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ELIZABETH PALMIER, Recorder
WASATCH COUNTY CORPORATION
For: VICTORY RANCH

Upon recording, please return to:

VR Acquisitions, LLC
c/o Sterling Bay Companies, LLC
ATTN: Dean J. Marks, Esq.
1040 W. Randolph Street
Chicago IL 60607

STATE OF UTAH
Book 863

Cross Reference to Victory Ranch Declaration:

Page 474

COUNTY OF WASATCH

**DECLARATION OF RECREATIONAL COVENANT
FOR
VICTORY RANCH**

THIS DECLARATION OF RECREATIONAL COVENANT FOR VICTORY RANCH ("Covenant") is made this 1st day of March, 2013, by VR Acquisitions, LLC, a Delaware limited liability company, on behalf of itself, its successors, successors-in-title, and assigns ("Declarant").

BACKGROUND STATEMENT

Declarant is the owner of each of the lots described on Exhibit "A" to this Covenant ("**Lots**") or, if Declarant is not the owner of a Lot, such owner has consented to the submission of his or her Lot to this Covenant. The Lots are contained within the Victory Ranch community and are subject to that certain Declaration of Covenants, Conditions and Restrictions for Victory Ranch A Master Planned Community, recorded in Book 863, Page 474, *et seq.*, with the Wasatch County Recorder (as amended and supplemented and as may be further amended and supplemented from time to time, the "**Victory Ranch Declaration**").

Declarant also is the owner of certain real property ("**Club Property**"), within which recreational and social facilities are or are intended to be operated as a club (referred to for purposes of this Covenant as the "**Victory Ranch Club**") in accordance with a club plan and other governing documents, including rules and regulations ("**Membership Documents**"). The Club

Property is located within or adjacent to Victory Ranch and shall consist of the real property and improvements more specifically identified in the Membership Documents.

In recognition of the fact that the Victory Ranch Home Owners Association, the owners association charged with the administration and operation of the Victory Ranch residential community in accordance with the Victory Ranch Declaration, will be providing only limited social and recreational facilities for common use of the owners of Lots ("**Lot Owners**"), Declarant desires to provide Lot Owners the right to use certain designated facilities within the Club Property ("**Designated Club Facilities**") so long as this Covenant is in effect, and to provide for an obligation of each Lot owner to pay such membership or other fees and periodic dues for such use rights as may be established from time to time in accordance with this Covenant and the Membership Documents.

The operator of the Designated Club Facilities, whether Declarant, such third-party operator as Declarant shall designate in the Membership Documents, or a successor or assign, is sometimes referred to in this Covenant as the "**Club Operator**."

Article I
Declaration of Intent and Binding Effect

Declarant, as the owner of the Lots (or, if not the owner of a Lot, with the consent of such Lot owner), and as the owner of the Club Property, hereby declares that the Lots and the Club Property shall be held, sold, and conveyed subject to the covenants, conditions, and easements contained herein, which shall run with the title to the Lots and the Club Property. This Covenant shall be binding upon all persons having any right, title, or interest in any portion of the Lots or the Club Property, their heirs, successors, successors-in-title, and assigns and shall inure to the benefit of the owners of each of the Lots and the Club Property, except as otherwise expressly provided or limited herein.

Article II
Use Rights

2.1. Use of Designated Club Facilities. Each Community Member, as defined below, shall have the following use rights with respect to the following Designated Club Facilities:

(a) a license to use the golf course located on the Club Property to play three rounds of golf per year without payment of greens fees in accordance with priority reservation policies determined by the Club Operator;

(b) a license to use river fishing facilities located on the Club Property on a limited basis during select Club Operator-sponsored fishing event in accordance with priority reservation policies determined by the Club Operator;

(c) a license to use backcountry lodging facilities operated by Club Operator and located on the Club Property on a limited basis in accordance with priority reservation policies determined by the Club Operator; and

(d) access to other facilities operated by Club Operator and located on the Club Property (other than, except as provided above, the golf course, golf clubhouse, and other golf-related facilities), and such additional privileges, if any, as the Club Operator may specify in accordance with priority reservation policies, if any, determined by the Club Operator.

2.2. Limits on Use Rights. The use rights and privileges granted to the Community Members by this Covenant shall be limited by and subject to the Membership Documents, the existence and availability of the Designated Club Facilities, operating hours, the continued operation of the facilities by Declarant or otherwise as part of the Victory Ranch Club, payment of such charges as Club Operator may establish (including the Use Fees described in Section 4.2 below), and such other conditions, rules, and regulations as the Club Operator may establish and modify from time to time.

