

**DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS OF
OASIS LEISURE HOMES
PHASE I,
A RESIDENTIAL SUBDIVISION**

THIS DECLARATION of Covenants, Conditions and Restrictions, hereinafter called "Declaration," is made and executed in St. George, Washington County, State of Utah, this 16 day of May, 1994, by Oasis Leisure Homes, Inc., a Utah corporation, hereinafter called "Declarant" and also signed by the State of Utah, Division of Lands and Forestry.

RECITALS

A. Declarant has a leasehold interest in and will hereafter acquire fee title to certain real property located in the City of Washington, Washington County, Utah, which is more particularly described below. Declarant's interest is vested pursuant to (i) that certain Amended Special Use Lease Agreement No. 512 (Amended Agreement 512) entered into by and between the State of Utah and Warm Springs Development Corporation and dated September 9, 1992, (ii) that certain Sublease Between Warm Springs Development, a Wyoming Corporation, and Richard Fillmore dated August 21, 1993, and (iii) that certain document making an assignment in favor of the Declarant dated February 23, 1994.

B. Declarant will convey the property subject to certain protective covenants, conditions, restrictions, reservations, liens, charges, and assessments as provided hereafter.

C. The Oasis Homeowners Association, a Utah Non-Profit Corporation, will be formed or has been formed to administer the terms of this Declaration. Owners of lots within the property described below shall be members of said Association.

D. It is the desire and intention of Declarant to convey area to the Oasis Homeowners Association.

E. Declarant intends to annex expandable land whose owners will become members of the Association and will be entitled and subject to all rights, powers, privileges, covenants, restrictions, easements, charges, and lies hereinafter set forth.

NOW, THEREFORE, Declarant hereby declares that the Declaration of Covenants, Conditions and Restrictions for the property shall provide as follows:

DECLARATION

Declarant declares that all of the property described below shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, conditions, reservations, assessments, charges, liens, including the obligations in Amended Agreement 512 and to the Official Plat Map recorded concurrently. This is for the purpose of protecting the value and desirability of said property. This Declaration and the Official Plat Map shall be construed as covenants of equitable servitude which shall run with the land and shall be

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binding all parties having any right, title, or interest in the described property, or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

The properties are located in Washington, Washington County, Utah, and are more particularly described as follows:

A RESUBDIVISION OF LOTS 3, 4, 5 AND 6 OF WARM SPRINGS TOWNHOMES PHASE 1 - AMENDED PLAT AND A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 42 SOUTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at the Southwest Corner of said Section 11; thence North 88°44'15" East 2641.16 feet along the South Section Line to the South Quarter Corner of said Section 11; thence North 00°20'26" West 975.37 feet along the center Section Line; thence South 89°39'34" West 861.20 feet to the POINT OF BEGINNING; thence South 00°27'01" West 217.33 feet; thence South 89°39'34" West 102.00 feet; thence South 00°20'26" East 112.06 feet; thence South 88°44'15" West 526.654 feet; thence North 02°21'48" East 348.81 feet; thence North 88°44'49" East 615.21 feet; thence South 00°20'26" East 20.38 feet to the Point of Beginning.
BEING THE PROPOSED PLAT OF "OASIS LEISURE HOMES PHASE I SUBDIVISION"

The properties shall also include all expandable land as more particularly described in Exhibit A attached hereto and incorporated herein.

ARTICLE I DEFINITIONS

The following definitions control in this Declaration. Words and phrases not defined in this Article shall be given their ordinary meaning.

Section 1. "Board of Trustees" shall mean and refer to the governing board of the Homeowners Association.

Section 2. "Common Area" shall mean all real property (including the improvements thereto, if any) owned by the Homeowners Association or hereafter acquired for the common use and enjoyment of the members and not dedicated for use by the general public (e.g., roads dedicated to use by the public). The Declarant may increase the common area by deeding additional property to the Homeowners Association. Specifically exempted from common area are lots and dedicated public streets which are identified on the official plat of "Oasis Leisure Homes" Phase I and/or plats prepared pursuant to Article X, as recorded on the official records of the Washington County Recorder and as the same, may hereafter be modified, amended, supplemented, or expanded in accordance with the provisions of this Declaration, or supplements to this Declaration which are to occur in conjunction with the expansion of the project. Common Area shall also include all land which the Association has an easement right in, if any.

Section 3. "Conveyance" shall mean and refer to actual conveyance of fee title to any Lot to any owner by a warranty deed or other document of title and shall also mean the execution of an installment sales contract.

Section 4. "Declarant" shall mean Oasis Leisure Homes, Inc., a Utah corporation, its successors and assigns, if such successors or assigns (1) by written agreement shall be given Declarant's rights and (2) acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions applicable to the properties, and any amendments or supplements thereto, recorded in the office of the Recorder of Washington County, State of Utah.

Section 6. "Expandable Land" shall mean and refer to those portions of land set forth in Exhibit A attached hereto and made a part hereof, which sets forth property upon which Declarant may expand the Project in one or more phases.

Section 7. "Home" shall mean and refer to any detached single-family residential dwelling constructed, or in the case of manufactured homes, placed, on a lot within the Project. Multiple family dwellings are not included in this definition and are not allowed in the Project.

Section 8. "Homeowners Association" or "Association" shall mean and refer to Oasis Leisure Homes Owners Association, its successors and assigns, a Utah nonprofit corporation.

Section 9. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties and specifically excepting Common Area and areas dedicated to the use of the general public.

Section 10. "Member" shall mean and refer to every person or entity who holds membership in the Homeowners Association.

Section 11. "Mortgagee" shall mean and refer to any person named as a first mortgagee or beneficiary, owner or holder of a first deed of trust.

Section 12. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract buyers, but excluding those having an interest merely as security for the performance of an obligation.

Section 13. "Plat" or "Plat Map" shall mean and refer to the Phase I portion of "Oasis Leisure Homes" and/or plats prepared pursuant to Article X, as recorded in the office of the County Recorder of Washington County, Utah, and as the same may hereafter be modified, amended, supplemented, or expanded in accordance with the provisions of this Declaration or supplements to this Declaration which are to occur in conjunction with the expansion of the Project as provided herein.

Section 14. "Properties," "Property" and "Project" shall mean and refer to that certain real property herein before described and such additions thereto as may hereafter be subject to this Declaration or any supplements to this Declaration which occur in conjunction with the expansion of the Project as provided herein.

Section 15. "Supplementary Declaration" shall mean and refer to any supplementary declaration of covenants, conditions, and restrictions, or similar instrument, which extends the provisions of this Declaration to all or any portion within the expandable land and containing such complimentary or amended provisions for such additional land as are herein required by this Declaration.

Section 16. "Utilities" shall mean public utilities, including, but not limited to, sewer, water, drainage, natural gas, telephone, electricity, and cable television.

**ARTICLE II
PROPERTY RIGHTS**

Section 1. Owners' Easements of Enjoyment. Every lot owner shall have a right and easement of use and enjoyment in and to the Common Area. This Easement is appurtenant to and passes with Title to every Lot, subject to the following provisions.

