

**Master Declaration of Covenants, Conditions and Restrictions of  
The Villages at Saratoga Springs Master Planned Community  
City of Saratoga Springs, Utah**

This Declaration of Master Covenants, Conditions and Restrictions is made and executed effective as of June 14, 2004, by The Villages at Saratoga Springs, L.C., a Utah limited liability company, with a mailing address of 2696 North University Avenue, Suite 220, Provo, Utah 84604 ("Declarant"),

ENT 17294:2006 PG 1 of 45  
RANDALL A. COVINGTON  
UTAH COUNTY RECORDER  
2006 Feb 13 12:27 pm FEE 174.00 BY SS  
RECORDED FOR BACKMAN TITLE SERVICES LTD

RECITALS:

A. Declarant is the owner of the property in the City of Saratoga Springs, Utah County, Utah more particularly described in EXHIBIT "A" attached hereto and made a part hereof (the "Property").

B. The Property is covered by Master Development Plan and Master Development Agreement both approved by the City of Saratoga Springs (the "City") Council on March 26, 2002, and recorded under entry number \_\_\_\_\_ at the Utah County Recorder's Office. (Collectively the "Master Plan"). 136187:2002

C. This Declaration is intended to provide for the development of the Property as provided by the Master Plan and to accommodate the mix of land units provided in the Master Plan, including open space, and to protect the natural beauty, quality, desirability and attractiveness of the Project (as hereinafter defined).

D. It is expected that the future development of the Project will result in declarations of covenants, conditions and restrictions for individual Phases of Development (as hereinafter defined). This Declaration is not intended to preempt or take the place of the Phase Declarations (as hereinafter defined) for the Phases of Development but is intended to supplement such Phase Declarations and to provide for a common scheme of development with common or shared interest in the open spaces and improvements. This Declaration is designed to complement local government regulations, and to the extent conflicts occur, the more restrictive requirement shall apply.

E. The Villages at Saratoga Springs Home Owners Association, Inc., a non profit corporation, has been or will be incorporated under the laws of Utah, (hereinafter called the "Master Association") in order to allow for the common control, management and ownership of the Master Association Property (as hereinafter defined) and improvements that may be made on the master Association Property for the benefit of all the Phases of Developments to be developed on the Project as well as any other property that may hereafter be annexed to the Project. Sub-Associations (as hereinafter defined) may be formed for the Phases of Development of the Project.

NOW THEREFORE, it is hereby declared that the Property is held and shall be held,

**ACCOMMODATION: Backman Title Services makes no representation as to condition of title or assumes responsibility for validity, sufficiency, and effect of document on property.**

sold, conveyed, developed, improved, leased, encumbered, occupied and used subject to this Declaration as to the following covenants, conditions, restrictions, reservations, limitations, easements, liens, and charges, all of which are for the purpose of uniformly enhancing and protecting the value, attractiveness and desirability of the Project and in furtherance of the protection, maintenance, subdivision, development, improvement, sale and lease of the Project in accordance with the Master Plan. The provisions of this Declaration shall be for the mutual benefit of all owners of the Property and shall constitute covenants to run with the land and shall be binding on and for the benefit of Declarant, its successors and assigns, the Master Association, its successors and assigns, and all subsequent owners of all or any part of the Property, together with their grantees, successors and assigns.

## 1. DEFINITIONS

1.1 Definitions. Unless the context clearly indicates otherwise, the following terms shall have the following meanings when used in this Declaration:

“**ARC**” The Architectural Review Committee created pursuant to Article 8 of this Declaration.

“**Articles**” shall mean the Articles of Incorporation of the Master Association filled or to be filled in the Utah Division of Corporations and Uniform Commercial Code, as such Articles may be amended from time to time.

“**Board**” shall mean and refer to the Board of Directors of the Master Association as duly elected in accordance with the Articles and Bylaws.

“**Building**” A structure constructed on a Unit on a temporary or permanent basis and unless specified to the contrary, shall include all other appurtenances and improvements thereto or used in connection therewith.

“**Bylaws**” shall mean the Bylaws of the Master Association, as such Bylaws may be amended from time to time.

“**Delegate**” shall mean a natural person selected to represent a Delegate District and to cast votes on behalf of all Owners within such Delegate District as provided in Section 4.3 of this Declaration.

“**Delegate District**” shall mean a Phase of Development or other group of Members established by this Declaration, or hereafter established by the Board, from which a Delegate is chosen to represent the collective voting power of the Owners as provided in Section 4.3 of this Declaration.

