Recorded at the request of:
Sky Mountain Homeowners Association, Inc.

Record against the Property
Described in Exhibit A

After recording mail to:
JENKINS BAGLEY SPERRY, PLLC
Attn: Bruce C. Jenkins
285 W. Tabernacle, Ste. 301
St. George, UT 84770

SECOND AMENDED AND RESTATED

MASTER DECLARATION OF COVENANTS, CONDITIONS,

AND RESTRICTIONS

FOR THE

SKY MOUNTAIN PROJECT, A PLANNED COMMUNITY

Prepared by:

Attn: Bruce C. Jenkins
285 W. Tabernacle, Ste. 301
St. George, UT 84770

Table of Contents

SECOND AMENDED AND RESTATED
MASTER DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS
FOR THE
SKY MOUNTAIN PROJECT, A PLANNED COMMUNITY

This Second Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for the Sky Mountain Project, a Planned Community ("Declaration"), was approved by the affirmative vote of at least sixty-seven percent (67%) of the Members entitled to vote, pursuant to Article XIII, Section 4, of the First Amended Master Declaration (defined below), and amends and restates in its entirety and substitutes for the following:

- Master Declaration of Covenants, Conditions and Restrictions for the Sky Mountain Project, a Planned Community, recorded with the Washington County Recorder on September 7, 1994, as Document No. 00478053, in Book 0848, at Pages 0625–0687;

- Amendment to Master Declaration of Covenants, Conditions and Restrictions for the Sky Mountain Project, a Planned Community, recorded with the Washington County Recorder on October 26, 1994, as Document No. 00482479, in Book 0860, at Pages 0504–0507;

- Amendment to Master Declaration of Covenants, Conditions and Restrictions for the Sky Mountain Project, a Planned Community, recorded with the Washington County Recorder on November 4, 1994, as Document No. 00483396, in Book 0863, at Pages 0099–0107;

- Declaration of Annexation Declaration of Covenants, Conditions and Restrictions for Sky Mountain Project, a Planned Community, recorded with the Washington County Recorder on January 12, 2001, as Document No. 00707167, in Book 1391, at Pages 1626–1629;

- First Amended Master Declaration of Covenants, Conditions and Restrictions for the Sky Mountain Project, a Planned Community, recorded with the Washington County Recorder on July 20, 2001, as Document No. 00728723, in Book 1418, at Pages 1376–1433 ("First Amended Master Declaration");

- Notice of Termination of First Amended Declaration of Covenants, Conditions and Restrictions of Courtyard Townhomes at Sky Mountain, recorded with the Washington County Recorder on November 28, 2006, as Document No. 20060054917;

- Notice of Rental Restrictions of Sky Mountain Homeowners Association, recorded with the Washington County Recorder on November 20, 2009, as Document No. 20090044270; and

- any other amendments, supplements, or annexing documents to the covenants,

conditions, and restrictions for the Sky Mountain Project whether or not recorded with the Washington County Recorder.

The Community Association Act, Utah Code § 57-8a-101, et. seq. (the "Act"), as amended from time to time, shall supplement this Declaration. If an amendment to this Declaration adopts a specific section of the Act, such amendment shall grant a right, power, and privilege permitted by such section of the Act, together with all correlative obligations, liabilities, and restrictions of that section. The remedies in the Act and this Declaration—provided by law or in equity—are cumulative and not mutually exclusive.

RECITALS

A. Declarant was the owner of certain property in the City of Hurricane, Washington County, State of Utah, the same being acquired in phases from the Hurricane Redevelopment Agency, pursuant to a Mutual Development and Cooperation Agreement between the Declarant and its successors and the Hurricane Redevelopment Agency, dated November 26, 1993.

B. This Declaration is intended to apply to each approved subdivision or phase that is developed within the boundaries of the Sky Mountain Project ("Project"), all of which shall be located within the following described property in Washington County, State of Utah, and more particularly described as follows:

SEE LEGAL DESCRIPTION, ATTACHED HERETO AS EXHIBIT A AND INCORPORATED HEREIN BY THIS REFERENCE.

ARTICLE I
Definitions

The definitions in this Declaration are supplemented by the definitions in the Act. In the event of any conflict, the more specific and restrictive definition shall apply.

Section 1. "Articles" means the Articles of Incorporation of Sky Mountain Homeowners Association, Inc., which are filed with the Department of Commerce, Division of Corporations and Commercial Code, of the State of Utah.

Section 2. "Assessment" includes any Regular, Special, or Special Individual Assessment made or assessed against an Owner and the Owner's Lot in accordance with the provisions of Article VII of this Declaration.

Section 3. "Association" means and refers to the Sky Mountain Homeowners Association, Inc., a Utah nonprofit corporation, its successors and assigns.

Section 4. "Board of Directors" or "Board" means the Board of Directors of the Association.

Section 5. "Bylaws" means the Amended and Restated Bylaws of the Association, as

such Bylaws may, from time to time, be amended.

Section 6. "Capital Improvement" means any major addition to the Master Common Areas or Master Common Facilities or any new facility or improvement undertaken by the Association that is not in existence at the date of this Declaration and which is unrelated to repairs for damage, destruction, or normal wear and tear of existing Master Common Areas or Master Common Facilities.

Section 7. "Common Expense" means any use of Common Expense Fund authorized by the Governing Documents, including, without limitation, use of such funds for: the maintenance, management, administration, insurance, operation, replacement, repair, addition to, alteration or reconstruction of, all or any portion of the Master Common Areas and Master Common Facilities or other expenses of benefit to the Association.

Section 8. "Common Expense Fund" means the fund created or to be created pursuant to the provisions of Article VII of this Declaration and into which all monies of the Association shall be deposited.

Section 9. "City" means the City of Hurricane, County of Washington, State of Utah.

Section 10. "Declarant" means and refers to the developer of the Project, namely Sky Mountain Joint Venture, a Utah joint venture, its successors and assigns (references herein to the Declarant are for historical purposes and context).

Section 11. "Declaration" means this document, its attachments, and such amendments as shall be made hereto. It may also be referred to as the "Master Declaration."

Section 12. "Design Review Committee" shall mean the committee created by the Board to review and approve all aspects of the Project's design and construction.

Section 13. "Dwelling Unit" shall mean and refer to a structure, which is designed and intended for use and occupancy as a single-family residence.

Section 14. "Eligible Mortgagee" shall mean and refer to a First Mortgagee which has requested notice of certain matters from the Association in accordance with Article XII, Section 1, of this Declaration.

Section 15. "Family" means one (1) or more persons each related to the other by blood, marriage, or legal adoption or a group of persons not so related who maintain a common household in a Dwelling Unit; however, in no event shall the number of persons occupying a Dwelling Unit exceed the number of persons designated as a Family in any applicable zoning ordinance, building code, or other governmental regulation.

Section 16. "FHA" shall mean and refer to the Federal Housing Administration.

Section 17. "FNMA" shall mean and refer to the Federal National Mortgage

Association.

Section 18. "First Mortgage" shall mean any Mortgage or Deed of Trust which is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

Section 19. "First Mortgagee" means any person named as a Mortgagee under a First Mortgage, or any successor to the interest of any such person under a First Mortgage, which First Mortgage is not subject to any lien or encumbrance except liens for taxes or other liens which are given priority by statute.

Section 20. "Governing Documents" refer collectively to the following documents of the Association: the Articles of Incorporation, Subdivision Plats, Declaration, Bylaws, Board Resolutions, Architectural Standards and Design Guidelines, and Rules and Regulations, as such Governing Documents may be amended., The term shall also include any Board Policies concerning governmental management, the discipline of Members, Tenants, and Guests or Membership rights and obligations, and the Covenants, Conditions, and Restrictions of Sky Mountain Golf Estates, as they shall apply.

Section 21. "Guest and/or Invitee" means any person or persons for whom an Owner or Tenant sponsors admission to the Properties in accordance with Article II hereof.

Section 22. "Lot" means any plot of land shown upon any recorded Subdivision Map of the Properties, or annexed by contract, excluding the Master Common Areas, Townhomes, or PUD common areas. When the context dictates, the reference to a "Lot" shall also include the Dwelling Unit and other improvements constructed thereon.

Section 23. "Manager" means the person, firm or company, if any, designated from time to time by the Association to manage, in whole or in part, the affairs of the Association and the Project.

Section 24. "Master Common Areas" means the real property owned by the Association for the common use and enjoyment of the Owners. The term "Master Common Areas" shall not refer to any real property acquired by the Association unless such property is for the common use and enjoyment by all Owners, nor shall it refer to real property designated as "common area" pursuant to the Covenants, Conditions, and Restrictions of Sky Mountain Golf Estates for the exclusive use and enjoyment of the members of or residents within Sky Mountain Golf Estates.

Section 25. "Master Common Facilities" means the buildings, trails, recreation improvements, roads, trees, hedges, plantings, lawns, shrubs, landscaping, fences, utilities, berms, pipes, lighting fixtures, structures, and other facilities constructed, installed, or located, or to be constructed, installed, or located on the Master Common Areas and owned by the Association. Master Common Facilities may include, but are not limited to:

(a) A clubhouse consisting of a meeting facilities, weight room, eating area,

and swimming pool facility.

(b) Various parks and greenbelt areas.

(c) Contracted facilities or improvements for the benefit of Association Members.

Section 26. "Member" means every person or entity who is an Owner of record of a Lot within the Properties and whose rights, duties, obligations, and privileges as a Member are not suspended pursuant to Article X, Section 6, hereof.

Section 27. "Membership" means the rights, duties, obligations, and benefits possessed by an Owner by virtue of Membership in the Association and as specifically provided for, delineated in, and limited by the Governing Documents.

Section 28. "Mortgage" means any security device encumbering all or any portion of the Properties, including a deed of trust. "Mortgagee" means and refers to a beneficiary under a deed of trust as well as a mortgagee in the conventional sense.

Section 29. "Owner" means any person, firm, corporation, or other entity which owns a recorded fee simple interest in any Lot.

Section 30. "Plat" shall collectively mean and refer to the following plats, recorded in the office of the Washington County Recorder:

(i) The Clubhouse Series at Sky Mountain Phase 1A Amended, recorded on March 17, 2000;

(ii) The Clubhouse Series at Sky Mountain Phase 2, recorded on November 6, 1996.

Section 31. "Policies" means the governing principles established by the Association's Board in accordance with Article III, Section 9, hereof to facilitate Association operations including, without limitation, environmental, disciplinary, administration and personnel policies.

Section 32. "Project" shall mean and refer to the Property and the scheme of development and ownership of the Property created and governed by this Declaration, the Articles and the Bylaws.

Section 33. "Property" shall mean and refer to the Plat and Subdivision Maps known as The Clubhouse Series at Sky Mountain,.

Section 34. "Properties" means all portions of the Property or Project (Master Common Areas, common areas within Townhome Lots and property acquired and owned by the Association) included within any recorded Subdivision Map for any phase of the Project. When the context dictates, the reference to the "Properties" shall include all Dwelling Units, buildings, structures, utilities, Master Common Facilities, and other improvements located thereon located in such future subdivisions and phases of the Project, all located within Washington County, Utah.

Section 35. "Recreational Vehicle" means a motor vehicle originally designed, or permanently altered, and equipped for common habitation, or to which a camper has been permanently attached.

Section 36. "Regular Assessment" means an Assessment levied on an Owner and his Lot in accordance with Article VII, Section 3, hereof.

Section 37. "Rules and Regulations" means those Rules and Regulations promulgated by the Board as specifically provided in Article III, Section 10, hereof.

Section 38. "Single Family Residential Use" means the occupied use of a Dwelling Unit for single-family dwelling purposes in conformity with this Declaration and the requirements imposed by applicable zoning laws or other state or County rules and regulations.

Section 39. "Sky Mountain Design Guidelines and Standards" means those design guidelines for development of all the real property within the Project. The current Sky Mountain Design Guidelines and Standards were prepared by the Declarant and revised by the Association. The Sky Mountain Design Guidelines are subject to modification from time to time. There is no assurance that such guidelines will not be periodically modified from time to time, and they may change with respect to unsold parcels of property within the Project, after one or more other such parcels have been sold.

Section 40. "Special Assessment" means an Assessment levied on an Owner and the Owner's Lot in accordance with Article VII, Section 4, hereof.

Section 41. "Special Individual Assessment" means an Assessment levied on an Owner and the Owner's Lot in accordance with Article VII, Section 5, hereof.

Section 42. "Subdivision Maps" mean the unit maps and other maps or plats recorded officially in the Office of the County Recorder of Washington County, Utah, and any additional such unit maps and other maps or plats or revisions covering real property which is part of the Project, including the following:

(i) The Courtyard Townhomes at Sky Mountain Phase 1B, Amended, recorded on November 28, 2006;
(ii) Sky Mountain Golf Estates Map 1 Amended, recorded on February 24, 1999;
(iii) Sky Mountain Golf Estates Map 3, recorded on December 15, 1999;
(iv) Sky Mountain Golf Estates Phase 4, recorded on November 17, 2000;
(v) Sky Mountain Golf Estates Phase 5, recorded on October 11, 2001;
(vi) Sky Mountain Golf Estates "Phase 6," recorded on March 4, 2004;
(vii) Sky Mountain Golf Estates Phase 7, recorded on March 14, 2003;
(viii) Sky Mountain Golf Estates "Phase 8," recorded on February 11, 2005;
(ix) Sky Mountain Golf Estates Phase 9, recorded on October 11, 2001;
(x) Sky Mountain Golf Estates Phase 10 Amended, recorded on November

25, 2002.

Section 43. "Tenant" means one who temporarily holds or occupies a Dwelling Unit while the Owner is not in residence and who otherwise meets the definition of a tenant or lessee under Utah law.

Section 44. "Townhome Exteriors" shall mean and refer to those portions of the Townhome buildings which are open to the elements such as roof and exterior walls.

Section 45. "VA" means the Veterans Administration.

ARTICLE II
Property Rights and Obligations

Section 1. Owner's Non-Exclusive Easements of Enjoyment. Every Owner shall have a non-exclusive right and easement of enjoyment in and to the Master Common Areas, including an unrestricted right of ingress and egress to and from the Owner's Lot. Said easement rights shall be appurtenant to and shall pass with the title to each Lot, subject to the right of the Association to:

(a) Charge reasonable admission and other fees or to limit the number of Guests who make use of Master Common Facilities and to designate and control use of the Master Common Facilities including without limitation parking and storage spaces within the Master Common Areas.

