unless it is reasonably expected to last longer in which case the longer period shall be used for this estimate) and require a trial on the merits,

(iii) a detailed explanation of where any money to be paid by the Association will be obtained including a per Unit breakdown of all costs and fees per year, assuming the litigation will last five years,

(iv) a written statement of each Board member indicating that Person's position on the litigation,

(v) a legal opinion on the likelihood of success of any such litigation or arbitration from an attorney not associated with the attorney or law firm who is anticipated to bring any such action, analyzing the applicable law, Governing Documents, and all relevant and known factual information,

(vi) all terms of the agreement between the Association and the attorney or law firm prosecuting the action including a copy of any engagement letter, contract, or agreement related to that representation,

(vii) a detailed description of the alleged claims against the Declarant and of all efforts by the Association to resolve those claims prior to commencing any action.

In addition to the requirements above and before commencing any action, the Association must obtain the approval of 85% of all of the Owners (not 85% of those present); provided that if the percentage is greater than that required by applicable Laws, the greatest percentage required by applicable Laws, by vote, at a lawfully called and properly noticed special meeting for that purpose only. Such a special meeting must occur no sooner than thirty (30) days after the meeting required above for notice, and no later than sixty (60) days after the meeting required above. The Association cannot special assess, borrow money, or use any reserve funds to fund any such action or to pay for any costs associated with any such action, including but not limited to copying costs, deposition costs, expert witness costs, and filing fees.

12.17.5.9 Any agreement with a law firm or attorney under which the law firm would represent the Association in an action (as defined in the prior subsection) must have, at a minimum, the following terms: (1) the law firm or attorney will apply sufficient resources, attorneys, time, and administrative support to the action as necessary to prosecute the action as quickly as the court system will allow; (2) the attorney or law firm will provide monthly status reports, in writing, describing at a minimum the following: (a) the work that was completed in the last month, (b) the time, in hours and minutes, incurred by each attorney or billable staff member in the last month broken down by time entry, person performing the work, and a description of each time entry, (c) the costs incurred by the attorneys and any experts in the prior month, (d) a running tally of all costs and time, by attorney and staff member, since the beginning of the action updated monthly, (e) a list of what is needed to move the action toward resolution, (f) the projected dates for each action that is needed to move the action toward

resolution, (g) an explanation of why any projected action cannot be completed immediately; (3) the attorney or law firm will provide an opinion letter regarding the Association's claims prior to commencing any action that will, at a minimum, explain each claim, cite the law supporting the claim, cite the facts supporting the claim, provide an application of the law to the facts and analysis of each claim, cite any potential defenses or weaknesses to any claim including an analysis of each potential defense or weakness, an opinion of the lawyer or law firm as to the Association's likelihood of success on each claim, an analysis of potential damages including citations to the law and facts supporting that analysis, and an opinion of the lawyer or law firm on the damages the Association would likely be awarded for each claim, (4) a requirement that the Association be permitted to terminate the engagement of the law firm or attorney at any time with no requirement to pay any attorney fees incurred under a contingency arrangement up to that date if, in the Association's sole discretion, (a) the attorney or law firm is not prosecuting the action as rapidly as the court system will allow, (b) the burden of the action on the Owners through the inability to sell or refinance, through costs, or through any disruption to the operations of the Association is not worth the continuation of the action, (c) the Association determines, at any time, that the legal and factual risks associated with the action are such that the action should not be pursued further, (d) the law firm or attorney fails to keep the Association informed as to the course of the action and effect of proceedings on the likelihood of success, including any failure to provide required monthly reports.

12.17.5.10 The existence of procedures and/or requirements in this section applicable to claims against the Declarant, the builder and/or contractors that are barred or limited in other provisions of this Declaration shall not be construed as permitting any such claims or as contradictory to a prohibition or limit on such claims in other provisions in this Declaration. The procedures and requirements to assert a claim (including but not limited to the right to cure requirements, the meeting and Owner approval requirements, the mediation requirement, and the arbitration requirements) that is prohibited by this Declaration are provided solely in case any such claim is permitted by law notwithstanding the terms of this Declaration.

12.17.5.11 Prior to engaging any lawyer or firm to represent the Association related to any litigation described in this section, the Association shall obtain independent counsel to review the engagement letter governing that representation and advise the Association to ensure that the requirements in this Declaration are satisfied related to that engagement. The Association shall continue the representation of independent counsel to monitor the representation by that counsel and to ensure that any proceeding is prosecuted diligently, competently, and consistent with the requirements of the engagement letter and this Declaration.

ARTICLE XIII
Architectural Standards and Review Committees

13.1 Architectural Control Committee.

13.1.1 Organization. There is hereby established a Design Review Committee (herein sometimes referred to as the "***DRC***"). The DRC shall be composed of three persons who

will be appointed by the Board. Members of the DRC need not be Members of the Association. The DRC may from time to time designate any one of its members to act in its stead. After the Period of Administrative Control a majority of the persons serving on the DRC must be Owners. All such persons serving on the DRC serve at the discretion of the Board. All decisions of the DRC are subject to review and modification by the Board except as herein otherwise expressly provided, including specifically the right of any Owner to appeal any decision of the committee to the Board as provided in the Bylaws. In the event of the death or resignation of any person serving on the DRC, the Board shall designate a successor or successors who will have all of the authority and power of his or their predecessor(s). Until such successor has been appointed, the remaining member or members have full authority to exercise all rights, duties and powers of the DRC. The DRC shall keep the Board informed as to its activities on a continuing basis, and shall submit a written report to the Board regarding same semi-annually or as otherwise required by the Board.

13.1.2 Jurisdiction. The DRC has exclusive jurisdiction on behalf of the Association regarding: (a) implementation of all provisions of this Article XIII; and (b) promulgation of all Architectural Guidelines pertaining to the development and construction of Improvements within the Community.

13.1.3 Compensation. No person serving on the DRC is entitled to compensation for services performed; provided, the DRC may employ one or more architects, engineers, attorneys or other consultants to assist the DRC in carrying out its duties, and the Association shall pay such consultants for services rendered. Members of the DRC may also be reimbursed for reasonable expenses in such manner and amounts as may be approved by the Board.

13.2 Submission of Plans Required. No Regulated Modification may be commenced, constructed, erected, placed, maintained or made upon any Unit or within or upon any part of the Community unless and until complete plans and specifications have been submitted to and approved in writing by the DRC, as applicable, as to compliance with applicable Architectural Review Criteria as set forth in Section 13.5. Two complete sets of plans and specifications must be submitted with each request for approval. In addition to any other applicable requirements per applicable Architectural Guidelines, any plans and specifications to be submitted must specify, in such detail and form as the DRC may reasonably require:

(a) the location upon the Unit or within the Community where the Regulated Modification will occur or be placed;

(b) the dimensions, nature, kind, shape, height, and color scheme of, and all materials to be used in connection with, the Regulated Modification;

(c) appropriate information concerning structural, mechanical, electrical, plumbing, grading, paving, decking and landscaping details;

(d) intended uses; and

(e) such other information, plans or specifications as may be requested or required by the DRC that in the sole opinion of the DRC is reasonably necessary to fairly and fully evaluate all aspects of the proposed Regulated Modification.

13.3 Architectural Guidelines. The Board or the DRC, subject to Board approval, may, from time to time, effective immediately, adopt, modify, amend and repeal such reasonable Architectural Guidelines applicable to the Community, including Units and any Common Area. Such authority includes, but is not limited to, the right to specify:

(a) specific procedural guidelines for submission of requests for, and plans, specifications and other information and documentation necessary to obtain, DRC approval, and procedural requirements for the conducting of all activities necessary to accomplish same;

(b) the amount and manner of payment of any fees or charges reasonably anticipated to cover administrative costs, fees for architectural, engineering, construction, legal or other expert advice or consultation, and all other costs and expenses in connection with review and evaluation of an application (such costs and expenses herein referred to as the "***Architectural Review Fee***");

(c) specific types of Regulated Modifications which may be commenced, constructed, erected or maintained upon any Unit or anywhere within the Community;

(d) a limited number of acceptable exterior materials and finishes that may be utilized in construction or repair of a Regulated Modification;

(e) minimum setbacks;

(f) the location, height, and extent of fences, walls or other screening devices, walks, decks, patios or courtyards;

(g) the orientation of structures and landscaping with respect to streets, walks, driveways and structures on adjacent properties; and

(h) in general, all requirements reasonably deemed necessary to maximize compliance with Architectural Guidelines as set forth in Section 13.8.