“**Declarant**” shall mean The Villages at Saratoga Springs, L.C. and/or any of its successors or assigns which may acquire ownership of the Project or any part thereof and where The Villages at Saratoga Springs, L.C.’s rights as Declarant hereunder are assigned or

other wise passed by operation of law.

**“Declaration”** shall mean this instrument as it may be amended from time to time as herein provided.

**“Improvements”** All structures and appurtenances thereto of all kinds and types, including but not limited to, buildings, roads, driveways, parking lots, sidewalks, walkways, walls, fences, screens, landscaping, poles, signs and lighting. Improvements shall not include those items which are located totally on the interior of a Building and cannot be readily observed when outside thereof.

**“Limited Use Property”** shall mean any property (including improvements thereon) for the common use and benefit of some but not all Members under an arrangement between the Master Association or any other group of Members, other than a single Sub-Association, for common areas and facilities or amenities to be owned and/or managed by the Master Association for the benefit and use of less than all Members of the Master Association.

**“Master Association”** shall mean The Villages at Saratoga Springs Homes Owners Association that has been or will be incorporated as referred to in Recital 5 of this Declaration.

**“Master Association Documents”** shall mean this Declaration, the Articles and Bylaws and all rules and regulations adopted by the Master Association under this Declaration, including, by way of example and not limitation, the Supplemental Design Guidelines and the rules and regulations relating to the use of the Master Association Property.

**“Master Association Property”** shall mean the property (including improvements thereon) owned and/or managed by the Master Association for the common use and benefit of all Members of the Master Association.

**“Master Plan”** shall mean the Master Development Plan and Master Development Agreement referred to in Recital 2 to this Declaration.

**“Member”** shall mean and refer to every person or entity holding a membership in the Master Association as provided herein.

**“Mortgage”** shall mean any deed of trust, mortgage or other security instrument by which a Unit, Equivalent Units or any part thereof are encumbered.

**“Mortgagee”** shall mean any beneficiary, holder or mortgagee under a Mortgage or any successor in interest of such beneficiary, holder or mortgagee.

**“Open Space”** shall mean the portion of the Project designated on the Master Plan as “Open Space” as that designation may be changed from time to time by amendment of the

Master Plan.

**“Owner”** shall mean and refer to the record owner, whether one or more persons or entities, including Declarant, a fee simple record title of any Unit, including contract sellers but excluding those having such interest merely as security for the performance of an obligation and shall not include any Mortgagee unless and until such party has acquired title pursuant to foreclosure or any arrangement or proceeding in lieu thereof. Owner shall also mean any owner of undeveloped portions of the Property.

**“Participating Developer”** shall mean a Person, other than Declarant or its successors, who acquires a portion of the Project for the purpose of improving such portion for resale to the general public, in accordance with the Master Development Plan, as well as home builders who purchases Units from Declarant in bulk for the purpose of building residences on the Unites for sale to the general public.

**“Person”** shall mean a natural person, a corporation, a partnership, a limited liability company, a trustee, or any other legal entity.

**“Phase Declaration”** shall mean the declaration of covenants, conditions and restrictions for each Phase of Development on the Project and all amendments thereto and all supplementary declarations used to annex additional property to such Phase of Development.

**“Phase of Development”** shall mean each subdivision, condominium project, planned unit development project or other development, and any combination or additions of the same, located on the Project that is covered or governed by a separate Phase Declaration and has a separate Sub-Association.

**“Project”** shall mean the Property and all additional real property hereafter annexed to and made subject to this Declaration, the Master Plan and to the jurisdiction of the Master Association pursuant to Article 2 of this Declaration.

**“Property”** shall mean the real property described in Section 2.1 of this Declaration.

**“Sub-Association”** shall mean the owners association formed or to be formed for each Phase of Development to have the responsibility and to fulfill the purposes set out in the Phase Declaration for the Phase of Development and the successors and assigns of each association.

**“Sub-Association Architectural Committee”** shall mean any architectural control committee, however designated, which is responsible for approving construction, improvements and landscaping for a Phase of Development pursuant to a Phase Declaration.

**“Unit”** shall mean any residential lot, condominium unit, or other residential unit, other than a residential apartment unit whether attached or unattached, or parcel of land, other than common areas, shown on the recorded subdivision plat or plat of condominium for

any Phase of Development in the Project.

## 2. DEVELOPMENT OF PROJECT

2.1 Development of Project in Accordance with Master Plan. It is Declarant's intent (but not an obligation) that the Project, and all portions thereof be developed and used in accordance with the Master Plan. Declarant reserves the right to seek the approval of any amendment of the Master Plan as it affects the Property and upon any such amendment, the Project shall be developed in accordance with the Master Plan as so amended.

