

AFTER RECORDING PLEASE RETURN TO:

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Salt Lake City, Utah 84101

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FOR: SNELL & WILMER

**FIRST AMENDMENT
TO
RESIDENTIAL DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR CORAL CANYON**

THIS FIRST AMENDMENT TO RESIDENTIAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "First Amendment"), dated August 30, 2001 and is made by SUNCOR DEVELOPMENT COMPANY, an Arizona corporation ("Declarant") and THE STATE OF UTAH, ACTING THROUGH THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION ("SITLA").

RECITALS

A. Declarant previously executed and recorded the Residential Declaration of Covenants, Conditions, and Restrictions for Coral Canyon, dated March 1, 2000 and recorded March 21, 2000, as Entry No. 00679603, Book 1363, beginning at page 1079, records of Washington County, Utah (the "Original Declaration"). Capitalized terms used in this First Amendment and not otherwise defined in this First Amendment shall have the meanings given to such terms in the Original Declaration. The Original Declaration, as amended by this First Amendment, is referred to as the "Declaration".

B. As contemplated by Section 3.2 of the Original Declaration, the following Tract Declarations have been recorded:

1. Tract Declaration, Coral Canyon, Phase 1 (5300 Series), dated March 1, 2000 and recorded March 21, 2000, as Entry No. 00679604, Book 1363, beginning at page 1124, records of Washington County, Utah.
2. Tract Declaration, Coral Canyon, Phase 1 (Non-5300 Series), dated March 1, 2000 and recorded March 21, 2000, as Entry No. 00679605, Book 1363, beginning at page 1149, records of Washington County, Utah.
3. Declaration of Annexation, Petroglyphs of Coral Canyon, dated February 20, 2001 and recorded February 22, 2001, as Entry No. 00711819, Book 1396, beginning at page 1623, records of Washington County, Utah, as amended by an Amendment to the Declaration of Annexation, Petroglyphs of Coral Canyon Phase 1, dated July 25, 2001 and recorded July 25, 2001, as Entry No. 00729062, Book 1418, beginning at page 2768, records of Washington County, Utah.

C. As of the date of recordation of this First Amendment, the Covered Property consists of the following:

Lots 1 through 367, inclusive; Parcels C, E, F, H, I, J, K, and L, and HOA Tracts 1-34, as shown on the official plat of CORAL CANYON, PHASE 1, recorded on March 21, 2000 in Book 1363, page 1078, records of Washington County, Utah; and

The real property more particularly described on Exhibit A to this First Amendment (the "Petroglyphs Subdivision").

D. The Petroglyphs Subdivision is being developed by Declarant as a planned unit development that will qualify for financing through the Federal Housing Administration (the "FHA") and the Veterans Administration (the "VA") (any such financing program being referred to in the Declaration as "Government Backed Financing"). In order to obtain FHA and VA approval of the Petroglyphs Subdivision, the FHA and the VA require certain amendments to the Original Declaration, and this First Amendment amends the Original Declaration to satisfy the requirements of the FHA and the VA. Declarant is authorized to enter into this First Amendment pursuant to the authority in Section 11.4 of the Original Declaration.

E. SITLA is joining in the Residential Declaration pursuant to Section 5.8(c) of the Development Lease and Section 2.6 of the Original Declaration.

NOW, THEREFORE, DECLARANT and SITLA declare, covenant and agree as follows:

1. Amendments

(a) Section 3.7 of the Original Declaration is amended by adding the following at the end thereof:

All conveyances of Common Areas to the Master Residential Association or a Subsidiary Association, as the case may be, shall be made free and clear of all monetary liens and encumbrances, other than the lien for real property taxes and assessments not yet due and payable.