WITHOUT LIMITING THE GENERALITY OF THE PRECEDING SENTENCE, THE ARCHITECTURAL GUIDELINES MAY PROVIDE FOR A FINE OF UP TO $10,000.00 AGAINST ANY OWNER AND UNIT SUBJECT TO THIS DECLARATION FOR FAILURE TO OBTAIN REQUIRED APPROVAL FROM THE DRC OR FOR FAILURE TO COMPLY WITH ANY APPROVAL OF THE DRC, OR MAY REQUIRE A SECURITY DEPOSIT TO ASSURE COMPLIANCE WITH APPLICABLE REQUIREMENTS.

13.4 Manner and Effect of Adoption of Architectural Guidelines. The Association shall make Architectural Guidelines available to Owners upon request. Architectural Guidelines may also be (but are not required to be) filed in the Official Public Records of Utah County, Utah. Architectural Guidelines are of equal dignity with, and shall be enforceable in the same manner as, other provisions of this Declaration, provided: (a) such Architectural Guidelines shall not be deemed a waiver, modification, or repeal of any of the provisions of this Declaration; (b) such Architectural Guidelines shall not be enacted retroactively except that all repairs, modifications or maintenance performed subsequent to adoption shall be performed in such manner as to bring the Regulated Modification, so far as practicable, in compliance with all then

applicable Architectural Guidelines; and (c) such Architectural Guidelines shall not conflict with this Declaration.

13.5 Architectural Review Criteria. The DRC will evaluate all submitted applications for approval on the individual merits of the particular application, and based on evaluation of the compatibility of the proposed Regulated Modification with Community-Wide Standards as of the date of submission of an application and compliance with applicable Governing Documents, including this Declaration and applicable Architectural Guidelines and other Rules and Regulations. The DRC must use reasonable efforts to achieve consistency in the approval or disapproval of specific types of Regulated Modifications. To this end, consideration will be given to (but the DRC is not bound by) similar applications for architectural approval and the decisions and actions of the DRC with regard thereto. The DRC shall be subject to the limitations and conditions placed upon the Board and the Association regarding Rules and Regulations as set forth in Section 11.3 of this Declaration regarding the adoption, amendment, modification, cancelation, limitation, creation of exceptions to, expansion, or enforcement of Architectural Guidelines and the review criteria.

13.6 Disapproval by DRC. It is understood and agreed by each Person having or acquiring an interest in the Community that the DRC will include aesthetic judgment in its decision making process, and approval of submitted plans will not be required simply because the plans satisfy stated objective requirements. The DRC may disapprove any request for approval for any reasons, including the following: (i) failure to comply with any applicable Architectural Review Criteria as set forth in Section 13.8; (ii) lack of sufficient information, plans or specifications as reasonably determined by the DRC to enable the DRC to fairly and fully evaluate the proposed Regulated Modification or the uses thereof; or (iii) failure to include any information, plans or specifications required by applicable Governing Documents, or as may be reasonably requested by the DRC. In the event of disapproval, the DRC shall so notify the applicant in writing; and if disapproval is based on lack of sufficient information, plans or specifications, then the DRC shall also notify applicant of the additional information, plans or specifications required.

13.7 Approval and Conditional Approval by DRC.

13.7.1 Manner. The DRC may fully approve any request for approval or approve any such request subject to compliance with conditions stated in a conditional approval. Conditions for approval may include, without limitation, requirements for modifications to plans and specifications such as upgrading or other changes as to materials or changes as to color or design or location, or requirements for addition of other improvements such as sight barrier landscaping or other devices to screen a proposed Regulated Modification from Public View. A conditional approval is effective only upon full compliance with the stated condition(s). The DRC shall notify the applicant in writing of such approval (together with any qualifications or conditions of approval).

13.7.2 Effect. Except for fraud, misrepresentation, accident or mistake, the DRC's approval or conditional approval is final as to each Regulated Modification covered thereby, and may not be revoked or rescinded once given except as stated in Section 13.7.1 regarding conditional approvals. Except as to compliance with this Article XIII, the DRC's

approval or conditional approval of an application does not constitute a waiver, modification or repeal of any Covenant contained in this Declaration or other Governing Documents, or preclude by estoppel or otherwise full enforcement of all provisions hereof. The DRC's approval or conditional approval of an application may not be deemed a waiver of the right of the DRC to subsequently disapprove similar requests for approval, or any of the features or elements included therein.

13.8 Submission and Response; Failure of DRC to Act.

13.8.1 Submission and Response. Applications for DRC approval are deemed submitted to the DRC only upon actual receipt. All responses by the DRC shall be in writing, and are deemed given when delivered to, or when deposited in the United States mail, postage prepaid and addressed to, the applicant at the address specified in the application or the last known address of the applicant according to the records of the Association. The DRC has no duty to respond to, and the provisions of this Section do not apply regarding, any application if the Person(s) identified in the application do not appear as Members or Owners according to the books and records of the Association unless and until receipt of such confirmation of ownership as is satisfactory in the sole opinion of the DRC. Lessees/Occupants shall file applications or requests for variance in the name of the Owner, and such Owner shall either appoint the Lessee/Occupant as their agent in a letter to the DRC or join the application. Where more than one Owner applies for approval, the delivery or mailing of a response to any one of the Owners as aforesaid constitutes notice to all such Owners.

13.8.2 Failure to Respond. In the event the DRC fails to approve, conditionally approve or disapprove an application or fails to request additional information and/or documentation reasonably required within sixty (60) days after receipt of the application, then the application shall be deemed denied.

13.9 Variances. In the event an Owner is denied approval for a Regulated Modification by the DRC, within ten (10) calendar days after denial the Owner may apply for a variance from the DRC's decision with the Board. Failure of an Owner to timely apply for a variance shall be deemed a waiver of the Owner's right to seek a variance. Applications for variances are deemed submitted to the Board only upon actual receipt. The Board may grant specific variances to Architectural Guidelines and to any architectural or use restrictions set forth in this Declaration upon specific findings of compliance with the grounds for granting of a variance as set forth hereafter. The Board may grant a variance only in writing and only with respect to specific instances upon written request therefor, is not binding with respect to any other request for a variance whether or not similar in nature, and does not constitute a waiver, modification or repeal of any of the provisions of this Declaration or other Governing Documents except for the limited purpose of and to the extent of the specific variance expressly granted. The Board may grant a variance only upon specific findings that the variance is necessary due to unusual circumstances that are reasonably beyond the control of the applicant to mitigate or rectify, and that the granting of a specific variance will not materially and adversely affect the architectural, aesthetic or environmental integrity of the Community or the scheme of development therein. The Board's decision to grant or deny an application for a variance is final. In the event the Board fails to approve, conditionally approve or deny a request for a variance or to request additional information and/or documentation reasonably required within sixty (60)

days after receipt of the request for a variance, then the request for a variance shall be deemed denied.

13.10. Implied Conditions of Approval.

13.10.1 Applicability. Unless expressly waived or modified by the DRC (or the Board as to variances) in writing, each and every approval or conditional approval of a Regulated Modification is subject to all provisions of this Article XIII whether or not stated in the approval or conditional approval.

13.10.2 Commencement and Completion of Work. Approval of an application for a Regulated Modification is effective for one (1) year from the date of approval or grant of a variance. If work on a Regulated Modification is not commenced within one (1) year after approval or conditional approval or grant of a variance, such approval or grant will become null and void and the Owner must submit a new application and obtain a new approval for the Regulated Modification. Prior approval of a Regulated Modification shall not bind the DRC or the Board or require the DRC or the Board to approve a re-submitted application for the same Regulated Modification. Upon commencement, the Owner must diligently prosecute and complete all work as soon thereafter as reasonably possible. The DRC (or the Board as to variances) is authorized to set specific schedules for completion of a Regulation Modification on a case-by-case basis and/or pursuant to applicable Architectural Guidelines.

13.10.3 New Construction Materials Required. Only new construction materials may be used in construction of any Regulated Modification except as otherwise approved by the DRC (such as the use of used brick). Any Regulated Modification shall be done in good and workmanlike manner using licensed contractors.

13.10.4 Compliance With Plans. All work on a Regulated Modification must proceed in strict compliance with: (i) the application and plans and specifications approved by the DRC (or variance granted by the Board), (ii) any and all conditions stated by the DRC (or the Board as to variances) in the approval, (iii) any and all applicable governmental laws, rules, regulations, ordinances, and building codes, and (iv) all applicable Governing Documents.