2.2 Phases of Development. As any portion of the Project is developed as single-family or multi-family residential units, Declarant or participating Developer, shall, with respect thereto, record a Phase Declaration or an amendment or supplement to an existing Phase Declaration annexing the property being developed into an existing Phase of Development. All Phase Declarations shall be subject to this Declaration and shall incorporate this Declaration therein by reference. Such Phase Declarations shall designate the areas affected and may impose such further or more restrictive conditions, covenants, restrictions, land uses and limitations as Declarant or the Participating Developer may deem advisable, taking into account the particular requirements of each Phase of Development. This Declaration shall control in the event of any conflict between any Phase Declaration and the provisions of this Declaration, although such documents shall be construed to be consistent with one another to the extent possible. The inclusion in any Phase Declaration of conditions, restrictions covenants, land uses and limitations which are more restrictive or more inclusive than the restrictions contained in this Master Declaration shall not be deemed to constitute a conflict with the provisions of this Master Declaration. A Phase Declaration for each Phase of Development of the Project shall provide for the establishment of a Sub-Association, with all Owners of Units within the Phase of Development to be members of the Sub-Association. As each Phase of Development is developed, title to and control over the common area within the Phase of Development intended to be owned and controlled by the Sub-Association if any, shall be transferred to the Sub-Association in accordance with the provisions of the Phase Declaration.

2.3 Designation and Conveyance of Master Association Property. Declarant will dedicate and/or convey to the Master Association fee title to the portion of Open Space set out in the Master Plan as open space or parks unless such open space or park is designated as a public park or unless Declarant and City hereafter mutually determine that it is in the best interest of the Project and the City to change the designation to a public park, in which event, Declarant will dedicate said public park areas to the City. Such dedications and conveyances shall be made as provided in the Master Plan or as Declarant may so determine. The Master Association shall accept title to all Property conveyed to it by Declarant.

2.4 Limited Use Property. Declarant or a Participating Developer may convey Limited Use Property to the Master Association for the common use and benefit of some but not all Members. Two or more Sub-Associations or another identifiable group of Members

other than a single Sub-Association, may convey to the Master Association or may enter into an agreement with the Master Association to manage common areas and facilities or amenities for the benefit and use of less than all Members of the Master Association. All of the costs associated with the ownership, operations, maintenance, repair, replacement and insurance of Limited Use Property shall be assessed against the Owners of Units in only those Sub-Associations or other groups of Members committed to and benefited or served by such Limited Use Property. If Limited Use Property benefits any group of Members other than Sub-Associations, a document shall be recorded which identifies the Limited Use Property and the Units subject to Assessment of the Limited Use Property and which contains a statement that such Units shall be subject to Limited Use Assessments.

2.5 Annexation of Additional Property. Additional Property may be annexed to the Project and brought within the provisions of this Master Declaration and the Master Plan by the Declarant, at any time, without the approval of any Owner or the Master Association. To annex additional property to the Project, the Declarant shall record an amendment to this Master Declaration which shall specify the annexation of the additional property to the Project and which may supplement this Master Declaration with additional or different covenants and restrictions applicable to the annexed property, as the Declarant may deem as appropriate, and may delete or modify as to such annexed property such covenants as are contained herein which the Declarant deems not appropriate for the annexed property. Upon such annexation, the Owners of the Units within the annexed property shall become Members of the Master Association with all rights, privileges and obligations as all other Members. The amendment of this Master Declaration as authorized by this Section, to annex additional property to the Project, shall be controlled by the provisions of this Section and shall be expressly excluded from the requirements of Section 12.4 of this Master Declaration. No property shall be annexed to the Project unless and until, the annexed property is made part of the Master Plan as provided by the Master Development Agreement.

2.6 Withdrawal of Property. Declarant, or its successor, reserves the right to unilaterally amend this Declaration to withdraw any of the Property not theretofore included in a Phase of Development or conveyed to the Master Association for the purpose of including the withdrawn property from the provisions of this Declaration so long as the Master Plan is also amended to include the land to be withdrawn.

### **3. MASTER ASSOCIATION PROPERTY**

3.1 Member's Easement of Enjoyment. Every Owner and other Member shall have a non-exclusive right and easement of use and enjoyment in and to the Master Association Property, which easement shall be appurtenant to and shall pass with title to every Unit subject to the following provisions.

3.1.1 The right of Declarant or any Participating Developer to designate and convey to the Master Association additional Master Association Property pursuant to Article 2 of this Declaration.