(b) Establish Policies and Rules and Regulations as provided in Article III, hereof, which shall become a part of the Governing Documents.

(c) Suspend an Owner's voting rights and/or the right of an Owner or Tenant to use any of the Master Common Facilities in accordance with the notice and hearing requirements of Article X, Section 6, hereof, for any violation of the Governing Documents.

(d) Grant permits, licenses, easements, and rights-of-way to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Board so long as such permits, licenses, easements, and rights-of-way are intended to benefit the Project and do not have any substantial adverse affect on the enjoyment of the Master Common Areas by the Owners.

(e) Enter on any Lot when necessary to perform its obligations under this Declaration, including, without limitation, the enforcement of restrictions applicable to the Lot or to properly repair, landscape, or maintain the adjoining Master Common Areas or Master Common Facilities. The Association's right of entry for the purposes previously stated shall extend to its agents and shall be immediate in case of an

emergency originating in or threatening such Lot or any neighboring Lot or Master Common Areas, and the Association's work may be performed under such circumstances whether or not the Owner or the Tenant is present. In all non-emergency situations, the Association, or its agents, shall furnish the Owner or Tenant with at least twenty-four (24) hours written notice of its intent to enter the Lot specifying the purpose of each entry, and shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the Lot Owner or his Tenant.

\

Section 2. Persons Subject to Governing Documents. All present and future Owners and Tenants, if allowed, their Guests and Invitees, shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time. The acceptance of a deed to any Lot, the entering into a lease, sublease, or contract of sale with respect to any Lot shall constitute the consent and agreement of such Owner or Tenant that each and all of the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon such person and such person shall observe and comply with the Governing Documents.

Section 3. Rights of Use.

(a) Right of Use by Persons Other than an Owner. Members of an Owner's Family and other dependents, if any, residing with an Owner shall have the right to use and enjoy the Master Common Areas and Master Common Facilities, to the same extent as the Owner, subject to the limitations in the Governing Documents, including, without limitation, the provisions of Article III, Section 6, hereof. Tenants, if allowed, Guests, and Invitees shall have the right to use and enjoy the Master Common Areas and Master Common Facilities, only to the extent provided in the Governing Documents. A contract purchaser shall have the right to use and enjoy the Master Common Areas and Master Common Facilities to the same extent as the Owner.

(b) Leasing of Dwelling Units.–It is the intent of the Sky Mountain Home Owners Association to be an "owner occupied" community. Accordingly, the leasing and renting of Units by Owners, if permitted, shall be in accordance with this Section.

"Leasing or renting" of a Unit means the granting of a right to use or occupy a Unit for a specific term or indefinite term (with rent stated on a periodic basis), in exchange for the payment of rent (money, property, or other goods or services of value); but shall not mean and include joint ownership of a Unit by means of joint tenancy, tenancy-in-common, or other forms of co-ownership.

To avoid undue hardships or practical difficulties such as the Owner's job relocation, disability, military service, or charitable service, the Board shall have discretion to approve an Owner's application to temporarily rent or lease the Owner's Unit. The Board may not approve an application to rent or lease less than the Owner's entire Unit or to

rent or lease the Unit for a period of less than six (6) consecutive months.

1.1 Owners and Units shall be subject to the following restrictions:

(a) No Unit may be rented or leased except as provided in subsections 1.2 and 1.3 of this Section.

(b) No Owner may lease or rent less than the entire Dwelling Unit, individual rooms may not be rented, and, in the event a rental is permitted, no Owner may lease or rent any Dwelling Unit for a period of less than six (6) consecutive months.

1.2 Any Owner renting or leasing the Owner's Dwelling Unit as of November 20, 2009 ("Grandfathered Owner"), may continue to rent or lease the Owner's Dwelling Unit until such time as the Dwelling Unit is sold or title is otherwise transferred to a new Owner of record. "Transferred to a new owner of record" shall include transfers or conveyances to immediate Family members.

If an Owner rents or leases any Unit, and/or rents or leases any Unit after the Board has denied the Owner's application, or without prior permission, rents or leases their Unit after the adoption of this amendment, the Board may assess fines against the Owner and the Owner's Unit in an amount to be determined by the Board pursuant to a schedule of fines adopted by resolution. In addition, regardless of whether any fines have been imposed, the Board may proceed with any other available legal remedies, including but not limited to an action to, terminate the rental or lease agreement and removal of any Tenant or lessee.

The Association shall be entitled to recover from the offending Owner its costs and attorney fees incurred for enforcement of this Section, regardless of whether any lawsuit or other action is commenced. The Association may assess such costs and attorney fees against the Owner and the Lot as an Assessment pursuant to Article VII of this Declaration.

In addition to any other remedies available to the Association, the Board may require the Owners to terminate a lease or rental agreement if the Board determines that any lessee or Tenant has violated any provision of this Declaration, the Articles, the Bylaws, or any amendments thereto, or the Rules and Regulations. Each lease or rental agreement shall include the express language of this Section 1.7, either in the agreement itself or as an addendum thereto, expressly granting the Association, as a third-party beneficiary, the right to evict the Tenant.

1.3 For those who qualify, rental and lease agreements shall comply with this subsection.

(a) The Owner shall provide the Tenant or lessee with a copy of this Declaration, the Bylaws, including any relevant amendments to such documents, and all Rules and Regulations then in effect and shall take a receipt for delivery of the documents. In the event any such documents are amended, revised, changed, or supplemented by the Association, the Owner shall provide the Tenant or lessee with a copy of the amendments, revisions, changes, or supplements within ten (10) calendar days of adoption by the Association, its Board, or its Membership. If the Owner fails to provide the documents to the Tenant or lessee, the Association shall provide the documents to the Tenant or lessee and take a receipt therefor and shall assess a reasonable charge therefor to the Owner as an Assessment pursuant to Article VII of this Declaration.

(b) Upon the commencement of the rental or lease period, the Owner shall provide the Association with a signed copy of the Lease Agreement which shall include the name(s) and mailing address of the Tenant.

(c) Discipline of Tenants. The principal responsibility for supervising Tenants and ensuring their compliance with the Governing Documents rests with the lessor-Owners. Nevertheless, subject to subparagraph (d) below, in the event that any Tenant fails to honor any provision of the Governing Documents, the Association shall be entitled to take appropriate corrective action if, within a reasonable time, the Owner fails to take such action with respect to the Tenant. Such corrective action may include suspension of the Tenant's privileges to use the Master Common Areas and Master Common Facilities (other than roads), the imposition of fines and penalties against the Owner and Tenant or the initiation of eviction proceedings as provided in subparagraph (e) below.

(d) Due Process Requirement for Disciplinary Action. Except for circumstances in which immediate action is necessary to prevent damage to, or destruction of, the Properties or to preserve the right of quiet enjoyment of other residents, the Association shall have no right to initiate disciplinary action against an Owner (or the Owner's Tenant) on account of the misconduct of the Owner's Tenant unless and until the following conditions have been satisfied: (i) the Owner has received written notice from the Board detailing the nature of the Tenant's alleged infraction or misconduct and advising the Owner of his right to a hearing; (ii) the Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing (conducted in accordance with Article X, Section 6, hereof), to present arguments as to why disciplinary action is unnecessary or unwarranted; and (iii) the Owner has failed to prevent or correct the Tenant's objectionable actions or misconduct. Notwithstanding the foregoing, nothing herein shall be construed to prohibit the Association from communicating directly with a Tenant in an effort to correct a condition or objectionable action in advance of the need for formal disciplinary proceedings.

(e) Association's Right to Prosecute Eviction Proceedings to Protect the

Master Common Interests. In the event a Tenant's conduct involves material damage to, or misuse of, the Master Common Facilities, or constitutes an unreasonable nuisance to neighboring residents, the Association shall be entitled to maintain an eviction action against such Tenant to the same extent as the Owner of the subject Lot, the Association being deemed to be a third party beneficiary of any lease or rental agreement involving any Dwelling Unit located within the Properties. The Association's rights hereunder shall be subject to the due process requirements of subparagraph (d), above.

Section 4. Obligations of Owners. Owners of Lots within the Properties shall be subject to the following:

(a) Owner's Duty to Notify Association of Tenants and Contract Purchasers. Each Owner shall notify the Association of the names of any contract purchaser or Tenant of the Owner's Lot.

(b) Contract Purchasers. A contract purchaser shall be considered the Owner of the Lot and the seller must delegate voting and other Membership rights in the Association and the right to use or enjoy the Master Common Areas and Master Common Facilities to any contract purchaser in possession of a Lot; provided, however, the contract seller shall remain liable for any default in the payment of Assessments by the contract purchaser until title to the property sold has been transferred to the purchaser

(c) Notification Regarding Governing Documents. In order to carry out the intent and purposes of this Declaration, the Association shall, within ten (10) days of the mailing or delivery of a request therefor, provide the Owner with a current copy of all Governing documents. The Association shall be entitled to impose a fee for providing the Governing Documents and billing statement equal to, but not more than, the reasonable cost of preparing and reproducing the requested materials.

(d) Payment of Assessments and Compliance with Governing Documents. Each Owner shall pay when due each Regular, Special, and Special Individual Assessment levied against the Owner and the Owner's Lot and shall observe, comply with, and abide by the Governing Documents for the purpose of protecting the interests of all Owners and protecting the Master Common Areas and Master Common Facilities.

(e) Discharge of Assessment Liens. Each Owner shall promptly discharge any Assessment lien that may hereafter become a charge against the Owner's Lot.

(f) Joint Ownership of Lots. In the event of joint ownership of any Lot, the obligations and liabilities of the multiple Owners shall be joint and several. Without limiting the foregoing, this subparagraph (f) shall apply to all obligations, duties and responsibilities of Owners as set forth in the Governing Documents, including the payment of all Assessments. The rights and privileges of a Membership in the Association as provided for herein are distinct from the obligations and liabilities of the Owners as provided for herein.

(g) Termination of Obligations. Upon the conveyance, sale, assignment, or other transfer of a Lot to a new Owner, the transferor shall not be liable for any Assessments with respect to such Lot that are levied after the date of recording of the deed evidencing said transfer and upon such recording all Association Membership rights possessed by the transferor by virtue of the ownership of said Lot shall cease.

Section 5. Easements For Encroachments. If any part of a Dwelling Unit built in substantial accord with the boundaries for such Dwelling Unit as depicted on a Plat (or in other approved documents depicting the location of such on the Lot) encroaches or shall encroach upon the Master Common Areas, or upon an adjoining Lot, an easement for such encroachment and for the maintenance of the same shall and does exist. If any part of the Master Common Areas encroaches or shall encroach upon a Lot or a Dwelling Unit, an easement for such encroachment and for the maintenance of the same shall and does exist. Each Owner shall have an unrestricted right of ingress or egress to and from the Owner's Lot.

ARTICLE III
Homeowners Association

Section 1. Membership. Each Owner shall be entitled and required to be a Member of the Association. Membership will begin immediately and automatically upon becoming an Owner and shall terminate immediately and automatically upon ceasing to be an Owner. If title to a Lot is held by more than one person, the Membership appurtenant to that Lot shall be shared by all such persons in the same proportionate interest and by the same type of tenancy in which title to the Lot is held. An Owner shall be entitled to one (1) Membership for each Lot owned. Each Membership shall be appurtenant to the Lot to which it relates and shall be transferred automatically by conveyance of that Lot. Ownership of a Lot within the Project cannot be separated from the Membership in the Association appurtenant thereto, and any devise, encumbrance, conveyance, or other disposition of such Lot shall automatically constitute a devise, encumbrance, conveyance, or other disposition of the Owner's Membership in the Association and rights appurtenant thereto. No person or entity other than an Owner may be a Member of the Association and Membership in the Association may not be transferred except in connection with the transfer of a Lot. The Association shall make available to the Owners, Mortgagees, and the holders, insurers, and guarantors of the First Mortgage on any Lot current copies of the Governing Documents for the Project and other books, records, and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 2. Voting.
Each Owner shall be entitled to one (1) vote for each Membership held by the Owner, subject to the authority of the Board to suspend the voting rights of the Owner for violations of this Declaration in accordance with the provisions hereof.

Section 3. Exercise of Voting Rights. All Owners shall be entitled to one (1) Membership for each Lot which they own. Each Member shall be entitled to one (1) vote for such Membership. In the event that there is more than one (1) Owner of a particular Lot, the vote relating to such Lot shall be exercised as such Owners may determine among themselves. No

Lot shall have more than one (1) vote regardless of the number of persons having an ownership interest in the Lot. The votes may be cast at the annual meeting, a special meeting, or otherwise pursuant to the Act. A vote cast by any of such Owners, whether in person, by proxy, or by ballot, shall be conclusively presumed to be the vote attributable to the Lot concerned, unless an objection is immediately made by another Owner of the same Lot. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

Section 4. Professional Management. The Association may carry out through a Manager, those of its functions which are properly the subject of delegation. The Manager so engaged shall be an independent contractor and not an agent or employee of the Association and shall be responsible for managing the Project for the benefit of the Association and the Owners, and shall, to the extent permitted by law and by the terms of the agreement with the Association, be authorized to perform any of the functions or acts required or permitted to be performed by the Association itself.

Section 5. Amplification. The provisions of this Section may be amplified by the Articles and the Bylaws; provided, however, that no such amplification shall substantially alter or amend any of the rights or obligations of the Owners set forth in this Declaration.

Section 6. Restrictions on Recreation Privileges. In order to avoid an overburdening of Master Common Areas and Master Common Facilities, the Membership that is appurtenant to any Lot shall entitle the Lot Owner(s) to only the following user privileges with respect to recreational Master Common Facilities.

(a) Vacant Lots. The Membership appurtenant to a vacant Lot shall confer user privileges on no more than two (2) adult Owners and their children.

(b) Owner-Occupied Improved Lots. The Membership appurtenant to an Owner-occupied improved Lot shall confer user privileges only to the Owner(s) and other individuals residing within the Dwelling Unit.

(c) Rental Properties. The Membership appurtenant to any improved Lot that is rented or leased by the Owner(s) shall confer use privileges on the Tenants/lessees in accordance with subparagraph (b) above; provided, however, that use of recreational Master Common Facilities by Tenants/lessees shall be subject to such further Rules and Regulations and limitations as may be adopted by the Board from time to time. The Owner of any rented or leased Lot shall not have use during the rental or lease.

(d) Guests and Invitees. Use of recreational Master Common Areas and Master Common Facilities by the Guests or Invitees of any Owner shall be subject to such Rules and Regulations and limitations as may be adopted by the Board from time to time.