(b) A new Section 3.8 is added to the Original Declaration, to read as follows:

3.8 Disposition on Dissolution of Master Residential Association. Any other provision of the Declaration, the Articles, or the Bylaws to the contrary notwithstanding, upon dissolution of the Master Residential Association, other than incident to a merger or consolidation, the assets of the Master Residential Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Master Residential Association was created. If such dedication is refused acceptance, the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust, or other organization to be devoted to such similar purposes.

- (c) A new Section 3.9 is added to the Original Declaration, to read as follows:

3.9 Special Provisions Relating to Subsidiary Common Areas

(a) Conveyance to the Master Residential Association. The Master Residential Association, with the consent of the Class B Member (so long as there is a Class B Member), shall have the right, from time to time, to accept the conveyance of Subsidiary Common Areas that are established by Tract Declarations recorded pursuant to Section 3.2, provided that the Tract Declaration establishing such Subsidiary Common Areas so provides, in which case the Master Residential Association shall act as the Subsidiary Association for the Covered Property subject to such Tract Declaration. Conveyances of Subsidiary Common Areas to the Master Residential Association pursuant to this Section 3.9 shall be in lieu of conveyance of such property to a separately incorporated Subsidiary Association. Subsidiary Common Areas conveyed to the Master Residential Association pursuant to this Section 3.9 shall remain Subsidiary Common Areas and shall not be Coral Canyon Residential Common Areas; however, such Subsidiary Common Areas shall nevertheless be included within the definition of Exempt Property.

(b) Maintenance and Repair. All costs associated with the Subsidiary Common Areas so conveyed to the Master Residential Association, including, without limitation, maintenance, repair, replacement, taxes and insurance, shall be assessed solely against the Owners of Lots or Parcels within the Covered Property subject to the Tract Declaration establishing such Subsidiary Common Areas.

- (d) A new Section 4.7 is added to the Original Declaration, to read as follows:

4.7 Restrictions on Encumbering or Conveying Coral Canyon Residential Common Area. Any other provision of this Declaration to the contrary notwithstanding, none of the Coral Canyon Residential Common Areas shall be subjected to the lien of any mortgage or deed of trust nor conveyed by the Master Residential Association to any other person or entity unless such action has first been approved by at least 67% of the authorized votes of each class of Members (including votes otherwise eligible to be cast but not represented personally or by valid proxy at such meeting) at a meeting duly called for such purpose.

- (e) Section 8.4(b)(i) of the Original Declaration is amended to read as follows:

(i) The date that the Class B Member no longer owns any Lots within the Covered Property,

- (f) Section 9.3(b) of the Original Declaration is amended in its entirety to read as follows:

(b) Uniform Rate of Annual Assessment. No Annual Assessments, Special Assessments or Reserve Contributions shall be levied on any portion of

the Covered Property until any such portion thereof is purchased from Declarant. Except to the extent otherwise provided for in or permitted pursuant to this Declaration, the amount of any Annual Assessment or Special Assessment against each Lot or Parcel shall be fixed at a uniform rate per Membership.

(g) Section 11.3 of the Original Declaration is amended by adding the following language at the end thereof:

Any other provision hereof to the contrary notwithstanding, the Articles shall not be amended in any manner inconsistent with a particular Tract Declaration without the affirmative vote of at least 67% of the authorized votes of each class of Members (including votes otherwise eligible to be cast but not represented personally or by valid proxy at such meeting) who are the Owners of Covered Property subject to such Tract Declaration, at a meeting of such Members duly called for such purpose.

(h) A new Section 11.5 is added to the Original Declaration, to read as follows:

11.5 Special Provisions Relating to Government Backed Financing.

Any other provision of this Declaration, the Articles, or the Bylaws to the contrary notwithstanding, if any of the Covered Property has been qualified to participate in Government Backed Financing, then at all times thereafter and so long as there is a Class B Membership outstanding, the following actions shall require the prior written approval of both the FHA and the VA:

(a) Any amendment to this Declaration, the Articles, or the Bylaws;

(b) Any dedication of any Coral Canyon Residential Common Area to the public;

(c) Subjecting any of the Coral Canyon Residential Common Area to the lien of any mortgage or deed of trust;

(d) Annexation of any real property to the Covered Property under the Declaration, other than Coral Canyon Property; or


(e) Any merger or consolidation of the Master Residential Association with any other entity or any dissolution of the Master Residential Association.