3.1.2 The right of the Master Association to establish uniform rules and regulations pertaining to the use of the Master Association Property and any recreational and other facilities located thereon and to prohibit access to portions of the Master Association Property, such as landscaped rights of way, not intended for use by the Members. The rules and regulations shall be intended, in the absolute discretion of the Board, to enhance the preservation of the Master Association Property or the safety and convenience of the users thereof, or otherwise shall serve to promote the best interests of the Members.

3.1.3 The right of the Master Association to charge Members uniform and reasonable admission and other fees for the use of any facilities situated upon the Master Association Property.

3.1.4 The right of the Master Association to permit non-members to use the Master Association Property and any facilities situated on the Master Association Property upon the payment of fees established by the Board.

3.1.5 The right of the Master Association to improve that Master Association Property by constructing facilities and improvements by replacing, refurbishing, reconstructing or repairing any improvement, destroyed trees or other vegetation on Master Association Property and by planting trees, shrubs and ground cover thereon, and the right of the Master Association to close or limit the use of portions of the Master Association Property, while repairing and maintaining the same.

3.1.6 The right of the Master Association, with the affirmative vote of two-thirds of the voting power of the Master Association, to borrow money for the purpose of improving the Master Association Property and facilities and in aid thereof, to mortgage, pledge a deed in trust to any or all of its real or personal property as security for money borrowed or debts incurred.

3.1.7 The right of the Master Association to suspend the right of any Member and the persons deriving such rights from any Member to use the Master Association Property (i) for any period during which any assessment against such Member's unit remains unpaid and delinquent; (ii) for a period not to exceed 60 days for any infraction of this Declaration or other Master Association Documents; and (iii) for successive 60 day periods if any such infraction is not corrected during any prior 60 day suspension period.

3.1.8 The right of the Master Association to transfer or grant to Declarant, Participating Builder, public agencies, authorities or utilities such easements, licenses, permits or rights of way in, on or over the Master Association Property for public utilities, roads and/or for other purposes consistent with the intended use of the Master Association Property or as provided in the Master Plan and this Master

Declaration and reasonably necessary or useful for the property development, use, maintenance or operation of the Project, which are intended to benefit the Project and which do not have any substantial adverse effect on the enjoyment of the Master Association Property by the Members.

3.1.9 The right, but not the obligation, of Declarant to construct improvements on the Master Association Property at any time and from time to time for the improvement and enhancement thereof and for the benefit of the Master Association and Owners, Declarant shall convey or transfer such improvements to the Master Association and the Master Association shall be obligated to accept title to, care for and maintain the same.

3.1.10 The right of Declarant and its sales agents, prospective customers, guests and representatives to the non-exclusive use of the Master Association Property and the facilities thereon, without charge, for sales, display, access, ingress, egress, exhibit purposes and other purposes deemed useful by the Declarant and its representatives in advertising and promoting the Project, such use shall not unreasonably interfere with the rights of enjoyments of the Members as provided herein.

3.1.11 The right of the Declarant and Participating Developers to an easement for encroachments over the Master Association Property created or necessitated by construction and overhangs as designed or constructed by Declarant or such Participating Developer and for constructing, building, excavating, settling, shifting and movement of any portion of the improvements thereon. A valid easement for such encroachments and for the maintenance thereof shall exist. Such encroachments shall not be considered to be encumbrances or trespasses upon any part of the Master Association Property. Encroachments referred to herein include, but are not limited to, encroachments caused by: (i) error in the original construction of any improvements constructed on the Project by Declarant or such Participating Developer; (ii) error in any recorded plat or map, (iii) settling, rising or shifting of the earth; or (iv) changes in position caused by repair or reconstruction of any improvement.

3.1.12 The right of Declarant or assigns, so long as Declarant or assigns hold Class B membership in the Master Association, to convey to the City all or part of the Master Association Property and/or the maintenance responsibility for landscaping within public rights-of-way or other public areas of the Project is, in Declarant's sole judgment, such conveyance or reassignment is in the best interest of the Owners and the Master Association.

3.1.13 The right of Declarant, with the consent of the Board to enter into agreement(s) with the City of Saratoga Springs that provide that some or all of the Master Association Property shall be open to the public as public parks even through



the Master Association Property to be open to the public will be owned and maintained by the Master Association in exchange for park impact fee credits so as to make it possible for Declarant to make more and/or better improvements to the Master Association Property. The Master Association Property to be open to the public as public parks pursuant to such an agreement shall be so designated on the subdivision plat(s) that include the Master Association Property to be open to the public.