13.10.5 Permit Requirements. Each Owner is solely responsible for full compliance with all permitting requirements of all governmental agencies having jurisdiction, and shall apply for and diligently pursue obtaining of all required permits promptly after approval or conditional approval is received. Without limitation of the foregoing, the DRC may deny approval pending, or conditional approval upon, prior compliance with applicable permitting requirements or upon receipt of certification satisfactory to the DRC that no such permitting requirements exist.

13.10.6 Compliance With Laws and Governing Documents. Each applicant is solely responsible for insuring that (and nothing in the Governing Documents or any written decision of the DRC (or the Board as to variances) shall be construed as a covenant, representation, guaranty or warranty that) any proposed Regulated Modification will be in compliance with applicable governmental laws, ordinances or regulations (including building codes or permit or licensing requirements), or with applicable requirements of the Governing

Documents except as provided in Section 13.7.2.

13.11. Inspection Rights. Upon reasonable notice (oral or written), any member of the DRC or the Board, or their designated representatives, may enter a Unit without liability for trespass or otherwise for purposes of inspecting work in progress and/or as to completion of any Regulated Modification in compliance with the approved plans, specifications, information and documentation for same, and as to compliance with any applicable provisions of the Governing Documents.

13.12. Records. The DRC is not required to maintain records of any of its meetings. The DRC and the Board, however, must keep and maintain records evidencing their respective final decision(s) regarding all requests for approval and requests for variance for not less than four years. The DRC must also maintain a record of all current Architectural Guidelines, and must provide copies to Owners upon request.

13.13. Limitation of Liability. Neither Declarant, the Association, the Board, the DRC, nor their respective Related Parties, are liable to any Owner, Lessee, Occupant, or any of their Related Parties, or to any other Person for any actions or failure to act or in connection with any approval, conditional approval or disapproval of any application for approval or request for variance, including without limitation, mistakes in judgment, negligence, malfeasance, or nonfeasance. No approval or conditional approval of an application or related plans or specifications and no publication of Architectural Guidelines may ever be construed as representing or implying that, or as a covenant, representation, warranty or guaranty that, if followed, the Regulated Modification will comply with applicable legal requirements, or as to any matters relating to the health, safety, workmanship, quality or suitability for any purpose of the Regulated Modification. The provisions hereof are cumulative of the provisions of Section 15.15.

13.14. Limitation of Applicability; Amendment. None of the provisions of this Article XIII apply to any activities of Declarant or the Association.

ARTICLE XIV
Architectural and Use Restrictions

14.1 Signs.

14.1.1 General. No signs, billboards, posters, banners, pennants or advertising devices of any kind, including without limitation business, professional, promotional or institutional signs, are permitted on any Unit or within any Unit if in Public View, or within or upon any portion of the Community without the prior written consent of the DRC except as otherwise provided in this Section. The Board or DRC may remove or cause to be removed any sign, billboard, poster, banner, pennant or advertising device of any kind which is not approved as aforesaid or is otherwise prohibited under this Declaration or other Governing Documents and may dispose of same as debris without liability for trespass or otherwise.

14.1.2 Prohibited Signs. No sign is permitted which is vulgar, obscene or otherwise patently offensive to persons of ordinary sensibilities. Permitted signs must be professionally printed and prepared, and must be properly installed and maintained, to avoid unsightly appearance. The good faith determination of the Board or DRC as to any of the foregoing is final. No sign is permitted to be larger than four square feet. No sign may be illuminated. No sign may be placed on any Common Area closer than ten feet from any street or any side or back lot line, or within any traffic sight line area as defined in Section 14.16. No Owner (or their tenants, guests or invitees) is permitted to place any sign on another Owner's Unit or upon any Common Area. Distressed, foreclosures and bankruptcy references are specifically prohibited.

14.1.3 Permitted Signs. To the extent required by law or in any event upon prior approval of the DRC, but subject to applicable provisions of Section 14.1.2 above, each Owner is permitted to place upon (and only upon) such Owner's Unit or upon the lawn/landscaping within the Common Area immediately in front of such Owner's Unit (i) one sign advertising the particular Unit on which the sign is located for sale or for rent, (ii) "political signs" whereby such Owner is promoting a political candidate, party or issue, (iii) "school" signs at the discretion of the Board and (iv) security monitoring signs. The DRC may reasonably regulate the period(s) of time political signs may be permitted, and the number of permitted political signs and in relationship thereto their size and location. The Declarant may construct, place, install, and maintain such signs, billboards, banners, pennants, and advertising devices as are customary in connection with the sale of newly constructed residential dwellings.

14.2 Parking, Garages and Prohibited Vehicles.

14.2.1 Parking/Garages. No garage shall be enclosed, modified or otherwise used so as to reduce its capacity for parking vehicles below that originally approved by the DRC, nor may any portion of a garage be diverted to any use other than the parking of vehicles and other generally accepted and customary uses of a garage. Garages may not be used for general storage and must accommodate, in addition to any belongings, the number of automobiles designed for the garage (i.e., two-car garage will accommodate two automobiles). In particular, but not in limitation of the foregoing, no portion of any garage may be used as a residence or as living quarters. Notwithstanding the foregoing, however, Declarant may temporarily convert a garage into a sales or construction office, provided that it is converted back to a garage within thirty (30) days after cessation of construction and sale of new homes within the Community by Declarant. All vehicles must be parked within the garage for a Unit or temporarily on the driveway servicing the Unit. No vehicles of any kind may be parked on the streets (public or private) within the Community.

14.2.2 Prohibited Vehicles. Commercial vehicles, vehicles with commercial writing on their exteriors (except those of a size to be parked in a home's garage), vehicles primarily used or designed for commercial purposes, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, boats and other watercraft, and boat trailers shall be parked only in enclosed garages or areas, if any, designated by the Board or by the Association, if any, having jurisdiction over parking areas within a particular Community. Stored vehicles and vehicles which are either obviously inoperable or do not have current operating licenses shall not be permitted on the Community except within

enclosed garages. Notwithstanding the foregoing, vehicles that become inoperable while on the Community must be removed within seventy-two (72) hours thereof. For purposes of this Section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior approval of the Board. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Community during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Unit or the Common Area. Any vehicle parked in violation of this Section or parking rules promulgated by the Board may be towed in accordance with the Bylaws.

14.3 Occupants Bound. All provisions of this Declaration or any other Governing Documents which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Related Parties of any Owner. Each Owner shall comply, and shall cause all of such Owner's Related Parties to comply, with this Declaration and the other Governing Documents, and shall be responsible for all violations thereof and/or all damage or loss to the Association caused by such occupants, notwithstanding the fact that such Related Parties are fully liable and may be sanctioned for any violation of this Declaration or the other Governing Documents. Any failure in compliance shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Unit Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration or the other Governing Documents.

14.4 Animals and Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Community, except that dogs, cats, or other usual and common household pets, not to exceed the number as may be permitted in a Unit pursuant to the laws, codes, and ordinances of the Municipal Authority. However, those pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health of safety of persons, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Units or the owner of any portion of the Community shall be removed upon request of the Board; if the Owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs shall at all times whenever they are outside a Unit be confined on a leash held by a responsible person or attached to a secured pole or other fixed Improvement.

14.5 Quiet Enjoyment; Nuisances. No portion of the Community shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any portion of the Community that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might unreasonably disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. Noise typically associated with ball fields and recreational centers, normal amounts of dogs barking and children playing are not prohibited.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Community, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Community. There shall not be

maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Community. No speaker, horn, whistle, bell or other sound device, except alarm devices used exclusively for security purposes, shall be installed or operated on any Unit. The use and discharge of firecrackers and other fireworks is prohibited within the Community.

14.6 Unsightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Community. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform repair work shall be permitted provided such activities are not conducted on a regular or frequent basis, and are either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within twelve (12) hours.