The Club Operator may terminate or suspend the use rights of any Community Member who fails to pay Use Fees or other charges required pursuant to the Membership Documents or is otherwise in violation of conditions, rules, and regulations established by the Club Operator from time to time. The Club Operator may establish policies and procedures applicable to the termination or suspension of a Community Member's use rights and, except as may otherwise be set forth in the Membership Documents with respect to different classes or categories of members of the Victory Ranch Club, such policies and procedures shall apply to all Community Members equally.

Nothing herein shall obligate the Club Operator to offer or maintain particular services nor shall anything herein dictate the level of service or hours of operation of any service provided.

2.3. Duration of Use Rights. Each Community Member shall be entitled to exercise the use rights provided for in this Covenant for as long as they hold title to a Lot unless such use rights are otherwise terminated or suspended in accordance with the Membership Documents. Such use rights shall automatically terminate, as to the Community Member, when such Community Member ceases to be the holder of record title to the Lot; however, a former Community Member shall remain obligated for all charges incurred on account of such use rights prior to such termination. Upon transfer of title to a Lot, the new Community Member(s) shall be entitled to the use rights provided for herein.

Article III **Community Membership**

3.1. Issuance of Community Memberships. If, as, and when Declarant establishes the Victory Ranch Club, and subject to the limitations set forth below, a "Community Membership" in the Victory Ranch Club shall be issued to a Lot Owner from each Lot, which membership shall be subject to the Membership Documents. By virtue of taking title to a Lot, each Lot Owner acknowledges, accepts, and agrees to the issuance of a Community Membership in the Victory Ranch Club when established and the rights and obligations associated with such membership, as provided in the Membership Documents. Only one Community Membership shall be issued per Lot, unless a "Shared Community Membership" is issued by the Club Operator in its discretion pursuant to the Membership Documents. If more than one person holds title to the Lot, or holds an ownership interest in a legal entity holding title to the Lot, and if a Shared Community

Membership is not issued for the Lot, the Community Membership will be issued in the name of one of the co-Lot Owners as they shall determine among themselves and state in writing to the Club Operator and such designated Lot Owner shall be the "Community Member" for all purposes under this Covenant.

3.2. Term of Community Memberships; Covenant to Maintain. Each Community Member shall maintain the Community Membership issued for their Lot in good standing for as long as they hold title to the Lot. Such Community Membership shall automatically terminate, as to the Community Member, when such person ceases to be the holder of record title to the Lot; however, a former Community Member shall remain obligated for all charges incurred on account of such Community Membership prior to such termination. Upon transfer of title to a Lot and termination of the Community Membership held by the previous Community Member, the Club Operator shall issue a new Community Membership to the new Lot Owner(s).

3.3. Rights of Community Members. A Community Member shall be entitled, at a minimum, to the use rights provided for in Article II above. The Membership Documents may establish conditions, rules, and regulations governing the use of the Designated Club Facilities by Community Members and may provide for sanctions, including suspension of use rights, for non-payment of Use Fees and other violations. The Membership Documents shall be binding upon, and enforceable against, all Community Members.

3.4. No Ownership Interest. No Lot Owner, by virtue of ownership of a Lot or by virtue of membership in the Victory Ranch Club, acquires any ownership interest, beneficial interest, or other vested interest whatsoever in Declarant, the Club Operator, or the Victory Ranch Club, but only the privilege of using and enjoying the Designated Club Facilities as the holder of a Community Membership in accordance with this Covenant and the Membership Documents, which are subject to change from time to time.

Article IV

Obligation to Pay Membership Fees

4.1. Covenant to Pay. Each Community Member, by accepting title to a Lot, covenants and agrees to pay to the Club Operator annual fees or dues, which shall not exceed Two Thousand One Hundred and No/100 Dollars (\$2100.00) per Community Member (payable in monthly installments) during the calendar year 2013 (as may be increased as provided in this Section, the "Designated Facilities Dues Amount"). Thereafter, the Club Operator may increase annual dues from time to time; provided, without the approval of Lot Owners representing a majority of the Lots, the Club Operator may not increase annual dues over the amount charged in the immediately preceding year by an amount which exceeds the greater of (i) ten percent (10%); or (ii) the percentage increase in the Consumer Price Index during the previous year. If the Club Operator issues one or more Shared Community Memberships for the Lot, the membership fee and/or other annual fee or due charged to such Shared Community Memberships shall be determined by the Club Operator in accordance with the Membership Documents and shall not be governed by this Covenant.