3.2 Delegation of Use. Any Owner may delegate, subject to reasonable rules and regulations adopted by the Board and in accordance with any applicable provisions of the Bylaws, his rights of enjoyment to the Master Association Property and the facilities thereon to the members of his family, his tenants, or contract purchasers under a recorded installment sale contract who reside or occupy his Unit subject to the provisions of Section 4.4 hereof. Guests of an Owner may use the Master Association Property and the facilities thereon only in accordance with the rules and regulations adopted by the Board, which rules and regulations may limit the number of guests who may use the Master Association Property and the facilities thereon. The Board may also promulgate rules and regulations limiting the use of the Master Association Property and facilities thereon to one co-owner and his immediate family with respect to any Unit in co-ownership.

3.3 Easement Right of Declarant to Construction. An easement is reserved by and granted to Declarant and to Participating Developers, with the consent of Declarant, for access, ingress, and egress over, in, upon, under, and across the Master Association Property, including but not limited to the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incidental to Declarant's and Participating Developer's construction on the Project; provided, however, that no such rights or easements shall be exercised in such a manner as to unreasonably interfere with the occupancy, use, enjoyment, or access by any Member to any recreational facility located on the Master Association Property.

3.4 Waiver of Use. No Owner may exempt himself from personal liability for assessments duly levied by the Master Association, nor release his Unit from the liens and charges thereof, by waiver of the use and enjoyment of the Master Association Property and the facilities thereon or by abandonment of his Unit.

3.5 Transfer of Title to the Master Association Property upon Dissolution of the Master Association. In the event of the dissolution of the Master Association, the Master Association Property shall, to the extent reasonably possible, be conveyer transferred to an appropriate public agency or authority to be used for purposes similar to those provided for in the Bylaws, the Articles or this Declaration. In the event such dedication or transfer is not made or is not accepted, the Master Association Property shall be transferred to a nonprofit corporation, trust, or other entity to be used for such similar purposes, and each Owner shall continue to be obligated to make assessment payments for the maintenance and upkeep of the Master Association and improvements on a pro rata basis which conforms substantially with

the assessment procedure, terms, and conditions set forth in Article 6 of this Declaration. To the extent the foregoing is not possible, the Master Association Property shall be sold or disposed of and the proceeds from the sale or disposition shall be distributed to Owners.

#### 4. MEMBERSHIP IN MASTER ASSOCIATION

4.1 Membership. Members in the Master Association shall be (i) Declarant (irrespective of whether Declarant is the Owner of a Unit), for so long as Declarant is a Class B Member pursuant to Section 4.2 of this Article, and (ii) each Owner (including Declarant and any Participating Developer) of one or more Units subject to assessment in any Phase of Development. The Person or Persons who constitute the Owner of a Unit shall automatically be the holder of the Membership in the Master Association, which Membership shall be appurtenant to the Unit to which it is attached. Such Membership shall automatically pass with fee simple title to the Unit. Ownership of a Unit shall be the sole qualification for an Owner's Membership in the Master Association. Declarant shall hold a separate Membership in the Master Association for each Unit owned by Declarant. Except for Declarant's Class B Membership, Membership, in the Master Association shall not be assigned, transferred, pledged or alienated in any way separate and apart from the transfer of fee simple title to a Unit. Declarant's Class B Membership may not be partially assigned or held by more than one entity and may not be transferred except to a successor to Declarant's rights to all or a portion of the Property. Any attempt to make a prohibited Membership transfer shall be void and will not be reflected on the books of the Master Association. Membership in the Master Association shall be in addition to membership in any Sub-Association responsible for the Phase of Development in which a Member's Unit is located.

4.2 Voting Rights in Master Association. The Master Association shall have two classes of voting Membership as follows:

4.2.1 *Class A.* Class A Members shall be all Owners of Units (including the Declarant and Participating Developers). There shall be one vote for each Unit in a Phase of Development for which assessments have commenced. Unless otherwise specified in this Declaration or the Bylaws, the vote of each Unit shall be exercised by the Voting Delegate as provided in Section 4.3. In any situation where a Member is personally entitled to vote his Class A Membership and more than one person holds an interest in the Unit only one such co-owner shall be entitled to exercise the vote to which the Unit is entitled. Such co-owners may from time to time all designate in writing one of their number to vote. Fractional votes shall not be allowed, and the Class A vote for each Unit shall be exercised, if at all, as a unit. Where no voting co-owner is designated, or if such designation shall be revoked, the vote for such Unit shall be exercised as mutually agreed upon by the co-owners of the Unit. Unless the Board receives a written objection from a co-owner, it shall be presumed that the voting co-owner is acting with consent of his or her co-owners. No vote shall be cast for any Unit if all co-owners, present in person or by proxy, owning such Unit, cannot agree to said vote or other action. Any Mortgagee who

acquires title to a Unit pursuant to a judgment of foreclosure or a trustee sale shall automatically become entitled to exercise all voting rights which the Owner so said Unit would otherwise have had.