Section 7. Transfer of Memberships. Membership in the Association shall not be transferred, encumbered, pledged, or alienated in any way, except upon the sale or encumbrance

of the Lot to which it is appurtenant and then only to the purchaser upon recording of a deed evidencing transfer of title to the Lot, and payment of Association's reinvestment fee. In the case of an encumbrance of such Lot, a Mortgagee does not have Membership rights until it becomes an Owner by foreclosure or deed in lieu thereof. Any attempt to make a prohibited transfer is void.

Section 8. Powers and Authority of the Association through its Board. The Association shall have the responsibility of owning, managing, entering into contracts or agreements, and maintaining the Master Common Areas and Master Common Facilities and discharging the other duties and responsibilities imposed on the Association by the Governing Documents for the common benefit of its Members. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a nonprofit corporation organized under the laws of the State of Utah, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents or by law. The Association and its Board shall have the power to do any and all lawful things which may be authorized, required, or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety, and general welfare of its Members.

Section 9. Association Policies.

(a) Policy Making Power. The Board may, from time to time, propose, enact, amend, and/or supplement Policies of general application to the overall administration and operation of the Association's business and functions. Such Policies may concern, but shall not be limited to, personnel, administration, finance, accounting, audits, security, and maintenance. Such Policies or amendments thereto shall become effective as of the date of adoption thereof by the Board or at such later date as the Board may designate in the resolution adopting the policy or amendment thereto.

Notwithstanding the foregoing grant of authority, the Association's Policies shall be consistent with the provisions of the Declaration and the Bylaws.

(b) Distribution of Policies.

(i) Board members, officers, and Owners shall be provided with a complete policy manual set of Policies.

(ii) Committee chairpersons shall be supplied with copies of Policies that deal with the responsibilities and functions of the committee.

(iii) A complete set of Policies shall be available for review by Members at the administration office of the Association.

(c) Breach of Policies. Any breach of the Association Policies shall, as appropriate, give rise to the rights and remedies set forth in Article X, hereof.

Section 10. Association Rules and Regulations.

(a) Rule Making Power. The Board may adopt, amend, cancel, limit, create exceptions to, expand, or enforce rules and design criteria of the Association that are not inconsistent with this Declaration or the Act. Except in the case of imminent risk of harm to a Master Common Area, a limited common area, an Owner, a Lot, or a Dwelling Unit, the Board shall give at least fifteen (15) days advance notice of the date and time the Board will meet to consider adopting, amending, canceling, limiting, creating exceptions to, expanding, or changing the procedures for enforcing rules and design criteria. The Board may provide in the notice a copy of the particulars of the rule or design criteria under consideration. A rule or design criteria adopted by the Board is only disapproved if Member action to disapprove the rule or design criteria is taken in accordance with § 57-8a-217 of the Act. Rules should conform to the limitations in §§ 57-8a-217 and 218 of the Act.

(b) Distribution of Rules and Regulations. A copy of the Association Rules and Regulations may be mailed or otherwise delivered to each new Owner. Any amendments to the Rules and Regulations shall be mailed or otherwise made known to each Owner. A copy of the Association Rules and Regulations also shall be available and open for review and inspection by an Owner or Tenant at the administration office of the Association.

(c) Breach of Rules and Regulations. Any breach of the Association Rules and Regulations shall, as appropriate, give rise to the rights and remedies set forth in Article X, hereof.

ARTICLE IV
Operation and Maintenance

Section 1. Maintenance of Dwelling Units. Each Dwelling Unit and Lot shall be maintained by the Owner thereof so as not to detract from the appearance of the Properties and so as not to affect adversely the value or use of any other Dwelling Unit or Lot. The Association shall have no obligation regarding maintenance or care of the Dwelling Units or Lots, except as set forth elsewhere in this Declaration.

Section 2. Operation and Maintenance by Master Association. The Association shall provide for such maintenance and operation of the Master Common Areas and Master Common Facilities as may be necessary or desirable to make them appropriately usable in conjunction with the Lots and to keep them clean, functional, attractive, and generally in good condition and repair. The expenses incurred by the Association for such purposes shall be paid for with funds from the Common Expense Fund.

Section 3. Utilities. The Owner shall pay for all utility services furnished to each Lot, except utility services which are not separately billed or metered to individual Lots by the

utility or other party furnishing such service. The Association shall pay such bills which are not separately metered and charge an appropriate share to each Lot and Owner.

Section 4. Insurance. The Association shall at all times maintain in force insurance meeting the following requirements:

(a) Hazard Insurance. A "master" or "blanket" type policy of property insurance shall be maintained covering the Master Common Areas and Master Common Facilities and fixtures, building service equipment, personal property and supplies comprising a part of the Master Common Areas and Master Common Facilities owned by the Association and which are of a class typically encumbered by Mortgages held by FNMA or other similar institutional Mortgage investors; but excluding land, foundations, excavations, and other items normally not covered by such policies. References herein to a "master or "blanket" type policy of property insurance are intended to denote single entity insurance coverage. As a minimum, such "master" or "blanket" policy shall afford protection against loss or damage by fire, or other perils normally covered by the standard extended coverage endorsement, and by all other perils which are customarily covered with respect to the common areas of projects similar to the Project in construction, location, and use, including, without limitation, all perils normally covered by the standard "all risk" endorsement, where such endorsement is available. Such "master" or "blanket" policy shall be in an amount not less than one hundred percent (100%) of current replacement cost of all elements of the Project covered by such policy, exclusive of land, foundations, excavation, and other items normally excluded from coverage. The insurance policy shall include either of the following endorsements to assure full insurable value replacement cost coverage: (1) a Guaranteed Replacement Cost Endorsement (under which the insurer agrees to replace the insurable property regardless of the cost) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance); or (2) a Replacement Cost Endorsement (under which the insurer agrees to pay up to one hundred percent (100%) of the property's insurable replacement cost but no more) and, if the policy includes a co-insurance clause, an Agreed Amount Endorsement (which waives the requirement for co-insurance). The maximum deductible amount for such a policy covering the Master Common Areas and Master Common Facilities shall be the lesser of Ten Thousand Dollars ($10,000.00) or one percent (1%) of the policy face amount. Funds to cover these deductible amounts shall be included in the Association's operating reserve account.

(b) Flood Insurance. If any part of the Project is or comes to be situated in a Special Flood Hazard Area as designated on a Flood Insurance Rate Map, a "master" or "blanket" policy of flood insurance shall be maintained covering all Master Common Areas or Master Common Facilities within the Project (hereinafter "Insurable Property") in an amount deemed appropriate, but not less than the lesser of: (1) the maximum limit of coverage available under the National Flood Insurance Administration Program for all Insurable Property within any portion of the Project located within a designated flood hazard area; or (2) one hundred percent (100%) of the insurable value of all such facilities. The maximum deductible amount for any such policy shall be the lessor of

Five Thousand Dollars ($5,000.00) or one percent (1%) of the policy face amount.

(i) The name of the insured under each policy required to be maintained by the foregoing items (a) and (b) shall be the Association for the use and benefit of the individual Owners. (Said Owners shall be designated by name, if required.) Notwithstanding the requirement of the two (2) immediately foregoing sentences, each such policy may be issued in the name of an authorized representative of the Association, including any Insurance Trustee with whom the Association has entered into an Insurance Trust Agreement, or any successor to such Insurance Trustee, for the use and benefit of the individual Owners. Loss payable shall be in favor of the Association (or Insurance Trustee), as a trustee for each Owner and each such Owner's Mortgagee. Each Owner and each such Owner's Mortgagee, if any, shall be beneficiaries of such policy. Evidence of insurance shall be issued to each Owner and Mortgagee upon request.

(ii) Each policy required to be maintained by the foregoing items (a) and (b) shall contain the standard mortgage clause, or equivalent endorsement (without contribution), commonly accepted by private institutional mortgage investors in the area in which the Project is located. If FNMA is a holder of one (1) or more Mortgages or Lots within the Project, such mortgage clause shall name FNMA or FNMA's servicer of such Mortgages as Mortgagee. If FNMA's servicer is named as mortgagee in such mortgage clause, such servicer's name shall be followed therein by the phase "its successors and assigns." In addition, such mortgage clause or another appropriate provision of each such policy shall provide that the policy may not be canceled or substantially modified without at least ten (10) days prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in the policy.

(iii) Each policy required to be maintained by the foregoing items (a) and (b) shall provide, if available, for the following: Recognition of any insurance trust agreement; a waiver of the right of subrogation against Owners individually; the insurance is not prejudiced by any act or neglect of individual Owners which is not in the control of such Owners collectively; and the policy is primary in the event the Owner has other insurance covering the same loss.

(iv) Each policy required to be maintained by the foregoing item (a) shall also contain or provide the following: (1) "Inflation Guard Endorsement," if available; (2) "Building Ordinance or Law Endorsement," if the enforcement of any building, zoning, or land use law will result in loss or damage, increased cost of repairs or construction, or additional demolition and removal costs. (The endorsement must provide for contingent liability from the operation of building laws, demolition costs and increased costs of reconstruction); (3) "Steam Boiler and Machinery Coverage Endorsement," if the Project has central heating or cooling, which shall provide that the insurer's minimum liability per accident at least equals the lesser of Two Million Dollars ($2,000,000.00) or the insurable value of the building containing the boiler or machinery. In lieu of obtaining this

as an endorsement to the commercial package property, the Association may purchase separate and stand-alone boiler and machinery coverage.

(c) Fidelity Bonds. The Association shall, at all times, maintain in force and pay the premiums for "blanket" fidelity bonds for all officers, Members, Directors, and employees of the Association and for all other persons handling or responsible for funds of or administered by the Association, whether or not that individual received compensation for services. Furthermore, where the Association has delegated some or all of the responsibility for the handling of funds to a Manager, the Manager shall provide "blanket" fidelity bonds, with coverage identical to such bonds required from the Association for the Manager's officers, employees, and agents handling or responsible for funds of or administered on behalf of the Association. The total amount of fidelity bond coverage required shall be based upon the Association's best business judgment and shall not be less than the estimated maximum of funds, including reserve funds, in the custody of the Association, or the Manager as the case may be, at any given time during the term of each bond. A lesser amount of fidelity insurance coverage is acceptable for the Project, so long as the Association and the Manager adhere to the following financial controls: (1) the Association or the Manager maintains an account for the working account and the reserve account, each with the appropriate access controls, and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (2) the Manager maintains separate records and bank accounts for each Association that uses its services and the Manager does not have authority to draw checks on or to transfer funds from the Association's reserve account; or (3) one (1) member of the Board must sign any checks written on the reserve account. Nevertheless, in no event may the amount of such bonds be less than the sum equal to three (3) months' aggregate Assessments on all Lots. The bonds required shall meet the following additional requirements: (1) the fidelity bonds shall name the Association as obligee; (2) the bonds shall contain waivers by the issuers of the bonds of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions; (3) the premiums on all bonds required herein for the Association (except for premiums on fidelity bonds maintained by the Manager for its officers, employees, and agents) shall be paid by the Association as part of the Common Expenses; and (4) the bonds shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days prior written notice to the Association, to any Insurance Trustee, and to each servicer of loans on behalf of FNMA.

(d) Liability Insurance. The Association shall maintain in force, and pay the premium for a policy providing comprehensive general liability insurance coverage covering all of the Master Common Areas and Master Common Facilities, public ways in the Project, if any, all other areas of the Project that are under the Association's supervision, and commercial spaces owned by the Association, if any, whether or not such spaces are leased to some third party. The coverage limits under such policy shall be in amounts generally required by private institutional Mortgage investors for projects similar to the Project in construction, location, and use. Nevertheless, such coverage shall be for at least Two Million Dollars ($2,000,000.00) for bodily injury, including

deaths of persons, and property damage arising out of a single occurrence. Coverage under such policy shall include, without limitation, legal liability of the insured for property damage, bodily injuries and deaths of persons in connection with the operation, maintenance, or use of the Master Common Areas and Master Common Facilities and legal liability arising out of lawsuits related to employment contracts of the Association. Additional coverage under such policy shall include protection against such other risks as are customarily covered with respect to projects similar to the Project in construction, location, and use, including but not limited to (where economically feasible and if available), host liquor liability, contractual and all written contract insurance, employer's liability insurance, and comprehensive automobile liability insurance. If such policy does not include "severability of interest" in its terms, the policy shall include a special endorsement to preclude an insurer's denial of any Owner's claim because of negligent acts of the Association or any other Owner. Such policy shall provide that it may not be canceled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association and to each Mortgagee which is listed as a scheduled holder of a Mortgage in such policy.

(e) Insurance Trustees and General Requirements Concerning Insurance. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured on behalf of the Association, the Association's authorized representative, including any trustee with whom the Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Owner hereby appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designated by the Association, as the Owner's attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association, or any Insurance Trustee, shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for the use and benefit of the Owners and their Mortgagees, as their interest may appear.

Each insurance policy maintained pursuant to the foregoing Sections (a), (b), (c), and (d) shall be written by an insurance carrier which is licensed to transact business in the State of Utah and which has a B general policyholders rating or a financial performance index of 6 or better in the Best's Key Rating Guide or an A or better rating for Demotech, Inc., or which is written by Lloyd's of London. No such policy shall be maintained where: (1) under the terms of the carrier's charter, bylaws, or policy, contributions may be required from, or assessments may be made against, an Owner, a Mortgagee, the Board, the Association, FNMA, or the designee of FNMA; (2) by the terms of the carrier's charter, bylaws, or policy, loss payments are contingent upon action by the carrier's board of directors, policyholders, or members; or (3) the policy includes any limiting clauses (other than insurance conditions) which could prevent the party entitled (including, without limitation, the Board, the Association, an Owner or FNMA)

from collecting insurance proceeds. The provisions of this Section (e) and of the foregoing Sections (a), (b), (c), and (d) shall not be construed to limit the power or authority of the Association to obtain and maintain insurance coverage, in addition to any insurance coverage required hereunder, in such amounts and in such forms as the Association may deem appropriate from time to time.

(f) Annual Review of Policies. All insurance policies shall be reviewed at least annually by the Board in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the Project which may have been damaged or destroyed. In addition, such policies shall be reviewed to determine their compliance with the provisions of this Declaration.

(g) Director's and Officer's Insurance. The Board shall obtain director's and officer's liability insurance for officers and directors of the Association. Such insurance shall, among other coverages, include coverage for both monetary and non-monetary claims and shall be in an amount customary for a project of a type the same as or similar to this Project.