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area. Fees charged by the Association shall in no way affect its status as a non-profit corporation.

(b) The right of the Association, in accordance with its Articles of Incorporation and Bylaws and with the approval of two-thirds of each class of membership to borrow money for the purpose of the Common Area and in aid thereof to mortgage said property; the rights of such mortgage in said property to be subordinate to the rights of the Owners hereunder.

(c) The right of the Association to suspend the voting rights of a member and to deny said member use of any recreational facility for any period during which any assessment against his Lot remains unpaid; and for a period of not to exceed sixty days for any infraction of its published rules and regulations.

(d) With the approval of all the holders of first mortgage liens on lots, and owner approval as provided below, the right of the Association to sell, exchange, hypothecate, alienate, encumber, dedicate, release or transfer all or part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. The granting of easements for public utilities or other public purposes consistent with the intended use of such Common Area by the Association shall not be deemed a transfer within the meaning of this clause. No such dedication or transfer shall be effective unless (1) all owners consent in writing to the dedication of sale or transfer or (2) an instrument has been signed by two-thirds (2/3) of the members of both classes, agreeing to such dedication, sale, or transfer and the legislative body of Washington City approves the Plat change that is necessitated by the dedication, sale, or transfer, at a public hearing held in accordance with Utah Code Ann. §10-9-801 et. seq. (1953, as amended).

(e) The right of the Association to seek to abandon, petition, subdivide, encumber, sale, or transfer the Common Areas owned, directly or indirectly, by the Homeowners Association for the benefit of the Lots. The granting of an Easement for public utilities or other public services consistent with the intended use of the Common Area is not a transfer within the meaning of this clause. No such abandonment, petition, subdivision, encumbrance, sale, or transfer shall be effective unless (1) all owners consent in writing to such abandonment, petition, subdivision, encumbrance, sale or transfer or (2) an instrument has been signed by two-thirds (2/3) of the members of both classes and the legislative body of the City of Washington approves the Plat change necessitated by the abandonment, petition, subdivision, encumbrance, sale, or transfer at a public hearing held in accordance with Utah Code Ann. §-10-9-801 et. seq. (1953, as amended).

(f) The right of the Association to take such steps as are reasonably necessary or desirable to protect the Common Area against foreclosure.

(g) The right of the Declarant and of the Association to grant and reserve easements and rights-of-way through, under, over and across the Common Area, for the installation, maintenance and inspection of lines and appurtenances for public or private utilities.

(h) The right of the Association to make, publish and enforce reasonable rules pertaining to the regulation and use of all common areas by owners, guests, invitees and tenants of owners.

(i) The terms of this Declaration.

(j) The right of the Association with approval of two-thirds of each class of owners to enter into Agreements or leases which provide for use of the Common Areas and facilities by a similar Association in consideration for use of the Common Areas and facilities of the other Association, or for cash consideration. AND
(k) The right of the City of Washington and any other governmental entity or quasi-governmental body having jurisdiction over the property to access and to have the right of ingress and egress over open spaces and Common Areas contained within the Property for purposes of providing police and fire protection and providing any other governmental or municipal service.

Section 2. Delegation of Use. Any member may designate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, his guests, or contract purchasers who reside on the property. All such use by family members, tenants, guests or contract purchasers shall be subject to this Declaration, the Bylaws and the Rules and Regulations to be promulgated by the Board of Trustees. Damage caused to the Common Area and facilities, including personal property owned by the Association, by a member, or by a person who has been delegated the right to use and enjoy such Common Area and facilities by the member, shall create a debt to the Association. Debts owed to the Association as a result of Damage to the Common Area and facilities shall be an assessment charged to the Lot owner as provided in Article IV.

Section 3. Title to the Common Area. The Declarant covenants that it will convey fee simple title, subject to consent from lien holders having a security interest therein, to the Common Area to the Homeowners Association at the time of or prior to the conveyance of the first Lot. The Declarant further covenants and agrees that it will discharge all liens and encumbrances on said Common Area on or before the sale and closing of the last Lot within the Project as the same may be expanded and additional phases be annexed from time to time.

In accepting the Deed, the Association covenants to fulfill all the terms of this Declaration, to maintain the Common Area in good repair and condition at all times and to operate the Common Area at its own expense in accordance with high quality standards. Said conveyance of the Common Area shall also be subject to, (i) any state of facts an accurate survey may show, and (ii) Easements and rights-of-way of record or in equity.

Section 4. Rules. A Board of Trustees shall have the authority to promulgate rules and regulations for the governance of the properties, and persons within the properties. These rules of the Association shall be available for inspection and copying by the members during reasonable hours.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Classes of Membership. The Association shall have two classes of membership:

- (a) **Class A.** Class A member(s) shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person owns an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. A vote cast at an Association meeting by any of such co-owners, whether in person or in proxy, shall be conclusively presumed to be both attributable to the Lot concerned unless written objection is made prior to said meeting, or verbal objection at said meeting by another co-owner of the same Lot. In

the event objection is made, the vote involved shall not be counted for any purpose except to determine whether a quorum exists.

- (b) **Class B.** The Class B member(s) shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs last:
1. When seventy-five percent (75%) of all lots owned in the project by Declarant are sold; or
 2. On December 31, 2001.
- (c) **Changes in Voting Procedure.** If Declarant shall exercise his option to add additional lots by platting additional phases, then at such time as additional subdivision plats are filed, the voting shall be adjusted accordingly, including that Declarant may regain his Class B voting status for all lots owned, even if previously converted to Class A status in prior phases and according to the terms hereof.

ARTICLE IV COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant and each subsequent owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments, (b) special assessments, (c) insurance assessments, if any, (d) additional assessments, (e) individual assessments, (f) any other amount or assessment levied or charged by the Association or Board of Trustees pursuant to this Declaration, and (g) interest, costs of collection and a reasonable attorney's fee, as hereinafter provided. The assessments shall be a charge on the land and shall be a continuing lien on the Lot against which such assessment is made. Each such assessment shall also be the personal obligation of the person who is owner of such Lot at the time when the assessment became due. The personal obligation for delinquent assessment shall not pass to a Lot owner's successor in Title unless expressly assumed by them.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively for the purpose of promoting the maintenance, health, safety, and welfare of residents of the Property. The use made by the Association of funds obtained from assessments may include payment of the cost of: taxes and insurance on the Common Areas; management and supervision of the Common Areas; repair and maintenance of the common areas; establishing and funding a reserve to cover major repair or replacement of improvements within the Common Areas; and any expense necessary or desirable to enable the Association to perform or fulfill its obligations, functions, or purposes under this Declaration or its Articles of Incorporation.

Section 3. Basis and Maximum of Annual Assessments. Until January 1, 1996, the maximum annual assessment shall be One Hundred Fifty Dollars (\$150.00) per Lot.

- (a) From and after January 1, 1996, the maximum annual assessment may be increased by the Board of Trustees each year not more than fifteen percent (15%) above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1, 1996, the maximum annual assessment may be increased more than fifteen percent (15%) only by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken incident to a merger or consolidation which the Association is authorized to participate in under its Articles of Incorporation.