4.2.2 *Class B.* The Class B Member shall be Declarant. The rights of the Class B Member, including rights reserved to the Declarant for so long as it retains Class B Membership, are specified elsewhere in this Declaration. The Class B Member shall not be considered a part of the voting power of the Master Association but shall have the right to elect or designate a majority of the members of the Board. The Class B Membership shall continue for as long as the Declarant or the assignee or the Class B Membership owns Units and/or undeveloped Property on which Units can be developed which in the aggregate equal at least 5% of the Units that can be developed in the Project under the Master Plan. Declarant or the assignee of the Class B Membership may terminate the Class B Membership in any time by recording a declaration terminating the Class B Membership. Declarant's Class B Membership in Sub-Associations shall be not governed by this provision but shall be governed by the Phase Declaration for the Phase of Development covered by the Sub-Association and the Sub-Association Documents.

4.3 Delegate Voting System. Except as this Declaration or other Master Association Documents may provide for vote to be personally cast by individual Owners, all Class A Members' Votes shall be cast by Delegates of Delegate Districts as hereinafter provided.

4.3.1 *Delegate Districts.* Each Phase of Development shall constitute a Delegate District for exercising the voting rights of the Class A Members in the Master Association. The Sub-Association for each Phase of Development shall exercise the voting power of all the Class A Members in such Sub-Association. Each Sub-Association shall designate an officer or Director to act as the Delegate to exercise the voting power of the Members of the Sub-Association and an officer or Director to act as the alternate Delegate to exercise the voting power of the Members of the Sub-Association in the absence of the Delegate. Each Sub-Association shall submit the name of its Delegate and alternate Delegate five days prior to the annual meeting of the Master Association and at such other time as the Delegates may be changed by the Sub-Association.

4.3.2 *Delegate Voting.* Each Delegate shall cast one vote for each Class A Membership in the Delegate's District. At each meeting of Delegates, each Delegate shall cast the votes that he represents in such manner as such Delegate may, in his or her sole and reasonable discretion, deem appropriate, acting on behalf of all the Class A Members in the Delegate's Delegate District; provided, however, that a Sub-Association for a Phase of Development shall have the authority to call special meetings of the Sub-Association in the manner provided in the Sub-Association Bylaws or other applicable documents that the purpose of obtaining instructions as to

the manner in which its Delegate is to vote on any issue to be voted on by the Delegates. In the absence of such a Bylaw provision, a meeting may be called by the Delegate for the purpose of deciding how the Delegate shall vote and the vote of a majority of the Members represented at that meeting shall control the Delegate's vote on that issue. It shall be conclusively presumed for all purposes of the Master Association business that any Delegate casting votes on behalf of the Class A Members in such Delegate's District will have acted with the authority and consent of all such Members. All agreements and determinations lawfully made by the Master Association in accordance with the voting procedures established herein and in the Bylaws, shall be deemed to be binding on all Members and their successors and assigns.

4.4 Delegation of Membership. A Member shall have the right to delegate, subject to reasonable Rules and Regulations adopted by the Board and in Accordance with applicable provisions of the Bylaws, his rights of use and enjoyments of the Master Association Property to a lessee of his Unit; provided, however, (i) that such lessee shall have a written, recorded leases for a term of not less than six months which lease shall expressly delegate to the lessee such Member-lessor's right of use and enjoyment of the Master Association Property, and (ii) that such Member-lessor shall not be entitled to the use and enjoyment of the recreations facilities or other Master Association Property during the term of such delegation. Upon termination of a lessee's lease, the lessee's right of use and enjoyment of the Master Association Property shall cease and immediately vest in the Member-lessor until such time as the Member-lessor delegates his right of use and enjoyment to a new lessee under this Section 4.4. The Member-lessor shall remain liable for all assessments attributable to his Unit. A Member who has sold his Unit to a contract purchaser under a Recorded installment sale contract shall also be entitled to delegate to such contract purchaser his Membership rights in the Master Association; provided, however, that such Member-contract seller shall not be entitled to the use and enjoyment of the recreational facilities or other Master Association Property during the term of such delegation. Such delegation shall be in writing and shall be delivered to the Board before such contract purchaser shall have the right of use of the Master Association Property. The contract seller, however, shall remain liable for all assessments attributable to his Unit until fee title to the Unit sold is transferred.