The "Consumer Price Index" shall refer to the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for All Urban Consumers (West Region; Base:

1982-1984 = 100). In the event the compilation and/or publication of the CPI shall be substantially revised, transferred to any other governmental department or bureau or agency or shall be discontinued, then the index (or a substitute procedure which reasonably reflects and monitors fluctuations in consumer prices) most nearly the same as the CPI shall be used to make the calculations envisioned herein, or in the event no such alternative index exists or a dispute arises concerning the selection of such alternative index, Club Operator shall have the final right and power to select and/or formulate such an alternate index.

Notwithstanding the above, the Club Operator may, in its sole discretion, waive, discount, or charge a lesser annual dues amount to all or any holders of the use rights granted in Article II or of a Community Membership or Shared Community Membership. The limitation provided above applies to Designated Facilities Dues only and does not include use fees or other charges for services, goods, or activities for which the Club Operator charges each Community Member or Shared Community Member directly based upon actual level of use or consumption. The Designated Facilities Dues Amount and the limitation on annual dues also shall not apply to limit dues for other membership classes or categories which may be created in the Victory Ranch Club.

4.2. Payment. Each Community Member, by accepting a deed to such Lot, is deemed to covenant and agree to pay annual dues, and such other access, use, and membership fees and other charges incurred by such Community Member and others authorized by Club Operator to use the Designated Club Facilities by virtue of their relationship with the Community Member (collectively, the "Use Fees") in a timely manner. All such Use Fees, as described herein, together with interest (computed from its due date at a maximum rate of 18% per annum or such higher rate as the Club Operator may establish under the Membership Documents, subject to the limitations of Utah law), late charges, costs, and reasonable attorneys' fees, shall be the personal obligation of the Community Member. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable with the grantor for any Use Fees due at the time of conveyance.

The Club Operator's failure to establish Use Fees for any year or other time period or to notify Community Members of the Use Fees shall not be deemed a waiver, modification, or a release of any Community Member from the obligation to pay Use Fees once established.

4.3. Lien for Use Fees. Subject to any limitations imposed by Utah law, the Use Fees shall also constitute a lien on the Lot against which they are levied from the time such Use Fees become due until paid. The lien shall also secure payment of interest (subject to the limitations of Utah law), late charges, and costs of collection (including attorneys' fees, lien fees, and administrative costs). Such lien shall be superior to all other liens, except any lien or charge of any recorded first mortgage (meaning a recorded first mortgage with first priority over other mortgages) made in good faith and for value, those deemed by Utah law to be superior, and any other lien deemed superior by the Victory Ranch Declaration or, if applicable to the Lot, that certain Declaration of Covenants, Conditions and Restrictions for The Cottages at Victory Ranch A Planned Community, recorded in Book 969, Page 1250, *et seq.*, with the Wasatch County Recorder (as amended and supplemented from time to time, the "Cottages Declaration"). The Club Operator may enforce such lien, when any Use Fee is delinquent, by suit, judgment, and foreclosure in the same manner as the lien of any recorded first mortgage of record (including nonjudicial foreclosure, to the extent permitted by Utah law).

The Club Operator may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Club Operator following foreclosure, no Use Fees shall be assessed against that Lot or against the Club Operator as the Lot Owner. The Club Operator may sue for unpaid Use Fees and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

Sale or transfer of any Lot shall not affect the above-described lien nor relieve such Lot from the lien for any subsequent Membership Fees. However, the sale or transfer of any Lot pursuant to foreclosure of the first mortgage or other superior lien shall extinguish the lien as to any Use Fees due prior to the mortgagee's foreclosure.

4.4. Declarant's Lots Excluded. The granting of a Community Membership and the obligation for Use Fees pursuant to this Covenant shall not apply to any Lot owned by Declarant or any affiliate of Declarant, while so owned.