ARTICLE V
Damage or Destruction

Section 1. Association as Attorney-in-Fact. All of the Owners irrevocably constitute and appoint the Association their true and lawful attorney in fact in their name, place, and stead for the purpose of dealing with improvements to the Master Common Areas and Master Common Facilities upon their damage or destruction as hereinafter provided. Acceptance by any grantee of a deed from any Owner shall constitute an appointment by said grantee of the Association as attorney-in-fact as herein provided. As attorney-in-fact, the Association shall have full and complete authorization, right, and power to make, execute, and deliver any contract, deed, or other instrument with respect to the interest of an Owner which may be necessary or appropriate to exercise the powers herein granted. All insurance proceeds shall be payable to the Association except as otherwise provided in this Declaration.

Section 2. Estimate of Damages or Destruction. As soon as practical after an event causing damage to or destruction of any part of the improvements on the Master Common Areas or to the Master Common Facilities, the Association shall, unless such damage or destruction shall be minor, obtain an estimate or estimates that it deems reliable and complete the repair and reconstruction of that part of the Master Common Areas and Master Common Facilities so damaged or destroyed. "Repair and reconstruction" as used in this Article V shall mean restoring the damaged or destroyed improvements to substantially the same condition in which they existed prior to the damage or destruction.

Section 3. Repair and Reconstruction. As soon as practical after obtaining estimates, the Association shall diligently pursue to completion the repair and reconstruction of the damaged or destroyed improvements. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no

consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

Section 4. Funds for Repair and Reconstruction. The proceeds received by the Association from any hazard insurance shall be used for the purpose of repair, replacement, and reconstruction. If the proceeds of the insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, pursuant to Article VII, Section 4 below, levy, assess, and collect in advance from all Owners, without the necessity of a special vote of the Owners, a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. Further levies may be made in like manner if the amounts collected prove insufficient to complete the repair and reconstruction.

Section 5. Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for in Article VII, Section 4 below constitute a fund for the payment of the costs of repair and reconstruction after casualty. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as a Special Assessment to the Association, or, if no Special Assessments were made, then in equal shares per Lot.

Section 6. Decision Not to Rebuild. If Owners representing at least sixty-seven percent (67%) of the votes in the Association and fifty-one percent (51%) of the First Mortgagees (based upon one (1) vote for each Mortgage owned) of the Lots agree in writing not to repair and reconstruct and no alternative improvements are authorized, then and in that event the Master Common Areas and Master Common Facilities shall be restored to their natural state and maintained as an undeveloped portion of the Master Common Areas by the Association in a neat and attractive condition, and any remaining insurance proceeds shall be distributed in equal shares per Lot.

Section 7. Notice to First Mortgagees. The Association shall give timely written notice to any holder of any First Mortgage on a Lot who requests such notice in writing in the event of substantial damage to or destruction of any part of the Master Common Areas.

ARTICLE VI
Condemnation

Section 1. Rights of Owners. Whenever all or any part of the Master Common Areas shall be taken or conveyed in lieu of and under threat of condemnation, each Owner shall be entitled to notice of the taking, but the Association shall act as attorney-in-fact for all Owners in the proceedings incident to the condemnation proceeding, unless otherwise prohibited by law.

Section 2. Partial Condemnation; Distribution of Award; Reconstruction. The award made for such taking shall be payable to the Association as trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Master Common Areas on which improvements have been constructed, then, unless within sixty (60) days after such taking Owners representing at least sixty-seven percent (67%) of the votes of Members in the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Master Common Areas to the extent lands are available therefor, in accordance with plans approved by the Board and the Design Review Committee. If such improvements are to be repaired or restored, the provisions in Article V above regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply. If the taking does not involve any improvements on the Master Common Areas, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be distributed in equal shares per Lot, to the Owners, as their interests appear.

Section 3. Complete Condemnation. If all of the Project is taken, condemned, sold, or otherwise disposed of in lieu of or in avoidance of condemnation, then the regime created by this Declaration shall terminate, and the portion of the condemnation award attributable to the Master Common Areas shall be distributed to Owners equally.

ARTICLE VII
Assessments

Section 1. Assessments Generally.

(a) The Association shall have the power to establish, fix, and levy Assessments against the Owners of Lots within the Properties and to enforce payment of such Assessments in accordance with this Article VII. Any Assessments levied by the Association on its Members shall be levied in accordance with and pursuant to the provisions of this Declaration.

(b) The Assessments for Common Expenses provided for herein shall be used for, are necessary to, and hereby declared and agreed to be for, the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and residents of the Lots and Dwelling Units within the Project.

(c) If a vote of the Members is required, pursuant to other Sections of this Declaration, to approve a Regular or Special Assessment, notice of the proposed Assessment, detailing the reasons therefor and the procedures for voting on approval of the Assessment, shall be given to all Members not less than thirty (30) days prior to the date scheduled for a vote on the proposition. Approval of the Members may be solicited at a meeting called for that purpose or by written ballot in accordance with the Bylaws.

(d) All Assessments shall be fixed, established, and collected from time to time as provided in this Article VII.

(i) The maximum Regular Assessment may be increased each year

not more than ten percent (10%) above the maximum Assessment for the previous year without a vote of the Membership.

(ii) The maximum Regular Assessment may be increased above ten percent (10%) by a vote of sixty-seven percent (67%) of the votes of Members who are voting in person, by proxy, or by ballot, at a meeting duly called for this purpose.

(iii) The Board may fix the Regular Assessment at an amount not in excess of the maximum.

Section 2. Personal Obligation for Assessments.

(a) Each Owner of a Lot by acceptance of a deed therefor (whether or not it shall be so expressed in such deed), covenants and agrees to pay to the Association the Assessments hereinafter provided for.

(b) The amount of any Regular or Special Assessment against any Lot shall be the personal obligation of the Owner of such Lot to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same. In the event of any suit to recover a money judgment of unpaid Assessments hereunder, the involved Owner shall pay the costs and expenses incurred by the Association in connection therewith, including reasonable attorney fees.

(c) The personal obligation of an Owner to pay unpaid Assessments against his Lot as described in Section 2(b), above, shall be settled at time of trade of property. If this is not possible, then said personal obligation shall not pass to successors in title, unless assumed by them. Provided, however, a lien to secure unpaid Assessments shall not be affected by the sale or transfer of the Lot, unless foreclosure by a First Mortgagee is involved, in which case, the foreclosure will extinguish the lien for any Assessments that were payable before the foreclosure sale, but shall not relieve any subsequent Owner from paying further Assessments.

(d) All Assessments levied pursuant to this Declaration, together with the late fees, interest, costs, and attorney fees as provided in this Declaration in or the maximum amount permitted by Utah law, shall be a charge and a continuing lien upon each Lot against which each Assessment is imposed. Such amounts for the Assessments and late fees, interest, costs, and attorney fees shall also be the personal obligation of the Owner(s) of such Lot at the time the Assessment is due. All unpaid portions of any Assessment shall bear interest at the rate established by the Board, not to exceed eighteen percent (18%) per annum from the date such portions become due until paid.

(e) No Owner may exempt the Owner or Lot from liability or charge for the Owner's share of any Regular, Special, or Special Individual Assessment levied against the Owner and the Lot by waiving or relinquishing, or offering to waive or relinquish, the

right to use and enjoy all or any portion of the Master Common Areas or Master Common Facilities or by the abandonment or nonuse of the Lot.

Section 3. Regular Assessment.

(iv) Preparation of Annual Budget and Establishment of Regular Assessment. Not less than thirty (30) nor more than sixty (60) days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve funds established to defray the cost of future repair or replacement of existing Master Common Facilities or to fund specific Capital Improvements) by preparing and distributing to all Association Members a proforma budget. The Board shall present the budget at a meeting of the Members. A budget presented by the Board is only disapproved if Member action to disapprove the budget is taken in accordance with § 57-8a-215 of the Act. The Board shall be authorized to adopt the annual budget, thus establishing the Regular Assessment payable by the Owners, unless the percentage increase in the Regular Assessment over the previous year's Regular Assessment must receive the prior approval of sixty-seven percent (67%) of the Members who are voting in person, by proxy, or by ballot, at a meeting duly called for such purpose.. Once adopted, the Aggregate Regular Assessment shall be allocated among and assessed against all Lots within the Properties in the manner provided in subparagraph (b) below.

Without limiting the generality of the foregoing, the budgeted Common Expenses for any fiscal year may include line items for enhancements to existing Master Common Facilities or additions to the Association's equipment or inventory, the aggregate cost of which does not exceed 10 percent (10%) of the previous year's budgeted gross expenses. Any other specific Capital Improvement project or acquisition of Association property in excess of the foregoing limitation shall be funded by levy of a Special Assessment in accordance with Section 4, below, or approved by the Owners or provided elsewhere in this Declaration.

(a) Allocation of Regular Assessment Among the Owners. The total Regular Assessment established in accordance with subparagraph (a) above, shall be equally allocated among and assessed against the Owners and their Lots. Each Owner's allocable share of the Regular Assessment shall be set forth and recorded upon an Assessment roll which shall be maintained as part of the records of the Association and shall be open for inspection at all reasonable times by each Owner for any purpose reasonably related to the Owner's interest as an Owner or as a Member of the Association. All funds received from Assessments under this Section shall be part of the Common Expense Fund.

(b) Assessment Payment. The Regular Assessment levied against each Lot and Owner shall be due and payable in accordance with the Association Policies.

(c) Failure to Establish Annual Budget. If the Board fails to prepare a budget

for any fiscal year, then the Regular Assessment established for the preceding fiscal year, together with any Special Assessment made pursuant to Section 4 hereof for the year, shall be assessed against each Lot and Owner as the Regular Assessment for the fiscal year.

Section 4. Special Assessments.

(a) Special Assessments. In addition to the Regular Assessments authorized by this Article, the Board may, on behalf of the Association, levy at any time and from time to time, upon the affirmative vote of at least sixty-seven percent (67%) of all Members who are voting in person, by proxy, or by ballot, at a meeting called for such purpose Special Assessments, payable over such periods as the Board may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration (including, without limitation, Common Expenses and reserve funds). Except as provided in Section 4(b) below, this section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other sections or articles hereof. Any amount assessed pursuant hereto shall be assessed to Owners equally. Notice in writing of the amount of each such Special Assessment and the time for payment thereof shall be given promptly to the Owners; no payment shall be due less than thirty (30) days after such notice shall have been given. All unpaid portions of any Special Assessment shall bear interest at the rate established by the Board, not to exceed eighteen percent (18%) per annum from the date such portions become due until paid. All funds received from Assessments under this section shall be part of the Common Expense Fund. The provisions of this Section are not intended to preclude or limit the Assessment, collection, or use of Regular Assessments for the aforesaid purposes.

(b) Purposes for which Special Assessments may be Levied.

(i) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment for any fiscal year is insufficient to fund the Association's Common Expenses due to emergency expenses not included in the budget prepared for the fiscal year, then the Board may levy a Special Assessment, applicable to the remainder of such year only, for the purpose of defraying, in whole or in part, any deficit which the Association might otherwise incur in the performance of its duties and the discharge of its obligations.

(ii) Capital Improvements. The Board may also levy Special Assessments for specific Capital Improvements or for the acquisition of new Association property. Where the cost of a Capital Improvement requires the accumulation of funds for a period in excess of one (1) fiscal year, the funds may nevertheless be collected by means of a Special Assessment (subject to the limitations contained herein) and accumulated; provided, however, that any funds collected by Special Assessment to fund an undertaking in a subsequent fiscal

year shall be separately identified in the financial records of the Association. In the event the Board determines, in any subsequent fiscal year, that Special Assessment funds accumulated for a specific future undertaking are not to be applied to such undertaking, or if the accumulated funds exceed the cost of the undertaking, the fund balance shall be transferred to the Association's general fund in order to serve as a credit against the Owners' Regular Assessment obligations.

Section 5. Special Individual Assessments.

(a) Circumstances giving Rise to Special Individual Assessments. In addition to Special Assessments provided for in Section 4, above, the Association may also impose Special Individual Assessments against a Lot and Owner in any of the circumstances described in subparagraphs (i) through (iv), below; provided that Special Individual Assessments may only be imposed pursuant to this Section 5 after the Owner has been afforded the notice and hearing rights to which the Owner is entitled pursuant to Article X, Section 6, hereof, and, when appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents. The acts and circumstances that may give rise to Special Individual Assessment liability include, without limitation, the following:

(i) Damage to Master Common Areas or Master Common Facilities. Any damage to, or destruction of, any portion of the Master Common Areas or the Master Common Facilities caused by the willful misconduct or negligent act or omission of any Owner, any Family members, Tenants, Guests, servants, employees, licensees, or Invitees. If any such damage occurs, the Board may cause the same to be repaired or replaced and recover the cost thereof.

(ii) Expenses incurred in Gaining Member Compliance. Costs or expenses incurred by the Association, including reasonable title company, accounting or legal fees, to repair, maintain, or replace any portion of the properties for which the Owner is responsible under the Governing Documents, but has failed to undertake or complete in a timely fashion or to otherwise bring the Owner and the Lot into compliance with the provisions of the Governing Documents.

(iii) Required Maintenance on Lots. As more particularly provided in Article II, Section 1(e), (and without limiting the generality of that section), if any Lot is maintained so as to become a nuisance, fire, or safety hazard for any reason, including, without limitation, the accumulation of trash, junk automobiles, or improper weed or vegetation abatement and control, the Association shall have the right to enter said Lot, correct the offensive or hazardous condition and recover the cost thereof.

(iv) Maintenance of Park Strip. Each Owner shall be responsible to landscape and maintain the Park Strip fronting on each Owner's Lot. This

maintenance will include, without limitation, the mowing and watering of the designated park strips, removal of weeds, cleaning of debris and other general care. Each Owner is also responsible for the removal of snow from the sidewalk, but not the removal of snow from the planted area of the Park Strip. Each Owner is responsible for keeping sidewalk clear of landscape rock and keeping vegetation from impeding sidewalk access. In the event that any Owner shall fail to landscape or maintain the Park Strip, whether such failure is caused through the failure to act or the willful or negligent act of any Owner, or the Owner's Family, Guests, or Invitees, or otherwise, then, subject to the notice provisions of this Declaration, the Association shall have the right to cause such landscaping and maintenance to be performed and the cost of such maintenance or repairs, shall constitute the obligation of the Owner of the Lot so maintained and such obligation shall be subject to and shall be secured by a lien as set forth in Section 8 hereof.