2. Ratification. As modified by this First Amendment, the Declaration is ratified and confirmed and continues in full force and effect.


3. Counterparts. This First Amendment may be executed in any number of counterparts, each of which will be an original but all of which will constitute one and the same instrument. Signature and acknowledgement pages may be detached from individual counterparts and attached to a single or multiple original(s) in order to form a single or multiple original(s) of this document.

IN WITNESS WHEREOF, the undersigned has executed this First Amendment as of the day and year first above written.

SUNCOR DEVELOPMENT COMPANY,
an Arizona corporation,

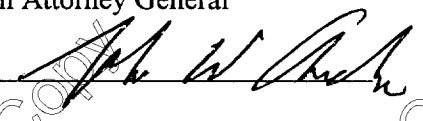
By: 
Its: V.P.

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

By: 
Its: Acting Director

Approved as to Form:

Mark L. Shurtleff
Utah Attorney General

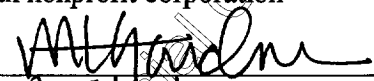
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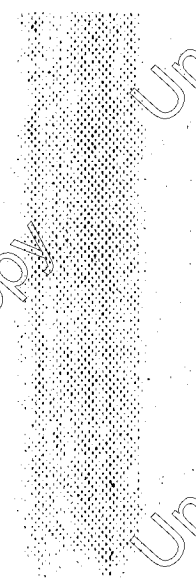
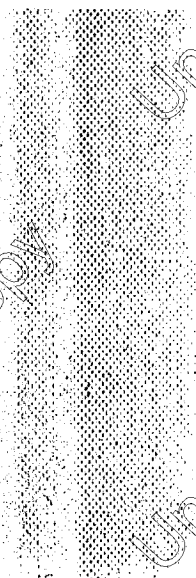
ACKNOWLEDGEMENT AND AGREEMENT

CORAL CANYON MASTER RESIDENTIAL OWNERS ASSOCIATION, a Utah nonprofit corporation, constituting the Master Residential Association organized and operating pursuant to the Declaration acknowledges the terms and conditions of the Original Declaration and this First Amendment and agrees to be bound thereby.

Date: August 30, 2001

**CORAL CANYON MASTER RESIDENTIAL
OWNERS ASSOCIATION,**
a Utah nonprofit corporation

By: 
Its: President

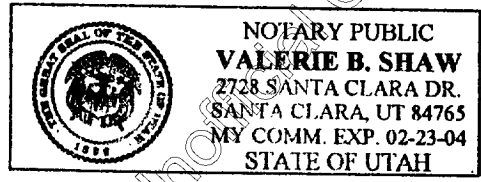


STATE OF ARIZONA)
)ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 30 day of August, 2001, by Duane Black, the VP & COO of **SUNCOR DEVELOPMENT COMPANY**, an Arizona corporation.

My Commission Expires: 2-23-04

Valerie B. Shaw
NOTARY PUBLIC
Residing at Santa Clara

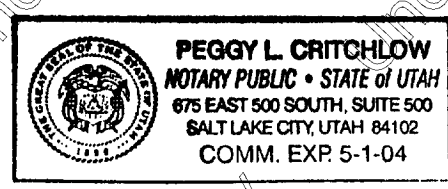


STATE OF UTAH)
)ss.
County of Salt Lake)

The foregoing instrument was acknowledged before me this 28 day of August, 2001, by Kevin S. Carter, the Acting Director of **STATE OF UTAH, ACTING THROUGH THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION**, on behalf of the State of Utah, School and Institutional Trust Lands Administration.