14.7 Antenna and Satellite Dish Systems. No exterior antennae, aerials, satellite dish receivers or other devices designed to transmit or receive television, radio, satellite or other signals of any kind shall be placed, allowed or maintained upon a Visible Location unless a Visible Location is the only location on a Unit where signals may be received or transmitted without substantial interference with reception. If a Visible Location is the only location on a Unit where signals may be received or transmitted without substantial interference with reception, such a device may be placed in a Visible Location approved by the DRC, which approval shall not be unreasonably withheld. The DRC may require screening of any device placed in a Visible Location, unless such screening (i) unreasonably delays installation or unreasonably increases the cost of installation, maintenance or use of the antenna, or (ii) precludes reception of an acceptable quality signal. To the extent permitted by the Telecommunications Act of 1996, as amended from time to time (the "***Telecommunications Act***"), without DRC approval: (a) no direct broadcast satellite dish or multipoint distribution service antenna larger than one (1) meter in diameter will be allowed on a Unit, (b) no television broadcast antenna mast may extend above the height of the center ridge of the roof of the residence on the Unit, and (c) no multipoint distribution service antenna mast may exceed the height of twelve feet (12') above the center ridge of the roof. This Section 14.7 shall be interpreted to be as restrictive as possible, while at all times complying with the provisions of the Telecommunications Act. Terms used in this Section 14.7, shall be deemed to have the meanings set forth in the Over-The-Air Reception Devices Rule ("***OTARD***") promulgated under the Telecommunications Act or other rules and regulations promulgated pursuant thereto, and where OTARD, the Telecommunications Act, or any other rule or regulation promulgated thereunder requires the DRC to act reasonably, or respond promptly, such obligation shall be deemed a part of the DRC's obligations under this provision. In the event of an amendment to the Telecommunications Act which conflicts with this provision, the conflicting provision herein automatically shall be deemed deleted, and Declarant, without the joiner of any other Owner(s), may amend this provision so as to comply with the amended Telecommunications Act.

14.8 Clotheslines, Garbage Cans, Tanks, Etc. No clotheslines shall be erected or installed in a Visible Location and no clothing, linens or other material shall be aired or dried in a Visible Location. All garbage cans, above-ground storage tanks, mechanical equipment, woodpiles, yard equipment and other similar items on Units shall be located or screened so as to be concealed from Public View. The Owners shall place all rubbish, trash, and garbage in rat-proof garbage cans or containers, which will be stored inside each Unit (such as in the garage), and shall cause such garbage cans or containers to be placed on the curb or other area for pick-up/emptying when the garbage is scheduled to be picked-up and emptied; garbage cans are to be returned to the "inside" by 6:00 pm the day of trash pick-up. In the event the City of Provo, Utah, or the applicable governmental entity will only pick-up and empty dumpsters servicing the Community, each Owner shall cause any rubbish, trash and garbage to be regularly deposited in the dumpsters servicing the Community.

14.9 Subdivision of Unit and Time Sharing. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board. Declarant, however, hereby expressly reserves the right to replat any Unit or Units owned by Declarant without Board approval. No division, boundary line change, or replatting shall violate applicable subdivision or zoning regulations. No Unit shall be made subject to any type of timesharing, fraction-sharing or similar program whereby the right to exclusive use of the Unit rotates among members of the program on a fixed or floating time schedule over a period of years, except that Declarant hereby reserves the right for Declarant and its assigns to operate such a program with respect to Units which it owns.

14.10 Firearms. The discharge of firearms within the Community is prohibited. The term "firearms" includes "B-B" guns, pellet guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the Bylaws, the Association shall not be obligated to take action to enforce this Section.

14.11 Pools. No swimming pools shall be erected, constructed or installed on any Unit or on any Common Area adjacent to a Unit, except as part of the amenities provided by the Association to the Community.

14.12 Irrigation. No sprinkler or irrigation systems of any type which draw upon water from creeks, streams, rivers, lakes, ponds, canals or other ground or surface waters within the Community shall be installed, constructed or operated within the Community, except that the Association shall have the right to draw water from such sources for the purpose of irrigating the Common Area. All sprinkler and irrigation systems serving Units shall draw upon public water supplies only and shall be subject to approval in accordance with Article XIII of this Declaration. Private irrigation wells are prohibited within the Community. This Section 14.12 shall not apply to Declarant or its activities within the Community.

14.13 Tents, Mobile Homes and Temporary Structures. Except as may be permitted by Declarant or the DRC during initial construction within the Community and except as set forth in Article XVII, no tent, shack, mobile home, or other structure of a temporary nature shall be placed upon a Unit or any part of the Community. The foregoing prohibition shall not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Unit, provided it receives the prior approval of the DRC, as

appropriate, in accordance with Article XIII hereof. In addition, party tents or similar temporary structures may be erected for a limited period of time for special events with prior written approval of the Board.

14.14 Drainage and Septic Systems. Catch basins, drainage swales, and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Person other than Declarant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains. No Owner may interfere with the established drainage pattern over any part of the Community unless adequate provision is made for property drainage and is approved in advance by the DRC. Established drainage shall mean and refer to the drainage which exists at the time the overall grading and development of the Community is completed by Declarant. Septic tanks and drain fields, other than those installed by or with the consent of Declarant, are prohibited within the Community. No Owner or its Related Parties shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances, in any storm drain, drainage ditch, stream, pond or lake within the Community.

14.15 Tree Removal. No trees shall be removed, except for diseased or dead trees and trees needing to be removed to promote the growth of other trees or for safety reasons, unless approved in accordance with Article XIII of this Declaration. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more comparable trees of such size and number, and in such locations, as such committee may determine necessary in its sole discretion, to mitigate the damage.

14.16 Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, or shrub planting shall be placed or permitted to remain where it would create a traffic or sight problem.

14.17 Air Conditioning Units. There shall not be installed or operated in any Unit any window mounted air-conditioning or heating units.

14.18 Lighting. Except for traditional holiday decorative lights located on the exterior roof line or around windows of a Residence, which may be displayed for two (2) months prior to and one (1) month after any commonly recognized holiday for which such lights are traditionally displayed, all exterior lights must be approved in accordance with Article XIII of this Declaration. No holiday decorative lights are permitted on the roof of any Residence or on the landscaping or lawn within the Common Area in front of or adjacent to any Unit without the prior approval of the DRC.

14.19 Artificial Vegetation, Exterior Sculpture, and Similar Items. No artificial vegetation or permanent flagpoles shall be permitted in a Visible Location on a Unit. No exterior sculpture, holiday displays, fountains, flags and temporary flagpoles (except on traditional flag flying holidays such as the 4th of July and Memorial Day), birdhouses, birdbaths, other decorative embellishments or similar items shall be permitted on any Unit or on any Common Area adjacent to a Unit unless approved in accordance with Article XIII of this Declaration.

14.20 Energy Conservation Equipment. No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any Unit unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the appropriate committee pursuant to Article XIII hereof. No windmills, wind generators or other apparatus for generating power from the wind shall be erected or installed on any Unit unless approved pursuant to Article XIII.

14.21 Playground. No jungle gyms, trampolines, basketball standards, sport courts, tennis courts, swing sets, club houses, or similar playground equipment shall be erected or installed on the Common Area adjacent to any Unit, except as installed by Declarant.

14.22 Fences/Walls. No hedges, walls, dog runs, animal pens or fences of any kind shall be permitted on any Unit or within the Common Area adjacent to any Unit, except as approved in accordance with Article XIII of this Declaration.

14.23 Patios, Barbeques, Hot-tubs. Owners, at their sole cost and expense, may install patios, decks, hot tubs, fixed barbeque equipment (i.e., not readily mobile), and other such outdoor improvements ("***Patio Improvements***") on their Parcel or Limited Common Area appurtenant to their respective Unit, in accordance with the following requirements:

14.23.1 The Owner shall submit an application to the Board requesting that a portion of the Common Area adjacent to the Unit be converted from Common Area to Limited Common Area. The application shall include a plan showing the exact location of the Limited Common Area and a description of the proposed Patio Improvements to be placed thereon.

14.23.2 The Owner shall be solely responsible for all costs and expenses associated with or relating to such Patio Improvements, including, without limitation, all costs and expenses of installation, design, permits, construction, maintenance, repair, and replacement thereof, and the Limited Common Area and the Patio Improvements shall otherwise be considered part of the Unit for purposes of maintenance, repair, reconstruction, and insurance.

14.23.3 The Owner shall obtain the required approvals from the DRC and comply with the requirements of Article XIII; provided, however, that the DRC may only withhold approval for installation of Patio Improvements if:

(a) The DRC has reason to believe that the Limited Common Area, patio, deck or other supporting structure will not support the size or weight of the Patio Improvements. If the DRC has such concerns, the Owner may overcome the same and obtain approval if the Owner, at the Owner's sole cost and expense, obtains and submits to the committee a written opinion from a licensed structural engineer providing the DRC with reasonably satisfactory assurances that the Limited Common Area, patio, deck or other supporting structure will structurally support the proposed Patio Improvements;

(b) The proposed Patio Improvements has a color scheme that detracts from and is not reasonably consistent with the appearance and colors of the exteriors of the Units in the Community;

(c) The size of the proposed Patio Improvements is unusually large for the proposed location, such that it detracts from the consistency and aesthetic visual appeal of the Community; or

(d) The risk of damage or harm to person or property.

14.23.4 The Owner shall be responsible for ensuring that the patio, deck or other limited common area on which the proposed Improvement will be located will structurally support the proposed Improvement, and that the proposed Improvement will not jeopardize the structural integrity of the Limited Common Area or the Unit.