(b) Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied against an Owner and the Lot for any reason, such Special Individual Assessment shall be recorded on the Association's Assessment rolls. Notice thereof shall be mailed to the affected Owner and the Special Individual Assessment shall thereafter be due and payable in accordance with the Association's Policies.

Section 6. Uniform Rate of Assessment. The amount of any Regular or Special Assessment against each Lot shall be fixed at a uniform rate per Membership. Regular Assessments may be collected on a annual basis and Special Assessments may be collected as specified by the Board, unless otherwise determined by the resolution of the Members of the Association approving the Special Assessment.

Section 7. Notice and Quorum for Any Action Authorized Under Sections 1 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 1 or 4 of this Article shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the discretion of the Board, voting on any action relative to sections 1 or 4 may be by ballot.

Section 8. Lien for Assessments. All sums assessed to Owners of any Lot within the Project pursuant to the provisions of this Article VII, together with penalties and interest thereon as provided herein, shall be secured by a lien on such Lot in favor of the Association. To evidence a lien for sums assessed pursuant to this Article VII, the Board may prepare a written notice of lien setting forth the amount of the Assessment, the date due, the amount remaining unpaid, the name of the Owner of the Lot and a description of the Lot. Such a notice shall be signed and acknowledged by a duly authorized officer of the Association and may be recorded in the office of the Washington County Recorder, State of Utah. No notice of lien shall be recorded until there is a delinquency in payment of the Assessment. The Association shall have the right to collect Assessments through a lawsuit, judicial foreclosure, non-judicial foreclosure, or other means as provided in §§ 57-8a-301 to -311 of the Act. Such remedies shall be cumulative and not exclusive. In any such foreclosure, the Owner shall be required to pay the costs and expenses

of such proceeding, (including reasonable attorney fees), and such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay the Association any Assessments against the Lot which shall become due during the period of foreclosure, and all such Assessments shall be secured by the lien being foreclosed. The Board shall have the right and power on behalf of the Association to bid at any foreclosure sale and to hold, lease, mortgage, or convey the subject Lot in the name of the Association.

Reserve Fund. The Board shall cause a reserve analysis to be conducted no less frequently than every six (6) years and shall review and, if necessary, update a previously prepared reserve analysis every three (3) years. The Board may conduct the reserve analysis by itself or may engage a reliable person or organization to conduct the reserve analysis. The Board shall annually provide Owners a summary of the most recent reserve analysis or update and provide a complete copy of the reserve analysis or update to an Owner upon request. In formulating the budget each year, the Board shall include a reserve line item in an amount required by the Governing Documents, or, if the Governing Documents do not provide for an amount, the Board shall include an amount it determines, based on the reserve analysis, to be prudent.

"Reserve fund money" means money to cover: (a) the cost of repairing, replacing, or restoring Master Common Areas and Master Common Facilities that have a useful life of three (3) years or more and a remaining useful life of less than thirty (30) years, if the cost cannot reasonably be funded from the general budget or other funds of the Association; or (b) a shortfall in the general budget, if: (i) the shortfall occurs while a state of emergency, declared in accordance with Utah Code § 53-2a-206, is in effect; (ii) the geographic area for which the state of emergency is declared extends to the entire state; and (iii) at the time the money is spent, more than ten percent (10%) of the Owners that are not Board members are delinquent in the payment of Assessments as a result of events giving rise to the state of emergency.

The Board may not use reserve fund money for any purpose other than the purpose for which the reserve fund was established, including daily maintenance expenses, unless a majority of Owners vote to approve the use of reserve fund money for that purpose.

The Association shall maintain a reserve fund separate from other Association funds.

\

Section 9. Evidence of Payment of Regular and Special Assessments. Upon receipt of a written request by a Member or title company or Mortgagee the Association, within a reasonable period of thereafter, shall issue to such Member or other person, a written certificate stating (1) that all Regular and Special Assessments (including interest, costs, and attorney fees, if any, as provided in Section 2, above) have been paid with respect to any specified Lot as of the date of such certificate, or (2) if all Regular and Special Assessments have not been paid, the amount of such Regular and Special Assessments (including interest, costs, and attorney fees, if any) due and payable as of such date. The Association may make a reasonable charge for the issuance of such certificates, which charges must be paid at the time the request for any such certificate is made. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with respect to any matter therein stated as against any bona fide

purchaser of, or Mortgagee on, the Lot in question.

Section 10. Tenant Payment of Assessments.

(a) The Board may require a Tenant under a lease with a Lot Owner to pay the Association all future lease payments due to the Lot Owner if the Lot Owner fails to pay an Assessment for a period of more than sixty (60) days after the Assessment is due and payable, beginning with the next monthly or periodic payment due from the Tenant and until the Association is paid the amount owing. Before requiring a Tenant to pay lease payments to the Association, the Association's Manager or Board shall give the Owner notice, which notice shall state: (i) the amount of the Assessment due, including any interest, late fee, collection cost, and attorney fees; (ii) that any costs of collection, including attorney fees, and other Assessments that become due may be added to the total amount due and be paid through the collection of lease payments; and (iii) that the Association intends to demand payment of future lease payments from the Lot Owner's Tenant if the Lot Owner does not pay the amount owing within fifteen (15) days.

(b) If a Lot Owner fails to pay the amount owing within fifteen (15) days after the Association's Manager or Board gives the Lot Owner notice, the Association's Manager or Board may exercise the Association's rights by delivering a written notice to the Tenant. The notice to the Tenant shall state that: (i) due to the Lot Owner's failure to pay an Assessment within the required time, the Board has notified the Lot Owner of the Board's intent to collect all lease payments until the amount owing is paid; (ii) the law requires the Tenant to make all future lease payments, beginning with the next monthly or other periodic payment, to the Association, until the amount owing is paid; and (iii) the Tenant's payment of lease payments to the Association does not constitute a default under the terms of the lease with the Lot Owner. The Manager or Board shall mail a copy of this notice to the Lot Owner.

(c) A Tenant to whom notice is given shall pay to the Association all future lease payments as they become due and owing to the Lot Owner: (i) beginning with the next monthly or other periodic payment after the notice is delivered to the Tenant; and (ii) until the Association notifies the Tenant under Subsection (a) that the amount owing is paid. A Lot Owner shall credit each payment that the Tenant makes to the Association under this Section against any obligation that the Tenant owes to the Owner as though the Tenant made the payment to the Owner; and may not initiate a suit or other action against a Tenant for failure to make a lease payment that the Tenant pays to an Association as required under this Section.

(d) Within five (5) business days after the amount owing is paid, the Association's Manager or Board shall notify the Tenant in writing that the Tenant is no longer required to pay future lease payments to the Association. The Manager or Board shall mail a copy of this notification to the Lot Owner. The Association shall deposit money paid to the Association under this Section in a separate account and disburse that money to the Association until the amount owing is paid; and any cost of administration, not to exceed Twenty-Five Dollars ($25.00), is paid. The Association shall, within five (5) business days after the amount owing is paid, pay to the Lot Owner any remaining balance.

Section 11. Maintenance of Assessment Funds.

(a) Bank Account. All sums received or collected by the Association shall be deposited in a federally insured checking, savings, or money market account in one (1) or more banks or savings and loan associations selected by the Board; provided, however, that the amounts deposited in any particular financial institution shall not exceed the maximum amount covered by FDIC insurance limitations. The Board, and such officers or agents of the Association as the Board shall designate, shall have exclusive control over any Association accounts and investments and shall be responsible to the Members for the maintenance of accurate records thereof at all times. The funds contained in such accounts shall constitute the Common Expense Fund.

(b) Maintenance of Funds. The Board, in its discretion, may establish appropriate fiscal Policies regarding the maintenance of Assessment funds in separate accounts as it determines to be prudent and in the best interest of the Association.

The Board, through regular detailed audits, shall confirm that all Assessments are being properly applied and accounted for, and adjustments and reallocations are being properly made. Such audits are to be not more than twelve (12) months apart.

Section 12. Exemption of Certain of the Properties from Assessments. The following real property subject to this Declaration shall, unless devoted to the use as a Dwelling Unit, be exempt from the Assessments and the liens provided for herein:

(a) Any portion of the Properties dedicated and accepted by a local public authority.

(b) The Master Common Areas and Master Common Facilities.

(c) Any Lot owned by the Association.

Section 13. Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article VII, the benefit of any homestead or exemption law of Utah in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed.

Section 14. Inadequate Funds. In the event that the Common Expense Fund proves inadequate at any time for whatever reason, including nonpayment of any Owner's Assessment, the Board may, on behalf of the Association, levy additional Assessments in accordance with the procedure set forth in Article VII Section 4, above except that the vote therein specified shall be unnecessary.

Section 15. Appointment of Trustee. The Association and each Lot Owner hereby conveys and warrants, pursuant to §§ 58-8a-212 and 57-8a-302 of the Act, and Utah Code § 57-1-20, to attorney Bruce C. Jenkins, of the law firm Jenkins Bagley Sperry, PLLC, or any other attorney that the Association engages to act on its behalf to substitute for Bruce C. Jenkins, with power of sale of the Lot and all improvements to the Lot for the purpose of securing payment of

Assessments under the terms of this Declaration.

Section 16. Delinquent Owner. As used in this Section, "Delinquent Owner" means a Lot Owner who fails to pay an Assessment when due.

(a) The Board may terminate a Delinquent Owner's right:

(i) to receive a utility service for which the Owner pays as a Common Expense; or

(ii) of access to and use of recreational facilities.

(b) (i) Before terminating a utility service or right of access to and use of recreational facilities under Subsection (a) the Manager or Board shall give the Delinquent Owner notice. Such notice shall state:

(A) that the Association will terminate the Delinquent Owner's utility service or right of access to and use of recreational facilities, or both, if the Association does not receive payment of the Assessment within fourteen (14) calendar days;

(B) the amount of the Assessment due, including any interest or late payment fee; and

(C) the Owner's right to request a hearing under Subsection (c).

(ii) A notice under Subsection (b)(i) may include the estimated cost to reinstate a utility service if service is terminated.

(c) (i) The Delinquent Owner may submit a written request to the Board for an informal hearing to dispute the Assessment.

(ii) A request under Subsection (c)(i) shall be submitted within fourteen (14) days after the date the Delinquent Owner receives the notice under Subsection (b)(i).

(d) The Board shall conduct an informal hearing requested under Subsection (c)(i) in accordance with the hearing procedures of the Association.

(e) If the Delinquent Owner requests a hearing, the Association may not terminate a utility service or right of access to and use of recreational facilities until after the Board:

(i) conducts the hearing; and

(ii) enters a final decision.

(f) If the Association terminates a utility service or a right of access to and use of recreational facilities, the Association shall take immediate action to reinstate the service or right following the Owner's payment of the Assessment, including any interest and late payment fee.

(g) The Association may:

(i) levy an Assessment against the Delinquent Owner for the cost associated with reinstating a utility service that the Association terminates as provided in this Section; and

(ii) demand that the estimated cost to reinstate the utility service be paid before the service is reinstated if the estimated cost is included in a notice under Subsection (b)(ii).

Section 17. Reinvestment Fee Assessment. In addition to all other Assessments and upon the conveyance of a Lot there shall be one (1) reinvestment fee charged to the buyer or seller, as the buyer and seller may determine, comprised of one (1) or more of the following charges:

(a) an Assessment determined pursuant to resolution of the Board and charged for:
- (i) common planning, facilities, and infrastructure;
- (ii) obligations arising from an environmental covenant;
- (iii) community programming;
- (iv) resort facilities;
- (v) open space;
- (vi) recreation amenities;
- (vii) charitable purposes; or
- (viii) Association expenses as defined in Utah Code § 57-1-46(1)(a).

(b) This reinvestment fee shall not exceed one-half percent (0.5%) of the fair market value of the Lot, plus all improvements. When the seller is a financial institution, the reinvestment fee shall be limited to the costs directly related to the transfer, not to exceed Two Hundred and Fifty Dollars ($250.00). The Association may assign the charges directly to the Association's Manager.

(c) This reinvestment fee may not be enforced upon: (i) an involuntary transfer; (ii) a transfer that results from a court order; (iii) a bona fide transfer to a Family member of the seller within three degrees of consanguinity who, before the transfer, provides adequate proof of consanguinity; or (iv) a transfer or change of interest due to death, whether provided in a will, trust, or decree of distribution.

ARTICLE VIII
Environmental Management

For the purposes of this Article, the term "environment" shall include all of the Properties of the Association. The environmental objective is to ensure that structures, improvements and individual and collective Membership activities shall be directed toward enhancement of the natural beauty and character of the Properties and the quiet enjoyment thereof. Although the principal responsibility for administration and implementation of environmental management policies shall rest with the Board and management, the Board acknowledges that Membership support of these provisions is basic to their successful implementation.

Section 1. Construction or Installation of Improvements. The Board shall adopt and amend as necessary, Policies and Rules and Regulations, with appropriate addenda, which specify the guidelines, standards, and restrictions which, in addition to those stated herein, will satisfy the Association's environmental objectives with respect to the construction or the installation of improvements.

(a) Owners shall be obligated to comply with the provisions of this Declaration as well as the Sky Mountain Design Guidelines and Standards when planning, constructing, or installing any improvement within the Properties. The term "improvement," as used herein, shall include, but shall not be limited to, the construction, installation, alteration, remodeling, and exterior color selection of buildings, walls, fences, landscaping structures, retaining walls, privacy structures, outdoor spas, antennas, television satellite reception dishes, heating or air conditioning equipment, or swimming

pools, including above ground pools. Prior to commencement of construction or installation of any improvement, the Owner must receive the Design Review Committee's written approval of the project. The Owner's request for approval shall include all of the information, plans, and specifications required by the Association Policies.

(b) The Board may maintain, as part of its staff, personnel qualified and authorized to approve or disapprove a requested improvement in accordance with the Association's published guidelines, standards, and restrictions, and to conduct inspections until construction or installation of an approved improvement is completed.

(c) The Board may appoint a Committee, as provided in the Bylaws, to which an Owner may appeal a disapproved request for construction or installation of an improvement, or petition pursuant to Article VIII, Section 9, below, for a variance to any standard or restriction otherwise applicable to a proposed improvement under any Governing Document. The Committee shall have such other functions and authority as the Board may delegate.

(d) An Owner shall have the right of final appeal to the Board of any decision regarding any proposed improvement or requested variance if the Owner is dissatisfied with the decision of either the Design Review Committee's staff or the Committee.