My Commission Expires: 5-1-2004

Peggy L. Critchlow
NOTARY PUBLIC
Residing at SLC



STATE OF Utah)
)ss.
County of Washington)

The foregoing instrument was acknowledged before me this 30 day of August, 2001, by Michael T. Gardner, the General Manager of **CORAL CANYON MASTER RESIDENTIAL OWNERS ASSOCIATION**.

My Commission Expires: 2-23-04

Valerie B. Shaw
NOTARY PUBLIC
Residing at Santa Clara

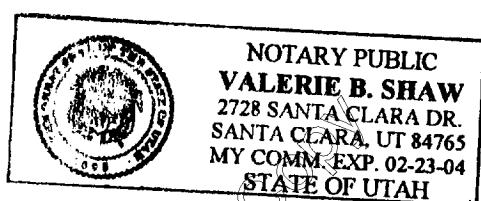


EXHIBIT A**LEGAL DESCRIPTION:**

The basis of bearings for the following legal description, recorded document, and subdivision is the west line of Section 5, Township 42 South, Range 14 West of the Salt Lake Base and Meridian from the southwest corner to the west quarter corner, both being brass caps. The bearing is North $01^{\circ}11'11''$ West and measures 2615.35 feet corner to corner.

All of Parcel "D" as shown on the official plat of "Coral Canyon Development, Phase I" recorded as Entry No. 679602 on March 21, 2000 in Book 1363, Page 1078 in office of the Washington County Recorder and that portion of Lot #288 of said subdivision which was removed from said lot by Washington City Resolution 2000-16 recorded as Entry No. 692353 on August 01, 2000 in Book 1375, Pages 2355-2357 in office of the Washington County Recorder, being more particularly described as follows:

Beginning at the northerly property corner common to Parcel "D" and Lot #289 of said subdivision, said point being North $00^{\circ}00'00''$ West 757.33 feet and North $90^{\circ}00'00''$ East 2,067.93 feet from the west quarter corner of Section 5, Township 42 South, Range 14 West of the Salt Lake Base and Meridian and running thence coincident with the westerly line of said Lot #289 and along the westerly right-of-way line of Desert Willow Lane, a 55.00 foot wide public road, South $26^{\circ}51'07''$ East 410.50 feet to the point of curvature of a 12.00 foot radius curve concave to the west; thence southerly 18.85 feet along the arc of said curve through a central angle of $90^{\circ}00'00''$ to the point of tangency, said point being on the northerly right-of-way line of Sweetwater Springs Drive, a 62.50 foot wide public road; thence along said northerly right-of-way line South $63^{\circ}08'53''$ West 275.48 feet to an angle point, at which point said public road reduces to 55.00 feet wide; thence continuing along said northerly right-of-way line South $63^{\circ}14'28''$ West 252.72 feet to the point of curvature of a 12.00 foot radius curve concave to the north; thence westerly 18.83 feet along the arc of said curve through a central angle of $89^{\circ}54'25''$ to the point of tangency, said point being on the easterly right-of-way line of Red Yucca Lane, a 55.00 foot wide public road; thence along said easterly right-of-way line North $26^{\circ}51'07''$ West 288.10 feet to a point on the northerly right-of-way line of Hidden Springs Drive, a 55.00 foot wide public road; thence along said northerly right-of-way line South $63^{\circ}04'20''$ West 14.03 feet to the southeasterly corner of Lot #288 of said subdivision as created by said resolution (Lot Line Adjustment); thence leaving said northerly right-of-way line, coincident with the adjusted easterly line of said lot North $26^{\circ}51'07''$ West 122.52 feet to the northeasterly corner of said lot; thence North $63^{\circ}08'55''$ East 14.03 feet to the northwesterly corner of said Parcel "D"; thence coincident with the northerly line of said parcel North $63^{\circ}12'04''$ East 552.18 feet to the northeasterly corner of said parcel and point of beginning. Contains 5.396 acres.