- (c) Each lot which has been conveyed to an owner shall be assessed according to the schedule set forth above.
- (d) For the purpose of assessment, the term "owner" shall exclude lots owned by Declarant, who shall pay no assessment unless it constructs a home on a lot and it is occupied for a permanent residence, provided that the Declarant or its assigns shall have the obligation to subsidize the Association until control of the Association as provided in Article III passes to lot owners. Subsidization shall be defined as "the payment of a reasonable fee to meet the needs of the Association for ordinary and necessary maintenance expenses upon the Common Areas, but which amount shall not include the payment of reserves for capital replacement." In no event shall the subsidy required of the Declarant hereunder exceed the monthly assessment that otherwise would be chargeable under this Section 3.
- (e) The State of Utah shall not be subject to assessment of any nature, particularly for lands under lease by Declarant and not yet sold to a lot owner.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association with approval of two-third (2/3) of each class of members may levy, in any assessment year, a special assessment applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvement, upon the Common Area, including fixtures and personal property related thereto and for such other purposes reasonably necessary to fulfill the intent of this Declaration.

Section 5. Additional Assessments. In addition to the annual assessments and special assessments for capital improvements authorized herein, the Association shall levy such assessments as may be necessary from time to time for the purpose of repairing and restoring the damage or disruption resulting to Common Areas from the activities of the City of Washington in maintaining, repairing or replacing utility lines and facilities thereon, it being acknowledged that the ownership of utility lines, underground or otherwise is in the City up to and including the meters for individual lots, and that they are installed and shall be maintained to City specifications.

Section 6. Individual Assessments. Each owner of a lot shall also be assessed from time to time for (i) all fines, penalties and damages to which its owner is subject as a result of a violation of the terms of this Declaration and rules and regulations prescribed by the Board for the use of the Common Area, (ii) for damages caused to the Common Area by the negligence or willful misconduct of such owner, and (iii) for any other liability, indebtedness or other obligation of the owner to the Association arising under the provision of this Declaration. Notice of all Individual Assessments shall be given by the Board to the Owner of each lot assessed within fifteen (15) days of the adoption of the Individual Assessment. Individual Assessments shall be due and payable within thirty (30) days following written notice thereof by the Board.

Section 7. Notice and Quorum for any Action Authorized Under Sections 3, 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3, 4, or 5 shall be sent to all members not less than thirty (30) days, no more than sixty (60) days, in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty-six and two thirds percent (66-2/3%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting shall be called subject to the same notice requirement, and the required quorum of the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Rate of Assessment. Annual, special and capital assessments shall be fixed at uniform rates for all lots and may be collected on a monthly basis.

Section 9. Regular Assessments; Due Dates. The Board of Trustees shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates for payment of said assessment shall be established by the Board of Trustees on either a quarterly or annual basis, or some combination thereof.

The Association shall, upon demand at any time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. Furthermore, a first mortgage holder, upon request, is entitled to a written certificate from the Association advising of any default by the Lot owner of any obligation not cured within sixty (60) days. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 10. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessments not paid within thirty (30) days after the due date, thereof shall be delinquent and shall bear interest from the due date at the rate of eighteen percent (18%) per annum (or such lower rate as the Trustees shall determine appropriate) until paid. The Association shall have the remedies provided in the subsections below if payment is not made when due.

(a) **Remedies.** For delinquent assessments the Association shall be entitled to (1) bring an action at law against the owner, personally obligated to pay such delinquent assessment without waiving the lien or assessment or (2) foreclose the lien against the property in accordance with the laws of the State of Utah applicable to the exercise of powers of selling Deeds of Trust or to the foreclosure of mortgages, or in any other manner permitted by law, and/or (3) withhold, interrupt, or terminate any or all services performed by the Association in behalf of the delinquent member.

(b) **Additional Remedies.** In addition to the remedies stated above, Trustees may assess a late fee for each delinquent installment which shall not exceed twenty percent (20%) of the installment.

(c) **Costs and Attorneys Fees.** The costs and expenses of any judicial action, arbitration, sale or foreclosure, preparation of Notice of Lien, and any other costs and expenses directly or indirectly related to the delinquent payment, including reasonable attorneys fees, shall be an assessment charged to the Lot owner.

(d) **Right to Bring Action.** Each such owner, by his acceptance of a deed to a Lot, hereby expressly grants to the Association, its successors, assigns, or agents the right and power to bring all actions against such owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage or trust deed lien on real property, and such owner hereby expressly grants to the Association a power of sale in connection with said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other lot owners. The Association, acting on behalf of the lot owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage, sell and convey the same.

Section 11. Non-use and Abandonment. No owner may waive or escape personal liability for the assessments provided for herein, nor release the Lot owned by him from the liens and charges hereof, by non-use of any Common Area or abandonment of his Lot.

Section 12. Subordination of the Lien to Mortgages. The lien created hereunder upon any Lot shall be subject and subordinate to and shall not affect the rights of the holder of the indebtedness secured by any first mortgage (meaning a mortgage with first priority over other mortgages) or equivalent security interest on any Lot, made in good faith and for

value, recorded prior to the date any such assessment becomes due. Any holder of a first mortgage lien or equivalent security interest on a Lot who comes into possession by virtue of foreclosure of a mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a foreclosure sale will take said Lot and the improvements appurtenant thereto free of any claims for unpaid assessment charges against said Lot which accrue prior to the time such holder comes into possession of the Lot, except for the claims for a share of such expenses or charge resulting from a reallocation of such assessment or charges to all lots including the mortgaged Lot. Any first mortgagee, who obtains title to a lot in the development pursuant to the remedies in the mortgage/deed of trust or through foreclosure of the mortgage/deed of trust or any other security instrument, shall not be liable for more than six (6) months of the lot's unpaid dues or charges which have accrued before the acquisition of title to the lot by the mortgagee through foreclosure. However, no such sale or transfer shall relieve such Lot from liability for any assessments which thereafter become due or from the lien thereof.

Section 13. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein:

- (a) All Properties dedicated to and accepted by any local public authority;
- (b) The Common Area.

ARTICLE V SEPARATION WALLS

Section 1. Separation Walls. Declarant may construct block landscaping walls which border the development project and separate same from other developments and public right-of-ways, such walls shall be deemed separation walls and shall be a part of the Common Area. Separation walls do not include yard walls and fences constructed by lot owners. It is the intent of the Declarant that all such separation walls shall be deemed to be owned and to be maintained by the Association. Separation walls shall also include walls constructed by Declarant for the purpose of separating Common Areas from lots.

Section 2. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article, general rules of law regarding separation walls and liability for property damage due to negligence or willful acts of omissions shall apply thereto.

Section 3. Repair and Maintenance. The Association shall be responsible for the cost of reasonable repair and maintenance. The Association shall have the right to enter upon any owner's lot for the purpose of repairing and maintaining separation walls. No changes or alterations to separation walls shall be made by lot owners without approval of the Architectural Control Committee. The cost of repair for damage caused to separation walls by the willful or negligent acts of lot owners or their guests and assigns shall be a lien upon such owner's lot and shall be added to the annual assessment as provided in Article IV.