(e) The Association may charge a plan fee that is equivalent to the cost of reviewing the plans. As used in this Section, "plans" mean any plans for the construction or improvement of a Lot which are required to be approved by the Association before the construction or improvement may occur.

Section 2. Land Use, Standards, and Restrictions. Lots and parcels located within the Properties shall be developed and improved only in accordance with their use as designated on the Subdivision Maps or any amendment thereto. In the event a use is designated for which no such provisions are contained herein (e.g., commercial, governmental, school, etc.), such provisions may be set forth in a recorded written agreement between the Association and such Owner.

(a) The use of all residential Lots is restricted to Single Family Residential Use. No more than one (1) Single Family Dwelling Unit and such outbuildings as usually accessory thereto, shall be permitted on any Lot.

(b) Occupancy of such Dwelling Unit shall not exceed restrictions established by County zoning or other governmental regulations.

(c) Each Lot shall be conveyed as a separately designated and legally described fee simple estate subject to this Declaration. No buildings or structures shall be moved from other locations onto any Lot or Lots. All Lots whether occupied or unoccupied, and the Dwelling Unit and other improvements placed thereon, shall at all times be maintained in such manner as to prevent their becoming unsightly.

(d) Master Common Areas shall be preserved and used for recreational and other purposes incidental to the use of Lots. The use and enjoyment of the Master Common Areas shall be limited to Association Members entitled to exercise their Membership rights, and Tenants and Guests subject to regulations set forth in or pursuant to the Governing Documents.

(e) Association properties and Master Common Facilities are for the primary use and enjoyment of Members, Tenants, and Guests, but may be made available by the Association to outside groups or entities provided that the Association approves any such use specifically and in advance thereof.

(f) Association Common Areas shall not be used for automobile "joy riding," racing, or use of skateboards, scooters, ATV's, off road vehicles, and the like.

(g) Business or commercial activities, other than such activities incidental to management of Master Common Areas and Master Common Facilities, shall not be allowed within the Properties unless all of the following conditions are satisfied: (i) the activity is compatible with residential use and environment of the Lot; (ii) there is no physical evidence of such activity apparent to neighboring residents and/or other Association Members, including but not limited to excessive noise, material storage, vehicle parking, or abnormal traffic; (iii) such activity is permitted under applicable zoning laws or governmental regulations without the necessity of obtaining a special use permit from the County or other supervisory governmental agency; and (iv) the use or activity is clearly incidental and subordinate to use of the Lot for residential purposes.

(h) No advertising signs shall be displayed on any Lot or posted within or upon any of the Properties except that an Owner may post on the Owner's Lot a single "For Rent" or "For Sale" sign of reasonable dimensions and appearance as stated in the Design Guidelines.

(i) Religious and Holiday Signs.

(A) The Association may not abridge the rights of a Lot Owner to display a religious or holiday sign, symbol, or decoration: (1) inside a Dwelling Unit on a Lot; or (2) outside a Dwelling Unit on: (a) a Lot; (b) the exterior of the Dwelling Unit, unless the Association has an ownership interest in, or a maintenance, repair, or replacement obligation for, the exterior; or (c) the front yard of the Dwelling Unit, unless the Association has an ownership interest in, or a maintenance, repair, or replacement obligation for, the yard.

(B) The Association may, by rule, prohibit a religious or holiday sign, symbol, or decoration on the exterior of the Dwelling Unit and on the front yard of the Dwelling Unit where the Association has an ownership interest in, or a maintenance, repair, or replacement obligation for the exterior or front yard.

(C) Notwithstanding Subsection (i)(A) above, the Association may adopt, by rule, a reasonable time, place, and manner restriction with respect to a

display that is: (1) outside a dwelling on: (a) a Lot; (b) the exterior of the dwelling; or (c) the front yard of the dwelling; and (2) visible from outside the Lot.

(ii) Political Signs.

(A) The Association may not prohibit a Lot Owner from displaying a political sign: (A) inside a Dwelling Unit on a Lot; or (B) outside a Dwelling Unit on: (1) a Lot; (2) the exterior of the dwelling, regardless of whether the Association has an ownership interest in the exterior; or (3) the front yard of the Dwelling Unit, regardless of whether the Association has an ownership interest in the yard.

(B) The Association may not regulate the content of a political sign.

(C) Notwithstanding Subsection (ii)(A) above, the Association may, by rule, reasonably regulate the time, place, and manner of posting a political sign.

(D) The Association's design criteria may not establish design criteria for a political sign.

(iii) For-Sale Signs.

(A) The Association may not prohibit a Lot Owner from displaying a for-sale sign: (1) inside a Dwelling Unit on a Lot; or (2) outside a Dwelling Unit on: (a) a Lot; (b) the exterior of the Dwelling Unit, regardless of whether the Association has an ownership interest in the exterior; or (c) the front yard of the Dwelling Unit, regardless of whether the Association has an ownership interest in the yard.

(B) Notwithstanding Subsection (iii)(A), the Association may, by rule, reasonably regulate the time, place, and manner of posting a for-sale sign.

(i) No drilling, refining, quarrying, or mining operations of any kind shall be permitted on any Lot.

(j) Other than to those Lots owned by the Association, there shall be no access to any Lot on the perimeter of the Properties except from designated streets or roads within the Properties.

(k) No Unit shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time-sharing agreement, plan, program, or arrangement, including any so-called "vacation license," "travel club," "extended vacation," "fractional ownership," or other membership or time interval ownership arrangement. The term "time-sharing" includes, but is not limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess any Unit rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like-kind use privileges, according to a fixed or floating interval or period of time. This Section shall not be construed to limit the personal use of any Unit by any Unit Owner or that Unit Owner's social or familial guests.

Section 3. Construction Standards and Restrictions.

(a) All construction and improvements, as defined in this Section 3(a)(i), to any Dwelling Unit in the Project are subject to the Sky Mountain Design Guidelines and its Design Review Committee approval.

(i) Improvements shall include**,** but shall not be limited to, the installation or construction of any structure such as buildings, roofed structures of any kind, parking or loading areas, fences, walls, hedges, mass plantings, poles, communications equipment, driveways, ponds, lakes, swimming pools, tennis courts, signs, painting, texturing for exterior coloration, picnic facilities, or any structure servient hereto.

(ii) Lots may also be used for the construction of typical residential amenities such as a family swimming pool, tennis court, etc. All Lots shall be used, improved, and devoted exclusively for such single-family residential use. No gainful occupation, profession, trade, or other nonresidential use shall be conducted on any such property and no persons shall enter into any Lot for engaging in such uses or for the purpose of receiving products or services arising out of such usage without review and approval by the Board and the appropriate officials of the City.

(iii) Ordinary building repairs or replacements occasioned by normal use, wear, and tear, and repainting or re-texturing using the same coloration, need no approval, so long as such repairs and replacements do not change exterior color or appearance.

(iv) An Owner must receive the approval of the Design Review Committee prior to formally submitting plans to City agencies. If there are changes recommended by the City agencies, an Owner must still have written approval of the Design Review Committee prior to installation or construction of any kind.

(v) Landscaping shall not be considered completed as required in Article VIII, Section 1, unless at least sixty per cent (60%) of the required landscaping is complete. Subject to Article VIII, Section 14, required landscaping described in the Sky Mountain Design Guidelines & Standards consists of grass and lawn areas.

(b) Once plans and specifications for the construction of a Dwelling Unit have been approved by the Association, construction of the Dwelling Unit shall be completed within one (1) year unless an extension of the time in which to complete the project is given by the Association. All construction projects shall be diligently pursued to completion.

Section 4. Restrictions on Division, Severability, or Joinder of Lots. No Lot, except those owned by the Association, shall be divided nor shall less than all of any such Lot be conveyed by an Owner thereof, nor shall any two (2) or more Lots be combined so as to be reclassified as one (1) Lot on the Subdivision Maps or Association records without the prior written approval of the Association. No easement or other similar partial ownership interest in a Lot shall be given without the prior written approval of the Association.

Section 5. Fences, Retaining Walls, Landscape, and Privacy Structures. No fences, retaining walls, landscape, or privacy structures shall be constructed or erected on any Lot without the prior written approval of the Association.

Section 6. Vehicle Restrictions.

(a) Vehicle use within the Properties is restricted to streets and parking areas (with the exception of golf carts on the golf course).

(b) Motor homes, Recreational Vehicles, trailers, camper shells, boats, or other similar vehicles and equipment may be stored or otherwise kept in a manner defined in the Design Guidelines and Standards.

(c) No dilapidated or inoperable vehicle or parts thereof shall be stored or repaired in the open within the Properties except for emergency repairs. The Association may remove, at the Owner's expense, any vehicle parked or stored in violation of this restriction (provided such removal complies with Utah Code §§ 72-9-603 to -604).

Section 7. Maintenance Standards.

(a) Master Common Areas. The Association shall be solely responsible for all maintenance, repair, upkeep, replacement, and preservation of the Master Common Areas and Master Common Facilities. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter, or maintain any improvement upon the Master Common Areas, or shall make or create any excavation or fill or change the natural or existing drainage within the Master Common Areas. Unless required by state law, no person shall destroy, remove, or plant any tree, shrub, or other vegetation within the Master Common Areas without the prior written approval of the Association.

(b) Association Signs. The Association shall be responsible for the placement and maintenance of such signs within the Master Common Areas or its property as the Association may deem necessary for the health, welfare, and safety of Owners, Tenants, and Guests.

(c) Owners' Lots. Each Owner shall be responsible for maintaining and keeping the Owner's Dwelling Unit and Lot in good repair, including landscaping, irrigation systems, walls, fences, and decorative items. In the event that an Owner fails to perform maintenance and repair for which the Owner is responsible, the Association may

exercise its right under Article II, Section 1, hereof to enter the Owner's Lot and perform the maintenance or repair providing that the Association has afforded the Owner the notice and hearing rights as specified in Article X, Section 6, hereof.

(d) Drainage Structures, Ditches, and Swales. All drainage structures, culverts, and canals improved by the Association and swales located on an Owner's Lot shall be maintained by such Owner free and clear of all obstructions, who shall, in cooperation with contiguous property Owners, maintain all such drainage ditches, swales, and culverts common to their Lots in good order.

Section 8. General Environmental Standards and Restrictions.

(a) Noxious Activities. No illegal, noxious, or offensive activities shall be carried on or conducted upon any Lot or within any portion of the Master Common Areas, nor shall anything be done within the Properties which is or may become an unreasonable annoyance or nuisance to the neighborhood. Excessive noise levels may be determined at the discretion of the Board which may, but shall not be obligated to, rely on the standards, if any, established by Hurricane City, County Ordinance, State law or other applicable governmental regulations dealing with such matters.

(b) Garbage, Rubbish, and Trash. No garbage, rubbish, or trash shall be allowed to accumulate on any Lot. Any garbage, rubbish, or trash located outside the exterior walls of a Dwelling Unit shall be stored entirely within appropriate covered disposal container which shall be placed and maintained in a location that is not visible from any street, or Master Common Area within the Properties except at times when refuse collections are made. Any accumulation of garbage, rubbish, trash, junked vehicles, or debris shall be removed from the Properties by the Owner or Occupant, on a regular and timely basis, at the Owner's expense. The Association shall be entitled to assess reasonable fines and penalties for the collection or disposal of garbage, rubbish, and trash in any manner that is not inconsistent herewith.

(c) Sanitary Waste. No outside toilet shall be constructed on any Lot. All plumbing fixtures, toilets, dishwashers, and garbage disposal systems shall be connected to the central sanitary sewer system servicing the Properties.

(d) Diseases and Pests. No Owner or Tenant shall permit any condition to exist upon the Lot which shall induce, breed, or harbor infectious plant diseases, rodents, or noxious insects. Each Owner or Tenant shall cooperate fully with any mosquito or rodent control program instituted by the Association.

(e) Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated, or maintained upon or adjacent to any Lot except such machinery or equipment as is usual or customary in connection with the use, maintenance, or construction of a private Dwelling Unit or appurtenant structures within the Properties.

(f) Household Pets. A maximum of two (2) common household pets may be

kept on a Lot provided that the same are reasonably confined and are not kept, bred or maintained for commercial purposes. No other animals, livestock, or poultry of any kind shall be kept, bred, or raised on any Lots. Dogs shall not be allowed on the golf course or parks but shall be allowed on other Master Common Areas so long as they are leashed and thus under the supervision and restraint of their Owners. Such animals as are permitted shall be strictly controlled and kept pursuant to City ordinances.

(g) Screening of Equipment Servicing Dwelling Units. Storage tanks, large antennas, and television satellite reception dishes must be screened from view from the street or adjoining properties. Notwithstanding the foregoing, satellite antennas, such as Direct Broadcast Satellite ("DBS") antennas (dishes) one (1) meter in diameter or less, and designed to receive direct broadcast satellite service, including direct-to-home satellite service, or receive or transmit fixed wireless signals via satellite, may be installed; provided the FCC regulated dish is placed in a location screened from view of the streets. Location of an FCC approved dish may not be restricted by the Association so as to cause unreasonable delay in installation; unreasonably increase the cost of the equipment or its installation, maintenance, or use; or preclude reception of an acceptable quality signal. No dish may encroach upon the Common Area or the property of another Owner. The dish must comply with all applicable city, county, and state laws, regulations, and codes. The Association must be provided with a copy of any applicable governmental permits. Installation must be pursuant to the manufacturer's instructions. In order to protect against personal injury and property damage, a dish may not be placed in a location where it may come into contact with a power line. In order to protect against personal injury and property damage, all dishes must be properly grounded and secured. In order to protect against personal injury, dishes may not block or obstruct any driver's view of an intersection or street. The Owner is responsible for all costs associated with the installation and maintenance of a dish. The Owner is responsible for all damage caused by or connected with the dish. The Owner must hold the Association harmless and indemnify the Association in the event that someone is injured by the dish. The Owner shall keep the dish in good repair so that it does not violate any portion of this Declaration.

Section 9. Variances. The Committee appointed by the Board pursuant to the Bylaws shall be entitled to allow reasonable variances in any procedures or restrictions specified in this Article VIII in order to overcome practical difficulties, avoid unnecessary expense, or prevent unnecessary hardships, provided the following conditions are met:

(a) If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise be applicable under this Declaration, the Committee must conduct a public hearing on the proposed variance after giving at least twenty (20) days prior written notice to the Board and to all Owners residing within three hundred (300) feet of the subject Lot. Said notice shall also be posted in the Association office on the Properties. The Owners receiving notice of the proposed variance shall have fifteen (15) days in which to submit to the Committee written comments or objections with respect to the variance. No decision shall be made with respect to the proposed variance until the fifteen (15) -day comment period has expired.