4.5. Independent Covenant. The obligation to pay the amounts provided for herein shall be mandatory and shall be a separate and independent covenant on the part of each Lot Owner. No Community Member may exempt himself or herself from liability for Use Fees by non-use of the Designated Club Facilities, abandonment of the Lot, or any other means. No diminution or abatement of Use Fees or set-off shall be claimed or allowed for any alleged failure of the Club Operator to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Article V General

5.1. Notice. Any notice provided for in this Covenant shall be served personally or shall be mailed by registered or certified mail to the addresses specified below unless Declarant, the Club Operator, or a Lot Owner has specified, by written notice in accordance with this Section, a different address for delivery of notices, in which case the notice shall be addressed to such different address:

(a) if to Declarant:

VR Acquisitions, LLC
c/o Sterling Bay Companies, LLC
ATTN: Andrew Gloor
1040 W. Randolph Street
Chicago IL 60607

with a copy to:

Sterling Bay Companies, LLC
ATTN: Dean J. Marks, Esq.
1040 W. Randolph Street
Chicago IL 60607

(b) if to the Club Operator other than Declarant, at the address for Club Operator provided in the Membership Documents.

(c) if to a Lot Owner, at the address of the Lot.

All such notices shall, for all purposes, be deemed delivered and received (i) upon personal delivery to the addressee, or (ii) on the third day after mailing when mailed by registered or certified mail, postage prepaid, and properly addressed.

5.2. Amendment. Prior to such time as Declarant establishes the Victory Ranch Club, designates a Club Operator other than itself, and transfers title to the Club Property to a Club Operator other than itself, Declarant may unilaterally amend this Covenant in any manner provided such amendment does not reduce the use rights granted in Article II in this Covenant or increase the amount of the Designated Facilities Dues (except as permitted under Section 4.1). In addition, at any time and from time to time so long as Declarant owns any portion of the property subject to the Victory Ranch Declaration or has the option unilaterally to submit additional property to the Victory Ranch Declaration, Declarant may unilaterally amend this Covenant to more particularly describe the Club Property, and further, with the consent of the owner of such property, if the owner is not Declarant, may unilaterally amend this Covenant to withdraw from its coverage property described on Exhibit "A" or to submit to this Covenant property in addition to that which is described on Exhibit "A." Otherwise, this Covenant may be amended only by an instrument signed by Declarant, so long as Declarant owns any portion of the property subject to the Victory Ranch Declaration or has the option unilaterally to submit additional property to the Victory Ranch Declaration, the Club Operator (if the Club Operator is the owner of the Club Property), and by Lot Owners representing at least a majority of the Lots subject to this Covenant.

Amendments to this Covenant shall become effective upon recordation with the Wasatch County Recorder, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted.

5.3. Duration; Termination. Unless terminated by agreement of those persons whose consent is needed to amend, this Covenant shall have perpetual duration. If Utah law limits the period during which covenants may run with the land, then to the extent consistent with such law, this Covenant shall run for such period and shall automatically be extended at the expiration of such period for successive periods of 30 years each; provided, this Covenant may be terminated: (a) by Declarant prior to such time as Declarant transfers title to the Club Property to a Club Operator other than itself; (b) in the same manner as otherwise provided for amendment in Section 5.2; or (c) as otherwise required for the termination of covenants under Utah law.

If any provision of this Covenant is judicially determined to be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

Furthermore, following the creation of the Victory Ranch Club as a membership club in which the Community Memberships contemplated herein are issued, in the event that the Victory

Ranch Club is terminated in accordance with the Membership Documents and applicable law, this Covenant and the rights conferred hereunder to the Lot Owners, along with Lot Owner obligations, shall terminate.

5.4. Conveyance of Club Facilities. Declarant, on behalf of itself and such other Club Operator as is now or in the future the owner of all or any of the Club Property, reserves the right to sell or otherwise transfer all or any portion of the real property or facilities comprising the Club Property to a third party or third parties at any time upon such terms and conditions as Declarant or such Club Operator, as applicable, determines appropriate in its sole and absolute discretion. The transfer of the Club Property or any of the Designated Club Facilities shall not affect the continued validity or enforceability of this Covenant, unless terminated in accordance with Section 5.3.

5.5. Construction; Severability. This Covenant shall be governed by and construed under Utah law. Invalidation of any provision of this Covenant, in whole or in part, by judgment or court order shall not affect other provisions.

5.6. Waiver. No failure of Declarant, any other Club Operator, or any Lot Owner to exercise any right or power under this Covenant or to insist upon strict compliance with this Covenant and no custom or practice at variance with the terms of this Covenant shall constitute a waiver of the right thereafter to demand exact compliance with the terms of this Covenant.

5.7. Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

[Signature page follows.]

IN WITNESS WHEREOF, Declarant has executed this Covenant as of the date first above written.