4.5 Transfer of Membership. If the Owner of any Unit fails or refuses to transfer the Membership registered in his name to the purchaser of such Unit upon transfer of fee title thereto, the Board shall have the right to record the transfer upon the books of the Master Association. The Master Association may levy a reasonable transfer fee against new Owners and their Units (which fee shall be added to the Common Assessment chargeable to such new Owner) to reimburse the Master Association for the administrative costs of transferring, on the records of the Master Association, the Memberships to the new Owners.

4.6 Multiple Ownership of Units. When more than one Person ("co-owner") owns an interest or interest in any Unit, all such co-owners shall be members subject to the

voting restrictions set out in Section 4.2 and subject to the right of the Board to limit use of Master Association Property to one such co-owner as provided in Section 3.2. All co-owners shall be jointly and severally responsible for all for all of the obligations imposed upon the jointly owned Unit and shall be entitled to all other benefits of ownership.

## 5. DUTIES AND POWERS OF MASTER ASSOCIATION

5.1 Powers and Duties. The Master Association shall have all of the powers of a Utah non-profit corporation, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and this Declaration. The Master Association shall have the power to perform any and all lawful acts which may be necessary or proper for, or incidental to the exercise of any of the express powers of the Master Association. Without in any way limited the generality of the foregoing, the Master Association may act through its Board and shall specifically have the powers and duties set out in the Article 5, including:

5.2 Assessments. The powers and duty to levy assessments on the Owners of Units in Phases of Development in which Assessments have commenced, and to enforce payment of such assessments in accordance with the provisions of Article 6 hereof.

5.3 Master Association Property. The right to own and/or lease the Master Association Property and the duty to maintain and manage the Master Association Property and all facilities and improvement thereon, all other property acquired by the Master Association, and the landscaping within public areas, including rights-of-way, within the Project. In particular the Master Association shall:

5.3.1 Maintain and repair in a neat and attractive condition all Master Association Property and all improvements thereon and all public areas within the Project, including rights-of-way, and pay for gardening and other necessary services therefore.

5.3.2 Pay all taxes and assessments levied upon the Master Association Property and all taxes and assessments payable by the Master Association.

5.3.3 Obtain any water, sewer, gas and electric services needed for the Master Association Property and any recreational facilities or other improvements located on the Master Association Property.

5.3.4 Convey to the City all or part of the Master Association Property and/or duty to maintain public areas, including rights-of way, within the Project is such conveyance or reassignment is determined by the Board to be in the best interest of the Owner and the Master Association.

5.4 Manager, Employees, Agents and Consultants. The power but not the duty to employ or contract with a professional manager to perform all or any part of the duties and

responsibilities of the Master Association, and shall have the power but not the duty to delegate its powers to committees, officers and employees of the Master Association. Any such management agreement, or any agreement providing for services by Declarant to the Master Association, shall be for a term of not in excess of one year subject to cancellation by the Master Association for cause, and without cause (and without penalty or the payment of a termination fee) at any time upon 90 days written notice. The power but not the duty, if deemed appropriate by the Board to hire and discharge employees and agents and to retain an pay for legal, accounting and other services as may be necessary or desirable in connection with the performance of any duties or exercise of any powers of the Master Association under this Master Declaration.

5.5 Rights of Entry and Enforcement. The power but not the duty, after notice and hearing, to enter upon any Unit without being liable to any Owner except for damage caused by the Master Association entering or acting in bad faith, for the purpose of enforcing by peaceful means the provisions of this Master Declaration. The Master Association may also commence and maintain action and suits to restrain and enjoin any breach or threatened breach of the restrictions set out in the Master Association Documents and to enforce, by mandatory injunctions or otherwise, all of the provisions of those restrictions. If an action is brought by the Master Association, the prevailing party shall be entitled to reasonable costs and attorneys fees.

5.6 Acquiring Property and Construction on Master Association Property. The power but not the duty to acquire property or interest in property for the common benefit of Owners, including improvements and personal property. The power but not the duty to construct new improvements or additions to the Master Association Property.

5.7 Limited Use Property. The power but not the duty to enter into agreements or arrangements with Sub-Associations or other groups of Members to own and/or manage and operate Limited Use Property for the benefit of less than all of the Members and to assess only the Members benefited by the Limited Use Property.