(b) The Committee must make a good faith written determination that: (i) the requested variance does not constitute a material deviation from any restriction contained herein or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance pertains to a requirement hereunder that is unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Lot, Master Common Area, or Owner within the Properties.

Section 10. Construction Time. The time within which construction must be completed shall be as follows:

(a) The construction time for completion of the exterior and heated living area interior (unfinished basements excluded) and garage portion of any structure shall not exceed twelve (12) months from the date of start of construction.

(b) The time for commencement of construction shall be no later two (2) years following the date of close of escrow on the Lot unless an extension is granted by the Association.

(c) The date for removal of all building debris, excavation, dirt, etc., associated with the building process shall be prior to occupancy.

(d) The completion time for complete Lot landscaping of front yard and side yard on all Lots shall be prior to occupancy.

(e) The completion time for landscaping the back yard shall be within six (6) months after occupancy.

(f) If completion deadlines are not met, a fine in the amount set forth in a schedule adopted by rule promulgated and adopted by the Board may be imposed by the Association and assessed as a liability and charge against the Lot in violation and its Owner, as provided in Article VII above.

Section 11. Enforcement of Environmental Standards and Restriction.

(a) The objective of this Declaration shall be to promote and seek voluntary compliance by Owners and Tenants with the environmental standards and restrictions contained herein. Accordingly, in the event that the Association becomes aware of an infraction that does not necessitate immediate corrective action under Article VIII hereof, the Owner or Tenant responsible for the violation shall receive written notice thereof and shall describe the noncomplying condition, request that the Owner or Tenant correct the condition within a reasonable time specified in the notice, and advise the Owner or Tenant of the appeal rights.

(b) If an Owner does not correct a noncomplying condition within the specified time, the Board shall be entitled to pursue and enforce the rights and remedies accorded the Association in the Governing Documents.

Section 12. Display of the Flag. The Association may not prohibit the display of the United States flag inside a Dwelling Unit or on the Owner's Lot or limited common area appurtenant to the Owner's Lot if the display complies with United States Code, Title 4, Chapter 1. The Association may, by rule of the Board, restrict the display of a United States flag on the common area.

Section 13. Internal Accessory Dwelling Unit. For an internal accessory dwelling unit ("IADU") is approved by the local governmental authority, pursuant to Utah Code §§ 10-9a-530 or 17-27a-526, the Owner shall provide to the Association, upon request and as a condition to maintain an IADU within the existing footprint of the Owner's Dwelling Unit, the following information:

(a) Copies of IADU permits from the local governmental authority;
(b) Proof of additional parking required by the local governmental authority;
(c) Copies of business licenses for operating an IADU;
(d) Copies of liens, if any, held on an IADU by the local governmental authority; and
(e) Verification of the minimum lot size required for an IADU, if any, by ordinance of the local governmental authority.

Section 14. Water-Efficient Landscaping Rules. The Board shall adopt rules supporting water-efficient landscaping, including allowance for low water use on lawns during drought conditions, and may not prohibit or restrict the conversion of a grass park strip to water-efficient landscaping.

Section 15. Electronic Vehicle Charging. The Association may not prohibit a Lot Owner from installing or using a charging system in: (a) a parking space: (i) on the Lot Owner's Lot; and (ii) used for the parking or storage of a vehicle or equipment; or (b) a limited common area parking space designated for the Lot Owner's exclusive use. However, the Association may: (a) require a Lot Owner to submit an application for approval of the installation of a charging system to the Board; (b) require the Lot Owner to agree in writing to: (i) hire a general electrical contractor or residential electrical contractor to install the charging system; or (ii) if a charging system is installed in a common area, provide reimbursement to the Association for the actual cost of the increase in the Association's insurance premium attributable to the installation or use of the charging system; (c) require a charging system to comply with: (i) the Association's reasonable design criteria governing the dimensions, placement, or external appearance of the charging system; or (ii) applicable building codes; (d) impose a reasonable charge to cover costs associated with the review and permitting of a charging station; (e) impose a reasonable restriction on the installation and use of a charging station that does not significantly: (i) increase the cost of the charging station; or (ii) decrease the efficiency or performance of the charging station; or (f) require a Lot Owner to pay the costs associated with installation, metering, and use of the charging station, including the cost of: (i) electricity associated with the charging station; and (ii) damage to a common area, a limited common area, or an area subject to the exclusive use

of another Lot Owner that results from the installation, use, maintenance, repair, removal, or replacement of the charging station.

A Lot Owner who installs a charging system shall disclose to a prospective buyer of the Lot: (a) the existence of the charging station and (b) the Lot Owner's related responsibilities under this Section.

Unless the Lot Owner and the Association or the Declarant otherwise agree: (a) a charging station installed under this Section is the personal property of the Lot Owner of the Lot with which the charging station is associated; and (b) a Lot Owner who installs a charging station shall, before transferring ownership of the Owner's Lot, unless the prospective buyer of the Lot accepts ownership and all rights and responsibilities that apply to the charging station under this Section: (i) remove the charging station; and (ii) restore the premises to the condition before installation of the charging station.

As used in this Section, the terms "charging system," "general electrical contractor," and "residential electrical contractor" are as defined in § 57-8a-801 of the Act.

Section 16. Solar Energy Systems. The provisions of §§ 57-8a-701 through -703 of the Act allowing solar energy systems that produce electricity under certain conditions, do not apply to (a) any express prohibition or an express restriction on a Lot Owner's installation of a solar energy system set forth in a declaration of this Association recorded before January 1, 2017, or created by official Association action taken before January 1, 2017, and (b) during the "period of administrative control" as defined in § 57-8a-102(19) of the Act. To the extent this Association did not have such restrictions in place prior to January 1, 2017, then any application to the Association for a solar energy system must comply with the requirements and limitations set forth in § 57-8a-701 through -703 of the Act. As used in this Section, the term "solar energy system" is as defined in § 57-8a-102(22) of the Act. Solar water heaters that do not rely upon the production of electricity may be banned by the Association.

ARTICLE IX
Easements

The following easements are reserved within the Properties for the benefit of the Association, the Owners and the providers of utility services for purposes incidental to the use and maintenance of the real property subject to this Declaration. Said easements shall include rights of ingress and egress to the extent reasonably necessary to exercise such easements.

Section 1. Restricted Access to Golf Course. Notwithstanding the proximity of any Subdivision to the Golf Course, each Owner acknowledges that ownership of any Lot, does not convey to said Owner or create in favor of said Owner, any interest in or rights to the use of the Golf Course. Use of the Golf Course shall be strictly limited and controlled by the Golf Course Owner, at its sole and absolute discretion.

Section 2. Utilities. There shall be an easement over, under, and on each Lot consisting of a seven and one-half (7½) -foot wide strip running along the inside of all Lot lines,

for the installation, maintenance and operation of all utilities such as gas, water, sewer, telephone, and electrical facilities, including radio and TV transmission cables, and the right to locate guy wires, braces, or anchors or to cut, trim, or remove trees and plantings thereon whenever necessary in connection with such installation, maintenance, and operations.

Section 3. Streets. Each Owner and the Association shall have a nonexclusive easement on, over, and under all streets within the Properties for street roadway and vehicular traffic purposes in order to install, maintain, and operate all utilities; for access to any Lot or parcel; and for drainage and maintenance of all said streets.

Section 4. Slope and Drainage. There shall be an easement over, under, and on each applicable Lot consisting of a thirty (30) -foot wide easement running along the inside of all Lot lines coincident with street right-of-way lines, where topographically necessary, for the purpose of cutting, filling, drainage, and slope maintenance.

Section 5. Priority. Wherever easements granted to governmental agencies are, in whole or in part, coterminous with any other easements, such governmental easements shall have priority over other easements in all respects.

Section 6. Owner Responsibility. The areas of all Lots or parcels affected by the easements reserved herein, shall be maintained continuously by the Owner of such Lot or parcel, and no structure, planting, or other material shall be placed or permitted to remain thereon which may damage or interfere with the use of said easements for the purposes herein set forth. Improvements within such areas shall be maintained by the Owner, except those for which a public authority or utility company is responsible. Furthermore, the Owner is responsible to maintain the public sidewalk and all parkways, and planting in such parkways, from the edge of the street right of way to the back of curb. If the Owner does not maintain these easements, planting, parkways, and sidewalk, the Association shall perform such maintenance and charge the Owner for such work.

ARTICLE X
Breach and Default

Section 1. Remedy at Law Inadequate. It is hereby expressly declared and agreed that if the remedy at law to recover damages for the breach, default, or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges, or equitable servitudes contained in this Declaration are inadequate, the failure of any Owner, Tenant, or user of any Lot or any portion of the Master Common Areas or Master Common Facilities, to comply with any provision of the Governing Documents may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board,

Section 2. Nuisance. Without limiting the generally of the foregoing, the result of every act or omission violating any covenant contained in this Declaration, in whole or in part, is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 3. Cost and Attorney Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the court may award to the prevailing party in any such action such attorney fees and other costs as it may deem just and reasonable.

Section 4. Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one (1) or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, or any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 5. Failure not a Waiver. The failure of any Owner, the Board, or the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges, or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

Section 6. Enforcement Rights and Remedies of the Association; Limitations Thereon.

(a) Rights Generally. In the event of a breach or violation of any of the restrictions contained in any of the Governing Documents by an Owner, an Owner's Family, or the Owner's Tenant's, Guests, Invitees, employees, or licensees, the Board, for and on behalf of all other Owners, shall enforce the obligations of each Owner to obey such restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use the Master Common Areas (other than roads) or Master Common Facilities or suspension of the Owner's voting rights as a Member of the Association; provided, however, the Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this Section 6. Furthermore, the decision of whether it is appropriate or necessary for the Association to take enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Board. If the Association declines to enforce or take disciplinary action in any instance, any Owner shall have such rights of enforcement as exist under the laws of the State of Utah and its political subdivisions.

(b) Schedule of Fines and Penalties. The Association, through its Board, shall have the power to assess fines for violations of the Association's Governing Documents and fines may only be assessed for violations of the Governing Documents. In addition to the assessment of fines, the Board may also elect to pursue other enforcement remedies and/or damages permitted under the Governing Documents. The Board shall adopt a rule for the procedure to enforce the Governing Documents and levy fines, including a

schedule of fines.

(c) Definition of Violation. A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, after appropriate notification, discipline imposed by the Board may include one (1) component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition of disciplinary measures. The Association may take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Properties at the sole cost of the responsible Owner.

(d) Limitation on Disciplinary Rights.

(i) The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of the Owner's Lot due to a failure by the Owner (or the Owner's Family members, Tenants, or Invitees) to comply with any provision of the Governing Documents except where the loss or forfeiture is the result of the judgment of a court of competent jurisdiction as a decision arising out of arbitration or on account of a foreclosure or sale for failure of the Owner to pay Assessments levied by the Association, or where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Association or the imposition of monetary penalties for failure to comply with any Governing Documents so long as the Association's actions satisfy the due process requirements of subparagraph (ii) below.

(ii) No penalty or temporary suspension of the rights shall be imposed unless the Owner alleged to be in violation is given at least fifteen (15) days prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard by the Board or appropriate committee established by the Board with respect to the alleged violation(s) either orally or in writing at least five (5) days before the effective date of the proposed disciplinary action. Notwithstanding the foregoing, under circumstances involving conduct that constitutes (a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners, (b) a traffic or fire hazard, (c) a threat of material damage to, or destruction of, the Master Common Areas or Master Common Facilities, or (d) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as late payment of Assessments or fines), the Board, or its duly authorized agents, may undertake immediate corrective or disciplinary action and, upon request of the offending Owner (which request must be received by the Association in writing within five (5) days following the Association's disciplinary action), conduct a hearing as soon thereafter as reasonably possible, but in no event more than twenty-five (25) days after the disciplinary action is imposed or fifteen (15) days following receipt of the Owner's request for a hearing, whichever is later. Under such circumstances,

any fine imposed pursuant to an established fine schedule shall be due and payable only if affirmed at the hearing.

(e) Notices. Any notice required by this article shall, at a minimum, set forth the date and time for an oral hearing or written response, a brief description of the action or inaction constituting the alleged violation and a reference to the specific Governing Document provisions alleged to have been violated. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice; provided that if notice is given by mail, it shall be sent by first-class or registered mail to the last known address of the Member shown on the records of the Association.

ARTICLE XI
Reserved

ARTICLE XII
Mortgagee Protection

Section 1. Notice of Action. Upon written request made to the Association by a First Mortgagee, an insurer, or a governmental guarantor of a First Mortgage, which written request shall identify the name and address of such First Mortgagee, insurer or governmental guarantor and Lot number or address of the Dwelling Unit, any such First Mortgagee, insurer, or governmental guarantor shall be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Lot on which there is a First Mortgage held, insured, or guaranteed by such First Mortgagee, insurer, or governmental guarantor;

(b) Any delinquency in the payment of Assessments or charges owed by an Owner, whose Lot is subject to a First Mortgage held, insured, or guaranteed by such First Mortgagee, insurer, or governmental guarantor, which default remains uncured for a period of sixty (60) days;

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

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgagees as specified in Section 2, below, or elsewhere herein.

Section 2. Matters Requiring Prior Eligible Mortgagee Approval. Except as provided elsewhere in this Declaration, the prior written consent of Owners entitled to vote at least sixty-seven percent (67%) of the votes of the Members in the Association (unless pursuant to a specific provision of this Declaration the consent of Owners entitled to vote a greater percentage of the votes in the Association is required, in which case such specific provisions shall control), and Eligible Mortgagees holding First Mortgages on Lots having at least fifty-one percent (51%) of the votes of the Lots subject to First Mortgages held by Eligible Mortgagees shall be required to:

(a) Abandon or terminate the legal status of the Project after substantial destruction or condemnation occurs.

(b) Add or amend any material provision of the Declaration, Articles, Bylaws or plat, which establishes, provides for, governs or regulates any of the following (an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors or for clarification only):

(i) Voting rights.

(ii) Increases in Assessments that raise the previously assessed amount by more than, ten percent (10%) Assessment liens, or the priority of Assessment liens.

(iii) Reductions in reserves for maintenance, repair and replacement of Master Common Areas and Master Common Facilities.

(iv) Responsibility for maintenance and repairs.

(v) Reallocation of interests in the Master Common Areas and Master Common Facilities, or rights to their use.