Section 4. Destruction by Fire or Other Casualty. If a separation wall is destroyed or damaged by fire or other casualty, any owner or the Association who has used the wall may restore it, and if the other owners or the Association thereafter makes use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, except as to the right of any such owner or the Association to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 5. Weatherproofing. Notwithstanding any other provision of this Article, an owner or the Association who by negligent or willful acts causes a separation wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 6. Right to Contribution Runs with Land. The right of any owner or the Association to contribution from any other owner and/or the Association under this Article shall be appurtenant to the land and shall pass to such successors in title or assignees of the Association.

Section 7. Arbitration. In the event of any dispute arising concerning a separation wall each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

Section 8. Applicability. This article shall be applicable to walls built by Declarant for the purposes stated in section 1. This article shall not apply to yard walls and fences constructed by owners as provided in Article VI, Section 2(f).

ARTICLE VI ARCHITECTURAL CONTROL AND BUILDING RESTRICTIONS

Section 1. Architectural Control Committee. The Board of Trustees of the Association shall appoint a three (3) member committee (hereinafter sometimes referred to as "ACC") the function of which shall be to insure that all exteriors of homes and landscaping within the property harmonize with existing surroundings and structures. The committee need not be composed of owners. If such a committee is not appointed, the board itself shall perform the duties required of the committee. The Declarant shall have the right to appoint members of the Architectural Control Committee until the happening of either of the following events, whichever occurs last: (1) when seventy-five percent (75%) of the lots owned in the project by the Declarant are sold, or (2) on December 31, 2001.

(a) **Submission to Committee.** No home, accessory or addition to a home, landscaping, or other improvement of a lot shall be constructed, maintained, or accomplished, and no alteration, repainting or refurbishing of the exterior of any home shall be performed, unless complete plans and specifications therefor have first been submitted to and approved by the Architectural Control Committee.

(b) **Meetings of Committee.** The Architectural Committee shall meet from time to time as may be necessary to perform its duties hereunder. Any action taken by the Architectural Committee shall require the written approval of a majority of its members.

(c) **Standard.** In deciding whether to approve or disapprove plans and specifications submitted to it, the committee shall use its best judgment to insure that all improvements, construction, landscaping, and alterations on lots within the property conform to and harmonize with existing surroundings and structures. The board may formulate general guidelines and procedures. The adopted guidelines and procedures shall be incorporated in the book of rules and regulations adopted by the board and the Architectural Control Committee, or the board, as the case may be, shall act in accordance with such guidelines and procedures.

(d) **Approval Procedure.** Any plans and specifications submitted to the committee shall be approved or disapproved by it in writing within thirty (30) days after submission. In the event the committee fails to take any action within such period, it shall be deemed to have approved the material submitted.

(e) **Construction.** Once begun, any improvements, construction, landscaping, or alterations approved by the committee shall be diligently pursued to completion. If reasonably necessary to enable such improvement, construction, landscaping or alteration, the person or persons carrying out the same shall be entitled to temporary use and occupancy of unimproved portions of the Common Area in the vicinity of the activity.

(f) **Disclaimer of Liability.** Neither the Architectural Control Committee, nor any member thereof acting in good faith, shall be liable to the Association or any owner for any damage, loss, or prejudice suffered or claimed on account of:

- (1) The approval or rejection of, or the failure to approve or reject, any plans, drawings or specifications;
- (2) The development or manner of development of any of the property; or
- (3) Any engineering or other defect in approved plans and specifications.

(g) **Non-Waiver.** The approval of the Architectural Control Committee of any plans and specifications for any work done or proposed shall not constitute a waiver of any right of the Architectural Control Committee to disapprove any similar plans and specifications subsequently submitted.

(h) **Exception for Declarant.** The foregoing provisions of this Article shall not apply to any improvement, construction, landscaping, or alteration which is carried out by Declarant on any lot or on any part of the Common Areas and which occurs at any time during the three (3) year period following the date on which this Declaration is filed for record in the office of the County Recorder of Washington County, Utah.

Declarant shall further have the right to designate the location and design of any common area amenities, HOWEVER DECLARANT SHALL NOT BE REQUIRED TO PROVIDE ANY SUCH AMENITIES BY VIRTUE OF THIS SECTION.

Section 2. Building Restrictions.

(a) **Building Type:** All lots shall be used only for single family residential purposes, and no professional or commercial use shall be made of the same, or any portion thereof, nor shall any resident's use of a lot endanger the health or disturb the reasonable enjoyment of any other owner or resident. The building or structure permitted to be erected, placed or permitted to be located on any lot within the project shall be a detached single family dwelling, with an enclosed private garage for not less than two (2) nor more than four (4) vehicles. The height of the garage door header shall be limited to the height of the roof line of the house and shall not in any event exceed ten (10) feet. No carport or other outdoor or partially enclosed parking facility shall be permitted. All structures shall be constructed in accordance with the zoning and building ordinances of Washington City. "Family" is defined to mean persons related by blood or marriage, by legal adoption, or by operation of law.

(b) **Building Location:** No building shall be located on any lot nearer to the front line than twenty (20) feet measured to the foundation of such building. Side yards are to conform to existing ordinances, but in any event shall be no less than eight (8) feet on one side and the total of the two (2) side yards shall be no less than eighteen (18) feet. Private garages and other accessory buildings located at least ten (10) feet behind the main building may have a side yard of three (3) feet, except on the street side of a corner lot, which shall be the same as the front yard setbacks. All buildings shall have a minimum rear yard set back of ten (10) feet. For the purpose on this covenant, eaves, steps and open porches shall not be considered as part of building of the purpose of determining such distances, provided, however, that this shall not be construed to permit any portion of a building, including such eaves, steps of open porches, to encroach upon another lot.

(c) **Driveways:** Driveways shall be constructed out of concrete or other approved hard materials approved by the Architectural Control Committee. Driveways consisting of cinders, sand, gravel, asphalt, or dirt shall not be permitted on any lot. There shall be sufficient driveway parking of not less than two (2) vehicles per lot.

(d) **Easements:** Easements for installation and maintenance of utilities, drainage facilities and ingress and egress are reserved as shown upon the recorded plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow or drainage channels in the easements or which may impede ingress and egress. The easement area of each lot and all improvements in it shall be maintained continu-

ously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

(e) **Yard Walls and Fences:** Yard walls and/or fences shall be of brick, masonry (block) or two-rail polyethylene covered wood material, and shall substantially conform in style and construction to the walls of the Project, shall be of a color which blends with the exterior of the structure on the lot, and shall be approved by the Architectural Control Committee. No chain link, wire, or wood fences, except a two-rail polyethylene covered wood material, will be permitted. The Architectural Control Committee will consider approval of aesthetically compatible fences and walls which are not more than six (6) feet in height, are located on the side or rear lot lines, or within thirty (30) days after occupancy of a lot or on the perimeter of a patio or open porch and do not extend beyond the front or rear yard setback lines. Walls or fences are intended to enhance the privacy of the residents of such lot, and should not unreasonably interfere with the view from any neighboring lot. Where a fence or wall is located along an interior property line separating two lots and there is a difference in grade of the two lots, the fence or wall may be erected or allowed only to the maximum height permitted from the grade of the lowest lot. Fences may not be bermed for the purpose of increasing allowable height.