14.23.5 The Owner shall indemnify, hold harmless, and agree to defend the Association, and Declarant from and against any and all claims or liabilities arising from or relating to the installation, use, repair, removal or any other use of the Patio Improvements.

14.23.6 The Owner, at its sole cost and expense, shall obtain and maintain adequate and appropriate insurance coverage relating to the Patio Improvements. The Association shall not have any responsibility to obtain any form of insurance coverage relating to the Patio Improvements.

14.23.7 If the Owner removes the Patio Improvements, the Owner shall be responsible for all costs of removal. The Owner shall restore the Limited Common Area or the Unit on which the Patio Improvements were located to its original condition, and shall pay for all costs and expenses relating to such restoration.

14.24 Chimneys. All wood, pellet or coal burning fireplaces, stoves, chimneys or similar devices will be equipped with appropriate spark screens as approved by the DRC and the Municipal Authorities and shall comply with all applicable laws.

14.25 Use.

14.25.1 General. The Community shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for Declarant or the Association). The Association may impose more stringent use prohibitions and standards within the Community. The Association, acting through its Board, shall have standing and the power to enforce such standards. Except for uses by Declarant or the Association, as described in the preceding sentences, each and every Unit is hereby restricted to residential use only. All Units shall comply with the applicable zoning and land use laws, including restrictions that may restrict the use as a single family dwelling, as such term may be defined by the applicable ordinances of the Municipal Authority.

14.25.2 No Business, Professional, Commercial or Manufacturing Use. No business, professional, commercial or manufacturing use may be made of any Unit or any improvement located thereon, even though such business, professional, commercial or manufacturing use be subordinate or incident to use of the Unit as a residence, and regardless of whether or not done for profit or remuneration. Notwithstanding the foregoing, an Owner or

Owner's Related Parties residing in a Unit may conduct business activities within the Unit so long as:

(a) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit;

(b) the business activity conforms to all zoning requirements for the Unit;

(c) the business activity does not involve persons coming onto the Community or the Unit or door-to-door solicitation of residents of the Community; and

(d) the business activity is consistent with the residential character of the Community and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board.

14.25.3 Residential Use Only. Without limitation of the foregoing, as used herein the term "residential use" shall be construed to prohibit the use of any Unit or the residence thereon for operation of a boarding or rooming house or residence for transients, or the use of any garage or permitted outbuilding as an apartment or residential living quarters.

14.25.4 Maximum Occupancy. In addition to the limitations above set forth, in no event may a Unit be occupied by more persons than permitted by applicable law.

14.25.5 Additional Standards and Regulations. The Association, acting through the Board, shall have authority to make and to enforce additional Rules and Regulations governing the use of Units within the Community. Such Rules and Regulations shall be binding upon all Owners and their Related Parties until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of both Members representing a majority of the total Class "A" votes in the Association and by the Class "B" Member, so long as such membership shall exist.

14.26 On-Site Fuel Storage. No on-site storage of gasoline, heating or other fuels shall be permitted on any part of the Community except that up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment.

14.27 Golf Carts/ATVs/Motorbikes. No gasoline-powered golf carts shall be operated within the Community. All golf carts shall be powered by electricity or by similar non-combustion means. All motorcycles, trail bikes, three-wheel and four-wheel powered devices, automobiles, and two- or four-wheel drive recreational type vehicles are to be operated only on established streets and parking areas and are specifically prohibited from all other portions of the Common Area.

14.28 Leasing of Units/Restriction on Rentals. The leasing of units shall be subject to any applicable laws, including, but not limited to, the U.S. Fair Housing Act, the Act, and the ordinances of Provo City, Utah. All leases shall be in writing. The Lessee shall be subject to the

terms and conditions of this Declaration and the other Governing Documents. The Board may adopt reasonable rules regulating leasing and subleasing. Notwithstanding the above, an Owner and its Parcel shall be exempt from any restrictions on leasing as follows: (a) if the Owner is in the military, the Owner may lease its Unit for the period of the Owner's deployment, (b) any lease to the Owner's parent, child, or sibling, (c) if the Owner has been relocated by its employer for a period of no less than two (2) years, or (d) if the Owner is a trust or other entity created for estate planning purposes if the trust or other estate planning entity was created for (i) the estate of a current Owner or resident of the Unit, or (ii) the parent, child, or sibling of the current Owner or resident. The Association shall create a procedure, by rule or resolution, to determine and track the number of rentals and Units that are subject to the exclusions as described in the preceding sentences and to ensure consistent administration and enforcement of the rental restrictions. Notwithstanding the foregoing, the Association may, upon unanimous approval by all lot owners, restrict or prohibit rentals without an exception.

14.29 Laws and Ordinances. Every Owner and such Owner's Related Parties, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Unit and the Community, including any and all applicable zoning and land use laws and ordinances, and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

14.30 Unoccupied Residences. The Owner of a Unit with an unoccupied residence, including any mortgagee in possession and any mortgagee obtaining title to a Unit by foreclosure or by any deed or other arrangement in lieu of foreclosure, is liable for full observance and performance of all terms and conditions of this Declaration and all other Governing Documents, including in particular but without limitation: (i) proper maintenance of the Unit and all improvements thereon; (ii) securing of the unoccupied residence, including fastening of windows and locking of all entry and garage doors, and maintenance of appropriate curtains or other permitted window covers in order to prevent unauthorized entry or use; and (iii) such other maintenance as required to avoid an appearance of abandonment or other unsightly or unkempt appearance.

14.31 Maintenance of Utilities Required. All utility services intended to be provided to each Unit as originally constructed, including without limitation water, sewage, electric and gas services, must be maintained by the Owner at all times when a residence is occupied.

ARTICLE XV
General Provisions

15.1 Term. The covenants and restrictions of this Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association, each Owner, and their respective legal representatives, heirs, successors, and assigns, for a term of forty (40) years from the date this Declaration is Recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been Recorded within the twelve month period preceding the renewal of this Declaration, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or

terminated as specified therein.

15.2 Amendment. During the Period of Administrative Control, Declarant, acting alone, shall have the sole right to amend this Declaration. After the Period of Administrative Control, this Declaration may be amended or terminated by the affirmative vote or written consent, or any combination thereof, of Owners of Units representing sixty-seven percent (67%) of the total votes in the Association. Notwithstanding the above, after the Period of Administrative Control, any amendment concerning lot boundaries or any Owner's voting rights shall require the affirmative vote or written consent, or any combination thereof of Owners of Units representing seventy-five (75%) of the total votes in the Association, including the vote of the affected Owner. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment or termination of this Declaration must be recorded in the Official Public Records of Utah County, Utah to be effective.

If an Owner consents to any amendment to or termination of this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

15.3 Easements for Utilities, Drainage, Etc. There is hereby reserved unto Declarant, during the Period of Administrative Control, the Association, and the designees of each (which may include, without limitation, Provo, Utah, and any water district, municipal utility district or other utility), blanket easements upon, across, over, and under all of the Community for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, lakes, ponds, wetlands, drainage systems (including altering drainage and water flow), levees, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity; provided, the exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry into any Unit shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier, electric company, and natural gas supplier, easements across the Common Area for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meters and boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Community, except as may be approved by the Board or as provided by Declarant.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board shall have the right to grant such easement over the Common Area without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Community.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions of the Common Area to Provo, Utah, or to any other local, state, or federal governmental entity.

15.4 Easements to Serve Additional Property. Declarant and its duly authorized agents, representatives, and employees, as well as its successors, assigns, licensees and mortgagees, shall have and there is hereby reserved an easement over the Common Area for the purposes of enjoyment, use, access and development of any Additional Property whether or not the Additional Property is made subject to this Declaration. This easement includes but is not limited to a right of ingress and egress over the Common Area for construction of roads and for tying in and installation of utilities on the Additional Property. Declarant agrees that if the easement is exercised for permanent access to the Additional Property and such Additional Property or any portion thereof is not made subject to this Declaration, Declarant, its successors, or assigns shall enter into a reasonable agreement with the Association to share the cost of maintenance of any access roadway serving the Additional Property. Such agreement shall provide for sharing of costs based on the ratio which the number of residential dwellings on that portion of the Additional Property which is served by the easement and is not made subject to this Declaration bears to the total number of residential dwellings within the Community and on such portion of the Additional Property.