(vi) Redefinition of any Lot boundaries.

(vii) Convertibility of Lots into Master Common Areas or vice versa.

(viii) Expansion or contraction of the Project, or the addition, annexation, or withdrawal of property to or from the Project.

(ix) Hazard or fidelity insurance requirements.

(x) Imposition of any restriction on leasing Lots and Dwelling Units.

(xi) Imposition of any restrictions on an Owner's right to sell or transfer the Owner's Lot or Dwelling Unit.

(xii) A decision by the Association to establish self-management if professional management had been required previously by the Declaration or by an Eligible Mortgagee.

(xiii) Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration.

(xiv) Any provisions that expressly benefit Mortgagees, insurers, or guarantors.

Any Mortgagee, insurer, or governmental guarantor who receives a written request from the Association to approve additions or amendments to the constituent documents and who fails to deliver or post to the Association a negative response within thirty (30) days shall be deemed to have approved such request, provided the written request was delivered by certified or registered mail, with a "return receipt" requested.

Section 3. Availability of Project Documents and Financial Statements. The Association shall maintain and have current copies of the Declaration, Articles, Bylaws, and other rules concerning the Project as well as its own books, records and financial statements available for inspection by Owners or by holders, insurers, and guarantors of First Mortgages that are secured by Lots in the Project. Generally, these documents shall be available during normal business hours.

The Association shall make an audited financial statement for the preceding fiscal year available to the holder, insurer, or guarantor of any First Mortgage on submission of a written request for it. The audited financial statement shall be made available within one hundred and twenty (120) days of the Association's fiscal year-end.

Section 4. Subordination of Lien. The lien or claim against a Lot for unpaid Assessments or charges levied by the Association pursuant to this Declaration shall be subordinate to the First Mortgage affecting such Lot if the First Mortgage was recorded before the delinquent Assessment was due, and the First Mortgagee thereunder which comes into possession of or which obtains title to the Lot shall take the same free of such lien or claim for unpaid Assessments or charges which accrue prior to foreclosure of the First Mortgage, exercise of a power of sale available thereunder, or taking of a deed or assignment in lieu of foreclosure. No Assessment, charge, lien, or claim which is described in the preceding sentence as being subordinate to a First Mortgage or as not to burden a First Mortgagee which comes into possession or which obtains title shall be collected or enforced by the Association from or against a First Mortgagee, a successor in title to a First Mortgagee, or the Lot affected or previously affected by the First Mortgage concerned.

Section 5. Payment of Taxes. In the event any taxes or other charges which may or have become a lien on the Master Common Areas are not timely paid, or in the event the required hazard insurance described in Article IV, Section 4(a), lapses, is not maintained, or the premiums therefor are not paid when due, any Mortgagee or any combination of Mortgagees may jointly or singly, pay such taxes or premiums or secure such insurance. Any Mortgagee which expends funds for any of such purposes shall be entitled to immediate reimbursement therefor from the Association.

Section 6. Priority. No provision of this Declaration or the Articles gives or may give an Owner or any other party priority over any rights of Mortgagees pursuant to their respective Mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for loss to or taking of all or any part of the Lots or the Master Common Areas.

ARTICLE XIII
Miscellaneous

Section 1. Notices. When notice is required under this Declaration, notice shall be given as provided in the Bylaws.

Section 2. Reserved.

Section 3. Term. This Declaration shall be effective upon the date of recordation hereof and, as amended from time to time shall continue in full force and effect for a term of forty (40) years from the date this Declaration is recorded. From and after said date, this Declaration, as amended, shall be automatically extended for successive periods of ten (10) years each, unless there is an affirmative vote to terminate this Declaration by seventy-five percent (75%) of the votes of the Members entitled to vote within six (6) months prior to the expiration of the initial effective period hereof or any ten (10) year extension.

Section 4. Amendment. Except as provided elsewhere in this Declaration, any amendment to this Declaration shall require the affirmative vote of at least sixty-seven percent (67%) of the votes of the Members entitled to vote, present in person, by proxy, or by ballot, at a meeting duly called for such purpose or otherwise approved in writing by such Members. Any amendment authorized pursuant to this Section shall be accomplished through the recordation in the office of the Washington County Recorder of an instrument executed by the Association. In such instrument, an officer or member of the Board shall certify that the vote required by this Section for amendment has occurred. Anything in this Article or Declaration to the contrary notwithstanding. The Association reserves the unilateral right to amend all or any part of this Declaration to such extent and with such language as may be requested by FHA, VA, the Federal Home Loan Mortgage Corporation, or FNMA and to further amend to the extent requested by any other federal, state, or local government agency which requests such an amendment as a condition precedent to such agency's approval of the Declaration, or by any federal chartered lending institution as a condition precedent to lending funds upon the security of any Lot(s) or any portions thereof. Any such amendment shall be effected by the recordation by the Association of an amendment duly signed by or on behalf of the authorized officers of the Association with their signatures acknowledged, specifying the federal, state, or local governmental agency or the federally chartered lending institution requesting the amendment and setting forth the amendatory language requested by such agency or institution. Recordation of such an amendment shall be deemed conclusive proof of the agency's or institution's request for such an amendment, and such amendment, when recorded, shall be binding upon all of the Project and all persons having an interest therein.

Notwithstanding the right of the Owners to amend this Declaration, the Board shall have the right, upon advice of legal counsel and without Owner approval, to amend this Declaration to conform to any local, state, or federal laws which mandate changes to this Declaration or which laws would render one or more covenants obsolete or contrary to law.

The right of amendment extends to each and every section, term, and provision of this Declaration and each Owner is hereby on notice that each and every section, term, and provision of this Declaration is subject to amendment under this Section.

Section 5. Rights of Action. The Association and any aggrieved Owner shall have a right of action against Owners who fail to comply with the provisions of the Declaration or the decisions of the Association. Owners shall have a similar right of action against the Association.

Section 6. Reserved.

Section 7. Interpretation. The captions which precede the Articles and Sections of this Declaration are for convenience only and in no way affect the manner in which any provision hereof is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof, and any gender shall include both other genders. The invalidity or unenforceability of any portion of this Declaration shall not affect the validity or enforceability of the remainder thereof. This Declaration shall be liberally construed to effect all of its purposes.

Section 8. Covenants to Run with Land. This Declaration and all of the provisions hereof shall constitute covenants to run with the land or equitable servitudes, as the case may be, and shall be binding upon and shall inure to the benefit of the Association, all parties who hereafter acquire any interest in a Lot or in the Master Common Areas and Master Facilities, and their respective grantees, transferees, heirs, devisees, personal representatives, successors, and assigns. Each Owner or occupant of a Lot or Dwelling Unit shall comply with, and all interests in all Lots or in the Master Common Areas shall be subject to, the terms of this Declaration and the provisions of any Rules and Regulations, agreements, instruments, and determinations contemplated by this Declaration. By acquiring any interest in a Lot or in the Master Common Areas, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration.

Section 9. Lists of Owners. The Board shall maintain up-to-date records showing:

(i) The name of each person who is an Owner, the address of such person and the Lot which is owned by them.

Section 10. Action of the Association. Except as limited in this Declaration or the Bylaws, the Board acts in all instances on behalf of the Association.

Section 11. Rules Against Perpetuities. The rule against perpetuities and the rule against unreasonable restraints on alienation of real estate may not defeat or otherwise void a provision of the Governing Documents. If for any reason this Declaration does not comply with the Act, such noncompliance does not render a Lot or common area unmarketable or otherwise affect the title if the failure is insubstantial.

Section 12. Association Rules.

(a) Notwithstanding anything to the contrary in this Declaration and except as provided for in Subsections (b) and (c) below, the Association may not interfere with a reasonable activity of an Owner within the confines of a Dwelling Unit or Lot, including

backyard landscaping or amenities, to the extent that the activity is in compliance with local laws and ordinances, including nuisance laws and ordinances.

(b) However, any activity of an Owner within the confines of a Dwelling Unit or Lot, including backyard landscaping or amenities, is prohibited where the activity: (i) is not normally associated with a project restricted to residential use; or (ii) (A) creates monetary costs for the Association or other Lot Owners; (B) creates a danger to the health or safety of occupants of other Lots; (C) generates excessive noise or traffic; (D) creates unsightly conditions visible from outside the Dwelling Unit; (E) creates an unreasonable source of annoyance to persons outside the Lot; or (F) if there are attached Dwelling Units, creates the potential for smoke to enter another Lot Owner's Dwelling Unit, the Master Common Areas, or limited common areas.

(c) Unless prohibited by law, the Association may also adopt rules described in Subsection (b) above that affect the use of or behavior inside the Dwelling Unit.

Section 13. Tenant Liability. Pursuant to § 57-8a-218(2)(b) of the Act, a Tenant shall be jointly and severally liable to the Association with the Owner leasing to such Tenant for any violation of the Governing Documents by the Tenant.

Section 14. Eminent Domain. If part of the common area is taken by eminent domain: (a) the entity taking part of the common area shall pay to the Association the portion of the compensation awarded for the taking that is attributable to the common area; and (b) the Association shall equally divide any portion of the award attributable to the taking of a limited common area among the Owners of the Lots to which the limited common area was allocated at the time of the taking. The Association shall also submit for recording to the county recorder the court judgment or order in an eminent domain action that results in the taking of some or all of the common area.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the President of the Association hereby certifies, on this _____ day of _____, 20_____, that this Second Amended and Restated Master Declaration was approved by the affirmative vote of at least sixty-seven percent (67%) of the votes of the Members entitled to vote present in person or represented by proxy entitled to be cast at a meeting duly called for such purpose or otherwise approved in writing by such Members.

SKY MOUNTAIN HOMEOWNERS ASSOCIATION, INC., a Utah nonprofit corporation

_____

By: _____
Its: President

State of Utah)
:ss.
County of _____)

On this _____ day of _____, 20____, before me personally appeared _____, whose identity is personally known to or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that he/she is the President of the Sky Mountain Homeowners Association, Inc., a Utah nonprofit corporation, and that the foregoing document was signed by him/her on behalf of the Association by authority of its Bylaws, Declaration, or resolution of the Board, and he/she acknowledged before me that he/she executed the document on behalf of the Association and for its stated purpose.

_____
Notary Public

Exhibit A
(Legal Description)

This Second Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for the Sky Mountain Project, a Planned Community, affects the following real property, all located in Washington County, State of Utah:

Clubhouse Series at Sky Mountain:

All of Lot 1-A, Lots 2 through 6, Lots 7-A through 8-A, Lots 9 through 13, Lots 14-A through 15-A, Lots 16 through 19, Lots 20-A through 21-A, Lots 22 through 31, and Lot A-1, together with all Common Area, Clubhouse Series at Sky Mountain 1A Amd (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-CSSM-1A-1-A-RD2
PARCEL: H-CSSM-1A-2-RD2 through H-CSSM-1A-6-RD2
PARCEL: H-CSSM-1A-7-A-RD2 trhough H-CSSM-1A-8-A-RD2
PARCEL: H-CSSM-1A-9-RD2 through H-CSSM-1A-13-RD2
PARCEL: H-CSSM-1A-14-A-RD2 through H-CSSM-1A-15-A-RD2
PARCEL: H-CSSM-1A-16-RD2 through H-CSSM-1A-19-RD2
PARCEL: H-CSSM-1A-20-A-RD2 through H-CSSM-1A-21-A-RD2
PARCEL: H-CSSM-1A-22-RD2 through H-CSSM-1A-31-RD2
PARCEL: H-CSSM-1A-A-1-RD2

All of Lots 32 through 38, together with all Common Area, Clubhouse Series at Sky Mountain 2 (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-CSSM-2-32-RD2 through H-CSSM-2-38-RD2

Courtyard Townhomes at Sky Mountain:

All of Lots 1A through 30A, together with all Common Area, Courtyard TH at Sky Mountain 1B Amd (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-CTSM-1B-1A-RD2 through H-CTSM-1B-30A-RD2

Sky Mountain Golf Estates:

All of Lots 1 through 55, together with all Common Area, Sky Mountain Golf Est 1 Amd (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGE-1-1-RD2 through H-SMGE-1-55-RD2

All of Lots 93 through 99, Lot 100-A, Lots 101 through 111, Lots 114 through 121, and Lot 143, together with all Common Area, Sky Mountain Golf Est Map 3 (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGEM-3-93-RD2 through H-SMGEM-3-99-RD2
PARCEL: H-SMGEM-3-100-A-RD2
PARCEL: H-SMGEM-3-101-RD2 through H-SMGEM-3-111-RD2
PARCEL: H-SMGEM-3-114-RD2 through H-SMGEM-3-121-RD2
PARCEL: H-SMGEM-3-143-RD2

All of Lot 122 and Lots 144 through 154, together with all Common Area, Sky Mountain Golf Est 4 (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGE-4-122-RD2
PARCEL: H-SMGE-4-144-RD2 through H-SMGE-4-154-RD2

All of Lots 155 through 163 and Lots 165 through 166, together with all Common Area, Sky Mountain Golf Est 5 (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGE-5-155-RD2 through H-SMGE-5-163-RD2
PARCEL: H-SMGE-5-165-RD2 through H-SMGE-5-166-RD2

All of Lots 167 through 174, Lot 176, and Lots 189 through 198, together with all Common Area, Sky Mountain Golf Est 6 (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGE-6-167-RD2 through H-SMGE-6-174-RD2
PARCEL: H-SMGE-6-176-RD2
PARCEL: H-SMGE-6-189-RD2 through H-SMGE-6-198-RD2

All of Lots 176 through 180, Lots 181-A through 182-A, and Lots 183 through 184, together with all Common Area, Sky Mountain Golf Est 7 (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGE-7-176-RD2 through H-SMGE-7-180-RD2
PARCEL: H-SMGE-7-181-A-RD2 through H-SMGE-7-182-A-RD2
PARCEL: H-SMGE-7-183-RD2 through H-SMGE-7-184-RD2

All of Lots 185 through 188 and Lots 199 through 200, together with all Common Area, Sky Mountain Golf Est 8 (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGE-8-185-RD2 through H-SMGE-8-188-RD2
PARCEL: H-SMGE-8-199-RD2 through H-SMGE-8-200-RD2

All of Lots 201 through 221, together with all Common Area, Sky Mountain Golf Est 9 (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGE-9-201-RD2 through H-SMGE-9-221-RD2

All of Lots 222 through 228, together with all Common Area, Sky Mountain Golf Est 10 Amd (H), according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

PARCEL: H-SMGE-10-222-RD2 through H-SMGE-10-228-RD2