General rules of law and written agreements shall apply to yard walls and fences in relation to maintenance, repair, and liability for negligent acts and omissions.

(f) **Temporary and Other Structures:** No structure of a temporary nature; trailer, bus, house, tent, shack, garage, or other outbuilding shall be used at any time as a residence either temporarily or permanently. No old or second-hand structures shall be moved onto any of said lots. It being the intention hereof that all dwellings and other buildings to be erected on said lots, or within the Project shall be new construction of good quality workmanship and materials.

(g) **Landscaping:** Prior to occupancy, the front yard area of each lot shall be landscaped with grass and shall also have at least one tree. Not more than thirty (30) percent Desert-type landscaping shall be allowed in front yard areas. Within four (4) months after the completion of the construction of any home upon the property, the homeowner must have substantially completed all the landscaping of his lot, part or portion of the property, including landscaping of slopes and terraces. All property shall be landscaped appropriately with lawn, trees, shrubs, etc., and all landscaping shall be maintained at a reasonable standard compatible with other homes in the Project. Shrub and tree planting on corner lots shall be located so as not to create a hazard for the movement of vehicles along streets. No trees or shrubs shall be planted on any corner. All landscaping must be approved by the Architectural Control Committee and shall be properly cared for to remain healthy and alive.

(h) **Architectural Controls:** No building shall be erected, placed, or altered on any lot until the construction plans and specifications and plans showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot nearer to any street than the minimum building setback line unless similarly approved.

(i) **Minimum Square Footage: Building Height: Minimum Cost of Residence:** The minimum total square footage of living area on the first level above ground and located within the area of a foundation for any residential dwelling constructed on any lot within the project, exclusive of porches, balconies, patios, decks and garages, shall be not less than Nine Hundred (900) square feet.

No home shall consist of more than one story, except that Declarant, at its discretion, may amend this Declaration as provided in Article XIII, Section 1 to allow two story homes, not to exceed thirty-five (35) feet in height, in subsequent phases or on certain lots within subsequent phases.

Building height shall be measured from the elevation of the lot to the highest point of the roof line of a home. Single-story homes shall not exceed twenty-five (25) feet in height.

No residence shall be permitted on any lot at a cost of less than Forty Thousand Dollars (\$40,000), exclusive of lot price. It is the intention and purpose of this Declaration to assure that all dwellings shall be of good quality and workmanship.

(j) **Construction Materials:** In order to promote a harmonious community development and protect the character of the neighborhood, the following guidelines are applicable to the property:

(1) Home style, design, alterations, and additions will conform to standards established by the Architect Control Committee.

(2) Exterior construction materials shall consist of at least seventy-five (75) percent stucco and remaining exterior materials will be limited to tile or tile-like material, stone or stone-like material, brick, or brick veneer, stucco or other materials approved for use by the Architectural Control Committee, and shall be in colors and of materials indigenous to the area. All homes must be constructed of new materials, except stone will be allowed.

(3) Roofing materials will be limited to tile. No asphalt shingles, built up roofs, or wood shakes will be allowed. No mansard roofs will be allowed. Dome structures of any type will not be allowed.

(4) All air conditioning equipment, utility pipes, antennas and utility equipment shall be placed discreetly as possible and covered with landscaping or fence materials. Roof mount air conditioning equipment will not be allowed.

(k) **Maintenance of Lot During Construction:** Contractors or sub-contractors as owners/builders are required to clean up the site daily to maintain a clean worksite during construction or are required to cleanup daily.

(l) **Lateral and Subjacent Support and Drainage:** An owner's activities which effect the lateral or subjacent support, or both, of adjacent landowners shall be responsible for damages proximately caused by such activities. Owners shall be responsible for all damage proximately caused by drainage from their lot(s) to adjacent landowners. No structure, planting or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow or drainage channels obstruct or retard the flow of water through drainage channels.

Section 3. Damages. Any damage inflicted on existing improvements such as curbs, gutters, streets, concrete sidewalks, by the owner or their guests, assigned, agents or independent contractors of any particular lot must be repaired as soon as possible after such damage is discovered, and expense of such repair shall be borne by the owner. Damages not repaired by the owner shall be on assessment to the lot as provided in Article IV.

ARTICLE VII OPERATION AND MAINTENANCE

Section 1. Maintenance of Common Areas: The Common Areas shall be maintained by the Association so as not to detract from the appearance of the property and so as not to affect adversely the value or use of any Lot.

Section 2. Maintenance of Right of Way. The Declarant shall landscape the public right-of-way located between sidewalk and curb, if there is any such area. The Association

shall maintain the landscaping in a good and orderly manner. The public right-of-way is not Common Area of the Project.

Section 3. Maintenance By Owner. Each owner shall be solely responsible for maintenance of his Lot and the exterior of his home. In the event any owner shall fail to perform this maintenance in a manner consistent with the terms of this Declaration, the Trustees shall have the right enter upon such Lot to have maintenance performed on the Lot and exterior of the home. The cost of such maintenance shall be added to and become part of the assessment to which such Lot is subject.

Section 4. Utilities. The Association shall not pay for the monthly cable TV service, sewer, and garbage pick-up for each lot. Each lot owner shall pay for all utility services which are separately billed or metered to individual lots by the City of Washington or other party furnishing such service.

Section 5. Indemnification by Declarant. The Declarant, by this instrument and recording of same, agrees to indemnify the Association against loss or damage arising or accruing on the Common Areas or to the Common Area property as a result of the construction activities of the Declarant or his agents.

Section 6. Access at Reasonable Hours. For the purpose solely of performing the maintenance required by this Article, the Association, to its duly authorized agents or employees, shall have the right, after reasonable notice to the owner, to enter upon any Lot at reasonable hours.

Section 7. Management Agreements. The Board may employ a manager or other persons who may contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association in relation to the Common Areas. Any contract with a personal firm appointed as a manager or managing agent shall be terminable by the Association for cause upon thirty (30) days written notice thereof. Any such contract, and any other contract with a third person, wherein the third person is to furnish goods or services for any Common Area or the Association shall be limited to a duration of one (1) year; provided, however, that contracts may be renewable for successive one (1) year periods with the approval of the majority of the Board.

ARTICLE VIII EASEMENTS

Section 1. Minor Encroachments. Each Lot and the Common Area shall be subject to an easement for encroachment created by construction, repair, shifting, settling or movement, and overhangs as designed or constructed by the Declarant. A valid easement for said encroachment and for the maintenance of same, so long as it stands, shall and does exist.