15.5 Perimeter Wall Easement. There is hereby created an affirmative easement in favor of Declarant, the Association, and their Related Parties, upon, over and across each Parcel adjacent to the perimeters boundaries of the Community (and each Parcel adjacent to public right of way or the perimeter boundaries of the Community) for reasonable ingress, egress, installation, replacement, maintenance and repair of any perimeter wall that is located along a perimeter boundary of the Community or a public right of way.

15.6 Declarant Easement. There is hereby created a nonexclusive easement for ingress and egress over, for the right to go over, under and across, and for the right to enter and remain upon, all portions of the Community, including but not limited to, the Common Area (including, but not limited to any private streets and a right of access through any guard gates, key gates or other access control points) for the purpose of enabling Declarant, and Declarant's Related Parties and their respective invitees, licensees, contractors and guests to exercise Declarant's rights and obligations hereunder, and to engage in activities reasonably related to the development, management, administration, operation, maintenance, advertisement and sale or rental of the portions of the Community and the Additional Property owned by Declarant. This easement shall be in favor of Declarant and its Related Parties and appurtenance to portions of the Community and the Additional Property owned by Declarant. The rights of access established in this Section shall be exercised so as to reasonably minimize interference with the quiet enjoyment of a Unit by its Owner or any Occupant.

15.7 Association Easement. There is hereby created a nonexclusive easement in favor of the Association for ingress and egress over the entire Community (except the interior of an occupied dwelling unit) for the purpose of enabling the Association and its contractors and Related Parties to implement the provisions of this Declaration. The rights of access established in this Section shall be exercised so as to reasonably minimize interference with the quiet enjoyment of a Unit by its Owner and any Occupant. Every Unit is also hereby subjected to a nonexclusive easement for overspray and runoff of water from any irrigation systems serving the

Common Area or Areas of Common Responsibility. Under no circumstance will the Association or any Related Part of the Association be responsible for any property damage or personal injury resulting from any overspray or from the operation of the irrigation systems serving the Common Area or Areas of Common Responsibility.

15.8 Utility Cross Easements. Each Unit shall be subject to and benefit from easements under, above and through the Unit and adjoining Units for utilities, such as, culinary water, sanitary sewer, electricity, natural gas, air conditioner lines, ventilation lines, telecommunication lines, etc. to the extent necessary for the proper construction and operation of the Units in accordance with the design and architectural style of such Units and the Community. Such utilities shall be placed within the exterior walls, party walls, attic, and/or under the foundation. Any work performed related to such utilities shall be performed by the Association and an Owner shall not have the right to modify or interfere with such utilities. The Association shall have the benefit of the easements granted herein and shall have the right to reasonably access each Unit to the extent necessary to access, inspect, install, place, repair, maintain, and remove such utilities. The Association shall repair any damage to a Unit caused by such entry and activity by the Association. The Association shall provide prior written notice to the Owner of any Unit that is subject to any work related to the installation, placement, or maintenance of any such utilities. The Association shall use good faith efforts to minimize any disturbance to the Owner's use and enjoyment of the Owner's Unit related to the installation, placement, maintenance, or removal of such utilities.

15.9 Services Easement. The Common Area shall be subject to a license granted to Provo City and other Municipal Authorities for ingress to and egress from and across the Common Areas, including any sidewalks and parking areas for the purpose of providing police, fire and emergency services.

15.10 Encroachment Easements. Each Unit shall be subject to and benefit from (a) an easement for encroachment of eaves, roof overhangs and other architectural and design features that may encroach over the vertical plane of any Unit; (b) an easement for storm water drainage from the roof and rain gutter from one Unit to another Unit and the natural drainage of water from Unit to Unit in accordance with the architectural design of the Units; and (c) an easement within party walls for utilities, electrical cables, telecommunication cables and lines, and other similar improvements that are commonly located in interior and/or exterior walls.

15.11 Access Control. The Association, or its duly delegated representative, may operate an access control system for the Community or any portion of the Community.

15.12 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

15.13 Right of Entry. In addition to any other rights set forth herein, the Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety reasons, which right may be exercised by the Board, or the Association's officers, agents, employees, or managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency

situation, entry shall only be during reasonable hours and after notice to the Owner consistent with the terms and conditions of this Declaration.

15.14 Perpetuities. Pursuant to U.C.A. § 57-8a-108, the rule against perpetuities and the rule against unreasonable restraints on alienation of real estate may not defeat a provision of this Declaration. If any of the covenants, conditions, restrictions or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England; provided, however, to the extent applicable, this Declaration is subject to the Utah Statutory Rule Against Perpetuities (U.C.A. §75-2-1201, et seq.). The covenants, conditions, restrictions, or other provisions of this Declaration shall continue the longest period permitted by applicable law.

15.15 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by Declarant (if during the Period of Administrative Control) and a vote of seventy-five percent (75%) of the Class "A" Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article XII hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it.

15.16 Cumulative Effect; Conflict. In the event of a conflict between or among this Declaration and the Governing Documents, the more restrictive covenants and restrictions shall govern.

15.17 Use of the Words "ASPEN SUMMIT AT SUNRIDGE HILLS". No Person shall use the term "***ASPEN SUMMIT AT SUNRIDGE HILLS***," "***ASPEN SUMMIT***" OR "***SUNRIDGE HILLS***" or any derivative thereof in any printed or promotional material without the prior written consent of Declarant. However, any Owner may use the terms "***ASPEN SUMMIT AT SUNRIDGE HILLS***," "***ASPEN SUMMIT***" or "***SUNRIDGE HILLS***" in printed or promotional matter where such term is used solely to specify that their particular property is located within "Aspen Summit at Sunridge Hills," "Aspen Summit" or "Sunridge Hills". The Association shall be entitled to use the terms "***ASPEN SUMMIT AT SUNRIDGE HILLS***," "***ASPEN SUMMIT***" or "***SUNRIDGE HILLS***" in its name.

15.18 Limitation of Liability; Indemnification.

15.18.1 In General. To the maximum extent permitted by the Utah Revised Nonprofit Corporation Act (U.C.A §16-6a-101, et seq.), the Association shall indemnify the following Persons against all expenses and liabilities actually incurred by such Persons in connection with a proceeding (as defined in U.C.A. §16-6a-102(37)), including but not limited to, attorney's fees, witness fees (including expert witness fees), costs, and litigation related expenses, reasonably incurred or imposed upon them in connection with any proceeding to which they may be parties, or in which they may become involved, by reason of their being or having served in those capacities on behalf of the Association (or by reason of having appointed, removed or controlled or failed to control members of the Board or the DRC), or any settlement

of any such proceeding: (i) every director and officer of the Association, (ii) every member of the DRC or other committees of the Association, (iii) Declarant and the Declarant Related Parties, and (iv) all employees of the Association. The Board further may elect to indemnify any agent of the Association. Any Person described in phrases (i), (ii), (iii) and (iv) of the first sentence of this Section shall be entitled to indemnification whether or not such Person is serving in the specified capacity at the time the expenses are incurred, and the Association shall pay or reimburse reasonable expenses incurred by any such Person who was, is or is threatened to be made a party in a proceeding, in advance of the final disposition of the proceeding, to the maximum extent permitted by the Section 16-6a-904 of the Utah Revised Nonprofit Corporation Act (as amended from time to time); provided, however, that payment or reimbursement of expenses pursuant to the procedures set forth in the Utah Revised Nonprofit Corporation Act may be conditioned upon a showing, satisfactory to the Board in its sole discretion, of the financial ability of the Person in question to make the repayment referred to in such Section. This right of indemnification shall be in addition to, and not exclusive of, all other rights to which the Person to be indemnified may be entitled at law or otherwise.

15.18.2 Non-Liability of Officials. To the fullest extent permitted by law, none of the following Persons (the "***Released Persons***") shall be liable to any Member, Owner, Lessee, Occupant, the Association or any other Person for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, inaction, omission, error, negligence or the like made in good faith and which the following Persons reasonably believed to be within the scope of their representative duties: (i) every director and officer of the Association, (ii) every member of the DRC, or other committees of the Association, (iii) Declarant and the Declarant Related Parties, and (iv) all employees of the Association. Each Owner, Occupant and other Person having any interest in the Community or entering upon or using any portion of the Community is deemed to acknowledge and accept the following:

(a) None of the Released Persons shall be liable or responsible for, or in any manner be guarantor or insurer of, the health, safety, or welfare of any Owner, Occupant or other Person entering upon or making use of any portion of the Community. Each Owner, Occupant and other Person assumes all risks associated with the use and enjoyment of the Community, including but not limited to, any recreational facilities upon or within the Community.