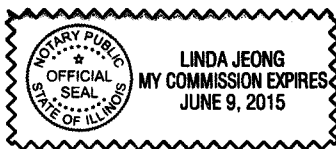
DECLARANT: VR ACQUISITIONS, LLC, a Delaware limited liability company

By: [Signature]
Name: Scott Goodman
Its: Authorized Signatory

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 1st day of March, 2013, by SCOTT GOODMAN, the Authorized Signatory of VR Acquisitions, LLC, a Delaware limited liability company, on behalf of the company.

[Notarial Seal]



[Signature]
Notary Public

599101/ Recreational Covenant

EXHIBIT "A"

Lots

All of those certain lots, tracts or parcels of land situate, lying and being in Wasatch County, Utah, which are described and identified as follows:

PLAT REFERENCE	LOTS NUMBERED	SERIAL NUMBERS
Victory Ranch, Plat "A", dated April 7, 2006, prepared by Sowby & Berg Consultants, recorded June 26, 2006, in Plat Book 868, Page 383, <i>et seq.</i> , Wasatch County Recorder	13 and 19	0VR-1013-0-031-026 0VR-1019-0-031-026
Victory Ranch, Plat "B" Amended, dated November 26, 2007, prepared by Sowby & Berg Consultants, recorded June 27, 2008 in Plat Book 969, Page 1729, <i>et seq.</i> , Wasatch County Recorder	30-36, 42, 43, 53, 61,63, 65-74, 78, 80-82, 84, 87-94	0VR-2030-0-036-025 0VR-2031-0-036-025 0VR-2032-0-036-025 0VR-2033-0-036-025 0VR-2034-0-036-025 0VR-2035-0-036-025 0VR-2036-0-036-025 0VR-2042-0-036-025 0VR-2043-0-036-025 0VR-2053-0-031-026 0VR-2061-0-031-026 0VR-2063-0-031-026 0VR-2065-0-031-026 0VR-2066-0-031-026 0VR-2067-0-031-026 0VR-2068-0-031-026 0VR-2069-0-006-036 0VR-2070-0-006-036 0VR-2071-0-006-036 0VR-2072-0-006-036 0VR-2073-0-006-036 0VR-2074-0-006-036 0VR-2078-0-006-036 0VR-2080-0-006-036 0VR-2081-0-006-036 0VR-2082-0-006-036 0VR-2084-0-006-036 0VR-2087-0-006-036 0VR-2088-0-006-036 0VR-2089-0-006-036 0VR-2090-0-006-036 0VR-2091-0-006-036 0VR-2092-0-006-036 0VR-2093-0-006-036 0VR-2094-0-006-036
Victory Ranch, Plat "C", dated March 19, 2007, prepared by Sowby & Berg Consultants, recorded September 12, 2007, in Plat Book 949, Page 1246, <i>et seq.</i> , Wasatch County Recorder	95-99	0VR-3095-0-006-036 0VR-3096-0-006-036 0VR-3097-0-006-036 0VR-3098-0-006-036 0VR-3099-0-006-036
Victory Ranch, Plat "D", dated March 19, 2007, prepared by Sowby & Berg Consultants, recorded September 12, 2007, in Plat Book	100-104	0VR-4100-0-005-036 0VR-4101-0-032-026

949, Page 1266, <i>et seq.</i> , Wasatch County Recorder		0VR-4102-0-032-026 0VR-4103-0-032-026 0VR-4104-0-032-026
Victory Ranch, Plat "E", dated March 19, 2007, prepared by Sowby & Berg Consultants, recorded January 2, 2008, in Plat Book 957, Page 1044, <i>et seq.</i> , Wasatch County Recorder	105-114	0VR-5105-0-006-036 0VR-5106-0-006-036 0VR-5107-0-006-036 0VR-5108-0-006-036 0VR-5109-0-006-036 0VR-5110-0-006-036 0VR-5111-0-006-036 0VR-5112-0-006-036 0VR-5113-0-006-036 0VR-5114-0-006-036
Victory Ranch, Plat "F" Amended, dated October 16, 2007, prepared by Sowby & Berg Consultants, recorded May 30, 2008, in Plat Book 967, Page 2061, <i>et seq.</i> , Wasatch County Recorder	116-121	0VR-6116-0-031-026 0VR-6117-0-031-026 0VR-6118-0-031-026 0VR-6119-0-031-026 0VR-6120-0-031-026 0VR-6121-0-031-026