Section 2. Utilities Easement. There is hereby granted and conveyed to the City of Washington, cable television companies, Mountain Fuel Supply Company, telephone companies, and other governmental or quasi-governmental entities, their successors and assigns, a blanket easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities at such location or locations as deemed appropriate by the provider of the utility. By virtue of this easement, it shall be expressly permissible for the providing electrical, cable television and/or telephone company to construct and maintain the necessary equipment on said property and to affix and maintain electrical, cable television and/or telephone wires, circuits and conduits on, across and under the Common Area. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation, maintenance, or repair of utilities, or which may change the direction of flow of drainage channels in the easement, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot shall be maintained continuously by each lot owner.

An easement is further granted to all police, fire protection, ambulance, trash collection and all similar persons to enter upon Common Areas in the performance of their duties. Should any company furnishing a service conveyed by the general easement herein provided request a specific easement by separate recordable document, Declarant shall have the right to grant such easement on said property without conflicting with the terms hereof.

Section 3. Easements for Ingress and Egress. An easement is hereby granted to the Association, its officers, agents, employees and to any management company selected by the Association to enter in or to cross over the Common Area and any Lot to perform the duties of maintenance and repair of the home, yard and landscape area, or Common Area provided for herein. The Declarant expressly reserves to itself, its successors and assigns, a perpetual easement and right, at their own risk, to cross the Common Area established or hereafter established on the Property by the Declarant, for the purpose of having access for ingress and egress to such other adjacent property upon which Declarant has or may create additional subdivisions.

Section 4. Easement for Walking Path: An easement may hereafter be granted by Declarant to the Association for the benefit of its members for walking path five (5) feet in width upon, over and across certain perimeter lots in Project may hereafter be shown upon an amended Plat. Said path shall be for walking and wheelchair use only, no bicycles, motorized vehicles, skateboards, horses, or other means of transportation shall be allowed. No pets shall be allowed on the path unless kept on a leash and accompanied by their owner. Any member may designate, in accordance with the provisions hereof, his right of enjoyment to said path to the members of his family, his tenants, his guests, or contract purchasers who reside on the property. **NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, THE DECLARANT SHALL HAVE NO OBLIGATION TO GRANT SUCH EASEMENT FOR A WALKING PATH.**

ARTICLE IX INSURANCE

SECTION 1. INSURANCE ON LOTS AND HOMES. THE ASSOCIATION SHALL HAVE NO DUTY OR RESPONSIBILITY TO PROCURE OR MAINTAIN ANY FIRE, LIABILITY, FLOOD, EARTHQUAKE OR SIMILAR CASUALTY COVERAGE FOR LOT OR HOME, OR FOR THE CONTENTS OF ANY HOME. THE ASSOCIATION ALSO SHALL HAVE NO DUTY TO INSURE AGAINST ANY NEGLIGENT ACTS OR EVENTS OCCURRING AT OR ON A LOT OR IN THE HOME.

Section 2. Assessments. Funds for insurance to be maintained by the Association shall be provided for from annual assessments as allowed by Article IV.

Section 3. Required Insurances. The Association shall secure and at all times maintain the following insurance coverages:

(a) **Multi-peril Coverage.** A multi-peril type policy covering the Common Areas and facilities. Such policy shall provide coverage against loss or damage by the standard extended coverage endorsement, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, fire, earthquake, hailstorm, water damage, and such other risks as customarily are covered with respect to projects similar to this Project in its construction, location, and use. As a minimum, such policy shall provide coverage on a replacement cost basis in an amount not less than that necessary to comply with any co-insurance percentage specified in the policy, but not less than 100% of the full insurable value (based upon replacement cost). Such policy shall include an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent, an "increased cost of construction endorsement" or its equivalent, and a "contingent liability from operation of building laws endorsement" or its equivalent.

(b) **Broad-form Public Liability Coverage.** A comprehensive policy insuring the Owners, the Association, its trustees, officers, agents and employees against all damage or injury caused by their negligence to the public, invitees, tenants or Owners on the Common Area. Limits of the liability under such coverage shall not be less than \$1,000,000 for all claims for personal injury or property damage, or both, arising out of a single occurrence. Such policy or policies shall be issued on a comprehensive liability basis, shall provide that cross-insurers as between themselves are not prejudiced, and shall contain "a severability of interest" clause or endorsement to preclude the insurer from denying the claim of an Owner in the development because of negligent acts of the Association or others.

(c) **Fidelity Coverage.** A fidelity policy or policies to protect against dishonest acts on the part of a trustee(s), officer(s), manager, employee(s) of the Association and all others, including volunteers, who handle or are responsible for handling funds of the Association. The fidelity coverage shall name the Association as the obligee or insured and shall be written in an amount sufficient to offer the protection reasonably required, but in no event less than 100% of the reserves. The fidelity bond or insurance shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of employee or similar expression. Said policy shall also provide that it may not be canceled or substantially modified (including cancellation for non-payment of premiums) without at least thirty (30) days' prior written notice to all first mortgagees of Lots.

Section 4. Additional Provisions. The following additional provisions shall apply with respect to insurance:

(a) **Approval of Policies.** All policies shall be written by a reputable company approved by the Board of Trustees.

(b) **Contribution.** Insurance secured and maintained by the Association shall not be brought into contribution with insurance held by the individual owners or their mortgagees.

(c) **Flood Insurance.** In the event that some part of the Project is now or may in the future be classified by the Housing and Urban Development as an area having special flood hazards, a blanket policy of flood insurance on the flood areas shall be maintained in an amount customarily required in projects of this type to ensure against flood damage.

(d) **Premiums Maintained in the Name of the Association as Trustee.** Premiums for all insurance coverage obtained by the Association shall be written in the name of the Association as trustee for each of the home owners.

(e) **Review of Insurance Policies.** The Board of Trustees shall periodically, and whenever demand is made by twenty percent (20%) or more of the Owners, review the adequacy of the Association's insurance program and shall report in writing the conclusions and actions of any mortgagee or any Lot who shall have requested a copy of such report. Copies of every policy of insurance procured by the Board of Trustees shall be available for inspection by the Owners.

(f) **Rebuilding After Damage or Destruction.** In the event of damage or destruction by fire or other casualty to any properties covered by insurance written in the name of the Association as trustee for the Owners, the Board of Trustees shall, upon receipt of insurance proceeds, contract to rebuild or repair such damage or destroyed portions of the Properties to as good a condition as formerly. All such insurance proceeds shall be deposited in a bank or other financial institution, whose accounts are insured by a federal governmental agency, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by the signatures of at least two (2) members of the Board of Trustees. The Board of Trustees shall advertise for sealed bids with any licensed contractors. The contractors shall be required to provide a full performance and payment bond for the repair, construction, or rebuilding of destroyed property. In the event the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, or both, to the same condition as formerly, the Board of Trustees shall levy a special assessment

against all Owners in such proportions as the Board of Trustees deems fair and equitable in light of the damage sustained.

ARTICLE X ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Annexation by Declarant. Declarant reserves the right, at its sole discretion and without the consent of Class A members, to expand the Properties to include additional property more particularly described in Exhibit A attached hereto and incorporated herein for a period terminating December 31, 2006.