(b) None of the Released Persons shall be liable or responsible for any personal injury, illness or any other loss or damage caused by the presence or malfunction of any utility line, equipment or substation, adjacent to, near, over, or on the Community. Each Owner, Occupant and other Person assumes all risks of personal injury, illness or other loss or damage arising from the presence of malfunction of any utility line, equipment or substation adjacent to, near, over or on the Community.

(c) No provision of this Declaration or any other Governing Document shall be construed or interpreted as creating a duty by any of the Released Persons to protect or further the health, safety or welfare of any Person, even if funds of the Association are used for such a purpose.

15.18.3 Liability Arising From Conduct of Owners. Each Owner, Lessee, Occupant, and their respective Related Parties hereby indemnifies, holds harmless, and agrees to defend (with counsel reasonably acceptable to the indemnified party) the Declarant, the Association, and their Related Parties from and against all claims, damages, suits, judgments, court costs, attorney's fees, attachments and all other legal actions caused through the willful or negligent act or omission of an Owner, a Lessee, an Occupant, or their respective Related Parties.

15.18.4 Subsequent Statutory Authority. If any applicable law, whether state or federal, is construed or amended to further eliminate or limit liability or authorizing further indemnification than as permitted or required by this Section 15.17, then liability will be limited or expanded to the fullest extent permitted by such applicable law.

15.18.5 No Impairment. Any repeal, amendment or modification of this Section 15.17 may not adversely affect any rights or protection existing at the time of the amendment.

15.19 Request for Payoff Information. An Owner may request payoff information from the Association needed in connection with the financing, refinancing, or closing of an Owner's Parcel by: (a) providing written notice to the designated manager for the Association requesting the payoff information, which notice must contain (i) the name, telephone number, and address of the person making the request, and (ii) the facsimile number or email address for delivery of the payoff information, and (b) a written consent for the release of the payoff information, which identifies the person requesting the information as a person to whom the payoff information may be released, and signed and dated by the Owner of the Parcel for which the payoff information is requested. The Association may charge a fee associated with providing the payoff information, which fee shall not exceed the amount permitted under applicable law and shall be subject to any requirements set forth in applicable law.

15.20 Notice of Sale or Transfer of Title. In the event that any Owner desires to sell or otherwise transfer title to his or her Unit, such Owner shall give the Association at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. A "***transfer***" shall include the following: (a) a conveyance, sale, or other transfer of a lot by deed, (b) the granting of a life estate in a Unit, (c) if the Unit is owned by a limited liability company, corporation, partnership, or other business entity, the sale or transfer of more than seventy-five percent (75%) of the business entity's share, stock, membership interests, or partnership interests in a twelve (12) month period. Until such written notice is received by the Association, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Unit hereunder, including payment of assessments, notwithstanding the transfer of title to the Unit.

15.21 Notices. Any notice provided under this Declaration shall be provided in writing and sent or transmitted by one of the following means: (a) personally served, (b) sent by overnight courier by a national delivery service that maintains tracking information, or (c) sent by United States certified mail, return receipt requested, with postage prepaid; addressed to the Owner at the address provided by the Owner to the Association or to the Association at the address of the Association. An Owner may by notice at any time and from time to time

designate a different address to which notices shall be sent. Such notices, demands or declarations shall be deemed sufficiently served or delivered for all purposes hereunder when delivered or when delivery is denied if attempted to be delivered at the appropriate address. The Association may provide notice by electronic means, including text message, email, or through the Association's website; provided, however, an Owner, upon written notice to the Association, may require the Association to provide secondary notice to the Owner by First Class United States mail.

51.22 Security. The Association shall in no way be considered an insurer, guarantor, or provider of security from criminal conduct within or relating to the Project, including any Common Area that the Association may have an obligation to maintain. The Association shall not be held liable for any loss, theft, harm, or damage by reason of criminal conduct arising for any reason including any failure to provide security or any ineffectiveness of security measures undertaken. Each and every Owner or Person entering the Project acknowledges that the Association has no duty to any Owner or Occupant related to security or criminal conduct and expressly acknowledges that no duty is owed to anyone. By purchasing a Unit in this Association and/or being a member of the Association, Owners and Occupants agree that the Association and the Board are not insurers of the safety or well-being of Owners or Occupants or of their personal property as it relates to criminal conduct, and that each Owner or Occupant specifically waives any such claim and assumes all risks for loss or damage to Persons or property resulting from criminal conduct, to the extent any such damages are not covered by insurance.

ARTICLE XVI
Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Units in the Community. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

16.1 Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, therefore becoming an "***Eligible Holder***"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder or any Common Area serving the Community within which such Unit is located;

(b) any delinquency in the payment of assessments or charges owed on a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of sixty (60) days, or any other violation of this Declaration or other Governing Documents relating to such Unit or the Owner or occupant thereof which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association and covering the Unit upon which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder; or

(d) any proposed action which would require the consent of a specified percentage of Eligible Holders.

16.2 No Priority. No provision of this Declaration or the other Governing Documents gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

16.3 Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

16.4 Applicability of Article XVI. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, Bylaws, or Utah law for any of the acts set out in this Article.

16.5 [Reserved.]

16.6 Mortgagee Rights. The Board may condition the effectiveness of an Owners' actions specified in this Declaration on the approval of a specified number or percentage of Mortgagees holding a security interest in the Units within the Project; or condition the effectiveness of the Association actions specified in this Declaration on the approval of a specified number or percentage of Mortgagee's that have extended credit to the Association. Notwithstanding the foregoing, such action or condition may not: (a) deny or delegate the Owners' or the Board's control over the Association's general administrative affairs; (b) prevent the Association or Board from commencing, intervening in, or settling any litigation or proceeding; or (c) prevent an insurance trustee or the Association from receiving or distributing insurance proceeds. The Board, however, may (i) require the Association to deposit the Association's Assessments before default with the Mortgagee's assigned the income; or (ii) require the Association to increase an assessment at the Mortgagee's direction by an amount reasonably necessary to pay the loan in accordance with the loan terms.

If a Mortgagee's consent is required to amend this Declaration or the Bylaws or for another Association action, such consent is presumed to have been granted if: (a) the Association sends written notice of the proposed amendment or action by certified or registered mail to the Mortgagee's address stated in a recorded document evidencing the security interest; and (b) the person designated in a notice to receive the Mortgagee's response does not receive a response within sixty (60) days after the Association sends the notice as provided herein. If a Mortgagee's address for receiving notice is not stated in a recorded document evidencing the security interest, the Association shall use reasonable efforts to find a mailing address for the Mortgagee and may send the notice to any address obtained through such efforts. If a Mortgagee responds in writing within sixty (60) days after the Association sends notice as provided above that the security interest has been assigned or conveyed to another person, the Association shall: (i) send a notice

to the person assigned or conveyed the security interest at the address provided by the security holder in the security holder's response; or (ii) if no address is provided: (1) use reasonable efforts to find a mailing address for the person assigned or conveyed the security interest; and (2) send notice by certified or registered mail to the person at the address that the Association finds. The Association may not presume the Mortgagee's consent is obtained unless the person designated in a notice to receive the response from the person assigned or conveyed the security interest does not receive a response within sixty (60) days after the Association sends the notice.

Subject applicable law, a Mortgagee which has extended credit to an Association secured by an assignment of income or an encumbrance of the Common Area may enforce the Mortgagee's security agreement as provided in the agreement.

ARTICLE XVII
Declarant's Rights

17.1 Transfer of Rights. Any or all of the special rights and obligations of Declarant set forth in this Declaration or the other Governing Documents may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein or in the other Governing Document, as applicable, and provided further, no such transfer shall be effective unless it is in a written instrument signed by Declarant and duly recorded in the public records of Utah County, Utah. Nothing in this Declaration shall be construed to require Declarant or any successor to develop any of the Additional Property in any manner whatsoever.

17.2 Construction and Sale Activity. Notwithstanding any provisions contained in this Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant and any builder designated by Declarant to maintain and carry on upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Units, including, but not limited to, business offices, signs, model units, and sales offices, and Declarant and such designated builder(s) shall have easements for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Units owned by Declarant and any clubhouse or community center which may be owned by the Association, as models and sales offices, respectively. The Declarant shall also have the right to maintain any number and size of promotional, advertising, or directional signs, banners, or similar structures or devices at any place or places in the Project. The Declarant shall also have the right to designate by signs or otherwise any street or other parking as parking for sales only or to otherwise restrict and use any Common Area parking. The Declarant shall have the right from time to time to relocate, move, remove, or add to any of its sales offices, parking restrictions, model Units, signs, banners or similar structures or devices.