In the event the Declarant, within the time period set forth in this Article, files other plat(s) creating additional subdivisions in the aforescribed property under the name and style of "Oasis Leisure Homes," a subdivision, and states on said plat(s) the intention to have the property described on said plat subject to the terms, covenants and conditions of this Declaration, then, upon recording of said plat, the property described therein shall be subject to this Declaration. The terms, covenants and conditions contained herein run not only to, with and from the property described herein, but by this reference to said plat or plats, also to, with and from all adjoining additions thereto made pursuant to this Article.

Section 2. Limitations on Annexation. Developer's right to annex said land to the property shall be subject to the following limitations:

- (a) The annexed land must be a part of the land described on Exhibit A and attached hereto.
- (b) Any additional subdivision annexed hereto by the Declarant shall be comprised exclusively of lots for detached residential single-family dwellings. The Declarant shall have the sole discretion to develop the Common Area in said addition(s) and to include any facilities or amenities thereon that Declarant deems necessary.
- (c) If additional subdivisions are created by the Declarant pursuant to the terms of this Article, the lot owners in said addition(s) shall be members of the Association and shall have the same rights to the use and enjoyment of the property and facilities of the Association as any other member, either an owner in "Oasis Leisure Homes", PHASE I or otherwise. The Common Area in any such additional subdivision(s) as set forth therein shall be deeded by the Declarant to the Association, prior to the conveyance of the first Lot on said plat, and the Association must accept the deed to said Common Area.
- (d) The Declarant is in compliance with the terms of Amended Agreement 512.

ARTICLE XI USE RESTRICTIONS

Section 1. Residential Use. No owner shall occupy or use his home, or permit the same or any part thereof to be occupied or used for any purpose other than as a private residence for the owner and the owner's family or the owner's lessees or guests. No commercial activities of any kind whatsoever shall be conducted in any residence or on any portion of the lot.

Section 2. Fee Conveyed. Each Lot shall be conveyed as a separately designated and legally described freehold estate, the owner taking title in fee simple, subject to the terms, conditions, and provisions hereof.

Section 3. Uses Permitted by Declarant During Construction. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant on the building of said homes to maintain during the period of construction and sale of said homes, upon such portion of the premises as Declarant deems necessary, such facilities as in the sole opinion of Declarant may be reasonably required, convenient or

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incidental to the construction and sale of said homes, including, but without limitation, a business office, storage area, construction yard, signs, model homes and sales office.

Section 4. Household Pets Permitted. No animals, livestock or poultry of any kind may be raised, bred, or kept on any Lot or in the Common Area, except that dogs, cats or other household pets may be kept in homes, upon the owner's Lot, or on a leash while off the owner's lot. **NO DOGS, CATS OR OTHER HOUSEHOLD PETS WILL BE ALLOWED TO REMAIN OUTSIDE THE HOME BETWEEN DUSK AND DAWN, UNLESS ACCOMPANIED BY THE OWNER AT ALL TIMES.** Keeping of household pets shall also be subject to the rules and regulations adopted by the Board of Trustees.

Section 5. Obstruction of the Common Area. There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior consent of the Board of Trustees.

Section 6. Oil and Mining Operations. No owner shall conduct drilling, quarrying or mining operations of any kind upon or in any Lot or upon the Common Area. The State of Utah has reserved all mineral and oil rights underlying the property.

Section 7. Alteration of Common Area. Nothing shall be altered or constructed, or removed from the Common Area, except with the written consent of the Board of Trustees.

Section 8. Leases. Any lease agreement between a home owner and a lessee shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, Articles of Incorporation of the Association, the Bylaws of said Association, and all rules enacted and published by the Board of Trustees, and that any failure by lessee to comply with the terms of such documents and rules shall be a default under the lease. Furthermore, all leases shall be in writing and a copy of each signed lease shall be left in the office of the Association by the homeowner.

Section 9. Recreational Vehicles. No recreational vehicles may be parked within the Common Areas or upon the driveways of each lot for longer than a forty-eight (48) hour period. In no event shall any recreational vehicle, camper, trailer, tent trailer, or motor home be used for camping or for overnight accommodations by the lot owner or by the lot owner's guests in and on the Common Areas of the project or on the driveways of the homes. Other than as provided above, recreational vehicles must be parked behind the front foundation line of a home.

Section 10. Nuisances. No noxious or offensive activities shall be carried on or upon any Lot, nor shall anything be done thereon which may become and annoyance or nuisance to the Project.

Section 11. Violation Constitutes a Nuisance. Any act or omission, whereby any restriction, condition, or covenant as set forth in this Declaration, if violated in whole or in part is declared to be and shall constitute a nuisance, and may be abated by the Declarant or affected property owners and such remedy shall be deemed to be cumulative and not exclusive.

Section 12. Antennas. No television, radio, satellite dishes, or other external antennas shall be erected, placed, or maintained upon any of the property, or in front of any building constructed thereon without the prior approval of the Architectural Control Committee and said Committee shall have the right to remove or cause removal of the antennas erected, placed, or maintained without said prior approval.

Section 13. Signs. No billboard or sign of any character shall be erected, posted, painted or displayed upon or about any lot, except a lot owner can place a for sale sign not larger than two (2) feet by three (3) feet on his lot. This section shall not apply to Declarant so long as Declarant owns one or more lots in the Project, including additional phases as may be annexed into the Project from time to time.

Section 14. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish trash, garbage or other waste. Such trash, rubbish, garbage or other waste shall not be kept except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

Section 15. Water Supply. No individual water supply system shall be used or permitted on any lot or group of lots unless such system is located, constructed and equipped in accordance with the requirements, standards and recommendations of the State Health Department and the Architectural Control Committee.

**ARTICLE XII
GENERAL PROVISIONS**

Section 1. Enforcement. The Association, or the Declarant or its successors in interest, or any owner, shall have the right to sue for damages, or to enforce by any proceeding injunctive or otherwise, at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, Bylaws or Articles of Incorporation. Specifically, the aggrieved party may seek to recover damages and for injunctive relief. Failure by the Association to enforce any covenant or restriction therein contained shall in no event be deemed a waiver of the right to do so thereafter. In the event any Covenant, Condition or Restriction included herein is consistent or in conflict with restrictions set forth in the subdivision building, zoning or other ordinances of the City of Washington, the ordinances shall govern so long as the restrictions contained in the ordinances are more restrictive than the terms of this Declaration. However, where the terms of this Declaration are more restrictive than those contained in the ordinances of the City of Washington, owners shall be subject to the enforcement of the terms of this Declaration.

Section 2. Severability, Construction and Validity of Restrictions. All of said conditions, covenants and reservations contained in this Declaration shall be construed together, but if it shall at any time be held that any one of said conditions, covenants or reservations, or any part thereof, is invalid, or for any reason becomes unenforceable, no other condition, covenant, or reservation, or any part thereof, shall be thereby affected or impaired; and the Declarant and lot owners, their successors, heirs and/or assigns shall be bound by each article, section, subsection, paragraph, sentence, clause and phrase of this Declaration, irrespective of the fact that any article, section, subsection, paragraph, sentence, clause or phrase be declared invalid or inoperative or for any reason become unenforceable.

Section 3. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any Lot subject to this Declaration, their respective legal representative, heirs, successors, and assigns for a term of thirty (30) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

Section 4. Gender and Grammar. The singular wherever used in this Declaration shall be construed to mean the plural when applicable and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

Section 5. Conflicts. In case of any conflict between this Declaration, as the same may be amended from time to time, and the Articles of Incorporation and the Bylaws of the Association, as they may be amended from time to time, the provisions of this Declaration shall be controlling. Further, this Declaration shall be construed so as to be consistent with the terms and conditions of that certain Amended Agreement No. 512.

Section 6. Relationship of State and Declarant. Nothing in this Declaration shall be construed as creating a joint-venture between the State of Utah and Declarant. The State of Utah shall have no liability under this Declaration for any obligations of Declarant. Declarant is the sole developer of this project.

ARTICLE XIII
AMENDMENT

Section 1. Declarant's Right to Amend. Until all portions of "Oasis Leisure Homes" Phase I land are developed, or until the right to enlarge the project through the addition of tracts or subdivisions terminates, whichever event last occurs, Declarant shall have, and is hereby vested with the right to unilaterally amend this Declaration and or the Plat as may be reasonably necessary or desirable: (i) to adjust the boundaries of the Lots; (ii) to more accurately express the intent of any provisions of this Declaration in the light of then existing circumstances or information; (iii) to better insure, in light of the existing circumstances or information, workability of the arrangement which is contemplated by the Restrictive Covenants; (iv) to facilitate the practical, technical, administrative or functional integration of any additional tract or subdivision into the Project; (v) to allow for two story homes, not to exceed thirty-five (35) feet in height, in subsequent phases or on certain lots in subsequent phases; or (vi) to conform to the underwriting guidelines of major secondary market investors in order to facilitate the availability of financing.

Section 2. Lot Owners Right to Amend. Subject to Section 1, this may be amended during the first twenty (20) year period by any instrument signed by not less than seventy percent (70%) of the lot owners, and thereafter, by an instrument signed by not less than sixty percent (60%) of the lot owners, which amendment shall be effective upon recordation in the Office of the Recorder of Washington County, State of Utah. Prior to any material amendment to this Declaration, written notice shall be sent to all holders of first mortgage liens, setting forth said amendment and advising them of the date that the members will vote on said amendment.

ARTICLE XIV
INITIAL REGISTERED AGENT AND INITIAL REGISTERED OFFICE

The address of the initial registered office of the Association shall be 259 North 300 East, Washington, Utah 84121. The name of the registered agent at that address is Richard Fillmore of 259 North 300 East, Washington, Utah 84121.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this document on the day and year first above written.


Declarant

OASIS LEISURE HOMES, INC

By: 
Max Schmidt

Its: President

STATE OF UTAH, DIVISION OF
STATE LANDS AND FORESTRY

By: 
Its: Director

APPROVED AS TO FORM:

Janet C. Graham
Attorney General

By: 
Steven F. Alder

STATE OF UTAH,

)
: ss.

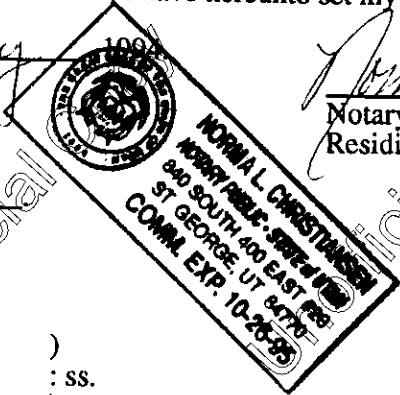
County of Washington,

On the 16th day of May, 1994, before me Max Schmidt, signer of the within and foregoing instrument, who being by me duly sworn, did say that he is the President of Oasis Leisure Homes, Inc., and that said instrument was signed in behalf of said corporation by authority of its Bylaws or a corporate resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this

16th day of May, 1994

My Commission Expires:



Norma L. Christensen
Notary Public
Residing at: _____

STATE OF UTAH,

)
: ss.

County of Salt Lake,

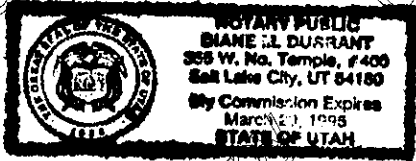
On the 17th day of May, 1994, before me Scott Hirschi, signer of the within and foregoing instrument, who being by me duly sworn, did say that he is the Director of the Division of State Lands and Forestry, State of Utah., and that said instrument was signed in behalf of the State of Utah.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this

17th day of May, 1994.

My Commission Expires:

3/29/95



Diane M. Durrant
Notary Public
Residing at: Salt Lake City, UT

Exhibit A

Expandable Land

A parcel of land located in the Southwest Quarter of Section 11, Township 42 South, Range 15 West, Salt Lake Base and Meridian, being more particularly described as follows:

Commencing at the Southwest Corner of said Section 11; thence North 88°44'15" East 2641.16 feet along the South Section line to the South Quarter Corner of said Section 11; thence North 00°20'26" West 975.37 feet along the Center Section line; thence South 89°39'34" West 861.20 feet to the point of beginning; thence South 00°20'26" East 217.31 feet; thence South 89°39'34" West 105.00 feet; thence South 00°20'26" East 112.06 feet; thence South 88°44'15" West 526.65 feet; thence North 02°21'48" East 197.60 feet; thence North 89°57'49" West 1166.18 feet to a point on the West Section line of said Section 11; thence North 00°54'39" West 950.00 feet along the West Section line of said Section 11; thence North 89°58'53" East 1975.18 feet; thence South 00°01'07" East 811.24 feet; thence South 89°39'34" West 109.71 feet to a point on the East right-of-way line of Warm Springs Drive; thence North 00°20'26" West 5.16 feet along the East right-of-way line of Warm Springs Drive; thence South 89°39'34" West 63.00 feet to the point of beginning;

A parcel of 44.86 acres more or less.

Basis of bearing being the South Section line of said Section 11; North 88°44'15" East from the Southwest Corner to the South Quarter Corner of said Section 11.

LESS AND EXCEPTING A RESUBDIVISION OF LOTS 3, 4, 5 AND 6 OF WARM SPRINGS TOWNHOMES PHASE 1 - AMENDED PLAT AND A PARCEL OF LAND LOCATED IN THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 42 SOUTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commencing at the Southwest Corner of said Section 11; thence North 88°44'15" East 2641.16 feet along the South Section Line to the South Quarter Corner of said Section 11; thence North 00°20'26" West 975.37 feet along the center Section Line; thence South 89°39'34" West 861.20 feet to the POINT OF BEGINNING; thence South 00°27'01" West 217.33 feet; thence South 89°39'34" West 102.00 feet; thence South 00°20'26" East 112.06 feet; thence South 88°44'15" West 526.654 feet; thence North 02°21'48" East

348.81 feet; thence North 88°44'49" East 615.21 feet; thence South
00°20'26" East 20.38 feet to the Point of Beginning
BEING THE PROPOSED PLAT OF "OASIS LEISURE HOMES
PHASE I SUBDIVISION"