17.3 Application to Declarant. Notwithstanding anything contained in this Declaration to the contrary, none of the restrictions contained in this Declaration shall be construed or deemed to limit or prohibit any act of Declarant, Declarant's Related Parties or contractors, or parties designated by Declarant in connection with the construction, completion, sale or leasing of the Units, Common Area, the Community, or the Additional Property (whether

or not annexed under this Declaration). Without limiting the generality of this Article XVII in any way, and notwithstanding anything to the contrary contained in this Declaration, (a) Declarant is expressly exempted from the provisions of this Declaration requiring submission to or authorizations by the DRC, (b) Declarant shall have the right to erect, operate and maintain one or more administrative and sales offices on any portion of the Community owned by or leased to Declarant or the Association (including but not limited to Units), and (c) neither the provisions of Article XIII, nor the Architectural Guidelines, nor any comparable provisions in any Governing Document shall apply to Improvements built by Declarant, and any Improvements built by Declarant may have an architectural style and present general aesthetics that are quite different from the architectural style and aesthetics elsewhere in the Community or the Community.

17.4 No Recordation. So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Community without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by Declarant.

ARTICLE XVIII
HUD APPROVAL

18.1 HUD and FHA Project Approval. The Declarant and the Association desire that the Project shall become and remain an approved project by the U.S. Department of Housing and Urban Development ("***HUD***") and the Federal Housing Administration ("***FHA***"). It is acknowledged that the requirements for approval by HUD and FHA may change over time. In the event of any conflict between the terms and conditions of this Declaration and the Governing Documents and the HUD and/or FHA approval guidelines for the Project, the terms and conditions of this Declaration and the Governing Documents shall be modified to be in compliance with the then existing requirements of FHA and HUD subject to the Act and any applicable laws. In the event of any conflict between the Act (and any applicable laws), the Declaration, and any HUD and/or FHA approval guidelines, the Act (and any applicable laws) shall control and govern. Notwithstanding the above, the Declarant during the Period of Administrative Control or at least sixty-seven percent (67%) of the Owners at a meeting of the Association may modify this provision whereby the Declaration and other Government Documents shall no longer be subject to the then existing requirements of FHA and HUD.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Declarant has executed this Declaration this 19 day of May, 2016.

SGS ASSOCIATES, INC., a Utah corporation

By: _____
Name: Matthew M. Stewart
Title: V.P.

STATE OF UTAH)
) ss.
County of UTAH)

On the 19th day of May, 2016, personally appeared before me Matthew M. Stewart, known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument on behalf of SGS ASSOCIATES, INC., a Utah corporation, and who acknowledged to me that said entity executed it.

Notary Public
JUDY E. JOHNSON
Commission #673273
My Commission Expires
February 24, 2018
State of Utah

Judy E. Johnson
NOTARY PUBLIC

EXHIBIT "A"

Aspen Summit at Sunridge Hills Plat C legal

Beginning at a point that is North 00°48'49" West 1442.07 feet and West 321.66 feet from the South quarter corner of Section 8, Township 7 South, Range 3 East, Salt Lake Base and Meridian;

said point being the point of beginning and the beginning of a curve to the right, of which the radius point lies North 23°47'55" West, a radial distance of 400.00 feet; thence westerly along the arc, through a central angle of 03°19'35", a distance of 23.22 feet (Chord bears South 67°51'52" West 23.22 feet); thence South 69°31'40" West, a distance of 286.24 feet; thence North 50°38'47" East, a distance of 33.47 feet; thence North 19°48'33" East, a distance of 119.49 feet; thence North 13°50'59" East, a distance of 276.04 feet; thence North 00°23'38" East, a distance of 65.48 feet; thence North 00°53'18" East, a distance of 286.57 feet; thence South 62°04'01" East, a distance of 7.89 feet; thence North 27°55'59" East, a distance of 43.00 feet; thence North 62°04'01" West, a distance of 44.75 feet; thence along the arc of a 18.00 feet radius curve to the right through a central angle of 43°54'05" for 13.79 feet (chord bears North 40°06'59" West 13.46 feet); thence North 23°35'08" East, a distance of 57.35 feet; thence South 60°07'18" East, a distance of 147.48 feet; thence South 14°50'09" East, a distance of 69.07 feet; thence South 44°10'16" West, a distance of 33.25 feet; thence South 45°49'44" East, a distance of 120.33 feet; thence South 40°40'26" West, a distance of 43.10 feet; thence South 32°23'22" West, a distance of 57.00 feet; thence South 14°10'22" East, a distance of 56.30 feet; thence South 02°55'34" East, a distance of 152.01 feet; thence South 03°06'56" West, a distance of 129.18 feet; thence South 63°23'29" West, a distance of 66.17 feet to the point of curve of a non tangent curve; thence along the arc of the 143.50 feet radius curve to the left through a central angle of 06°54'47" for 17.31 feet (chord bears South 17°00'57" East 17.30 feet); thence South 20°28'20" East, a distance of 45.28 feet; thence along the arc of a 18.00 feet radius curve to the left through a central angle of 93°19'35" for 29.32 feet (chord bears South 67°08'08" East 26.18 feet) to the point of beginning.

Containing 139,290 square feet or 3.1976 acres, more or less. BASIS OF BEARING = STATE PLANE

EXHIBIT "A"

Aspen Summit at Sunridge Hills Plat D legal

Beginning at a point that is North 00°48'49" West 637.84 feet from the South quarter corner of Section 8, Township 7 South, Range 3 East, Salt Lake Base and Meridian;

thence North 24°58'04" West, a distance of 99.92 feet; thence North 10°23'08" West, a distance of 288.29 feet; thence South 49°33'55" West, a distance of 154.43 feet; thence North 49°29'15" West, a distance of 139.85 feet; thence North 21°28'08" West, a distance of 290.25 feet; thence South 69°31'40" West, a distance of 159.18 feet; thence North 20°28'20" West, a distance of 75.96 feet; thence North 69°31'40" East, a distance of 280.56 feet; thence along the arc of a 450.00 feet radius curve to the left through a central angle of 02°42'53" for 21.32 feet (chord bears North 68°10'14" East 21.32 feet) to the point of curve of a non tangent curve; thence along the arc of the 18.00 feet radius curve to the left through a central angle of 87°17'07" for 27.42 feet (chord bears South 23°10'14" West 24.85 feet); thence South 20°28'20" East, a distance of 50.93 feet; thence North 71°13'59" East, a distance of 139.40 feet; thence North 89°11'11" East, a distance of 166.89 feet; thence South 00°48'49" East, a distance of 733.22 feet to the point of beginning.

Containing 177,466 square feet or 4.0741 acres, more or less. BASIS OF BEARING = STATE PLANE

EXHIBIT "B"

ASPEN SUMMIT AT SUNRIDGE HILL OVERALL BOUNDARY DESCRIPTION

Beginning at a point North 2423.19 feet and West 34.36 feet from the South Quarter corner of Section 8, Township 7 South, Range 3 East, Salt Lake Base and Meridian;
thence South 0°48'49" East 1785.58 feet;
thence South 72°06'29" West 0.06 feet;
thence North 24°58'04" West 99.91 feet;
thence North 10°23'08" West 288.28 feet;
thence South 49°33'55" West 154.43 feet;
thence North 49°29'15" West 139.85 feet;
thence North 21°28'08" West 290.24 feet;
thence South 69°31'40" West 354.60 feet;
thence North 08°27'51' West 162.95 feet;
thence along the arc of a 250.00 feet radius curve to the right through a central angle of 23°52'41" for 104.19 feet (chord bears North 03°28'29" East 103.44 feet;
thence North 15°24'50" East 336.78 feet;
thence along the arc of a 316.00 feet radius curve to the left through a central angle of 19°01'47" for 104.95 feet (chord bears North 5°53'57" East 104.47 feet);
thence North 03°36'57" West 178.78 feet;
thence along arc of a 250.00 feet radius curve to the right through a central angle of 31°32'56" for 137.66 feet (chord bears North 12°09'31" East 135.93 feet);
thence North 27°55'59" East 47.77 feet;
thence along the arc of a 614.41 feet radius curve to the left through a central angle of 28°55'59" for 310.26 feet (chord bears North 13°28'00" East 306.98 feet;
thence North 01°00'00" West 75.03 feet;
thence North 00°21'46" East 13.37 feet;
thence South 79°39'20" East 381.21 feet;
thence South 89°10'45" East 27.84 feet;
thence South 42°40'17" East 23.54 feet;
thence along the arc of a 130 feet radius curve to the right (chord bears South 52°08'24" East 42.77 feet);
thence South 61°36'30" East 97.79 feet to the point of beginning.

EXHIBIT "C"
[Bylaws]