5.8 Contracts with Sub-Associations. The power but not the duty to enter into contracts with Sub-Associations to provide services to or to maintain and repair Improvements within Phases of Development which the Master Association is not otherwise required to maintain pursuant to this Master Declaration, and the power, but not the duty to contract with third parties for such services. Any contract or service agreement with a Sub-Association must, however, provide for payment to the Master Association of the cost of providing such service or maintenance.

5.9 Books and Records. The power and the duty to keep, or cause to be kept, true and correct books and records of account in accordance with generally accepted accounting principles. The power and the duty to make available for inspection, upon request, during normal business hours or under other reasonable circumstances, to Owners and Mortgagees or their representatives, current copies of the Master Association Documents and the books,

records and financial statements of the Master Association. The Master Association may charge a reasonable fee for copying such materials.

5.10 Maintenance of Other Areas. The power but not the duty to maintain and repair parkways, entry structures and community signs identifying the Project, to the extent deemed advisable by the Board.

5.11 Rules and Regulations. The Board shall be empowered to adopt, amend, or repeal such rules and regulations as it deems reasonable and appropriate relating to the use and occupancy of the Master Association Property, which shall be binding upon all Persons subject to this Master Declaration, whether Members or not; provided, however, that the rules and regulations shall not discriminate among Members and shall not be inconsistent with this Master Declaration, the Articles or the Bylaws. The rules and regulations may also include the establishment of a Default Assessment related to the enforcement and/or violation thereof. The rules and regulations may be established, modified or amended by the Board. A copy of the rules and regulations, as they may from time to time be adopted, amended or repealed, shall be posted in a conspicuous place on the Master Association Property and may be mailed or otherwise delivered to each member. Upon such mailing, delivery or posting, the rules and regulations shall have the same force and effect as if they were set forth herein and shall be binding on all Persons having any interest in, or making any use of any part of the Master Association Property and facilities thereon, whether or not Members; provided, however, that the rules and regulations shall be enforceable only to the extent that they are consistent with this Master Declaration, the Articles and the Bylaws. In the event of any conflict, the provisions of the rules and regulations shall be deemed to be superseded by the provisions of this Master Declaration, the Articles or the Bylaws to the extent of any such conflict. The rules and regulations may not be used to amend this Master Declaration, the Articles or the Bylaws.

5.12 Insurance. The Master Association shall maintain such policy of insurance provided for in this Declaration, the Articles and the Bylaws and such other insurance as the Board deems necessary or desirable in furthering the purpose of the protection of the interest of the Master Association and its Members. Premiums for all insurance carried by the Master Association are common expenses of the Master Association and shall be included in the regular assessments made by the Master Association.

## 6. ASSESSMENTS

6.1 Types of Assessments. The Declarant, for each Unit and each Owner of any Unit, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed, is deemed to covenant and agree to pay to the Master Association;

6.1.1 Common Assessments to be fixed, established and collected as hereinafter provided;

6.1.2 Special Assessments for capital improvements and other purposes as stated herein, to be fixed, established and collected from time to time as hereinafter provided;

6.1.3 Limited Use Assessments for any Unit subject to assessments for Limited Use Property as provided in Section 2.4 of this Declaration, which assessment shall be assessed equally to all Units subject to Limited Use Assessments and shall be fixed, established and collected from time to time as hereinafter provided;

6.1.4 Default Assessments which may be assessed against an Owner's Unit pursuant to the Master Association Documents for failure to perform an obligation under the Master Association Documents or because the Master Association has incurred an expense on behalf of the Owner under the Master Association Documents.

6.2 Creation of Lien and Personal Obligation for Assessments. The Common, Special, Limited Use, and Default Assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and shall be a continuing lien upon the Unit against which each such Assessment is made until paid. Each such assessment, together with interest, costs, and reasonable attorneys fees, shall also be the personal obligation of the Owner of such Unit at the time when the assessment fell due. Assessments on Units shall be levied against each Unit.

6.3 Purpose of Assessments. The Assessments levied by the Master Association shall be used exclusive to promote the recreation, health, safety, and welfare of the Owners and occupants of the Development and for the maintenance, operation and improvement of the Master Association Property and, where applicable Limited Use Property, including, but not limited to, the payment of taxes and insurance thereon, and repair, replacement, and additions thereto, reserve accounts, the cost of labor, equipment, materials, improvements and management

6.4 Common Assessments. The Board shall prepare a budget prior to the beginning of each calendar year estimating its cash flow requirements for the next year and an estimate of the Common Assessments to be charged each Owner and distribute them to the Owners at least 30 days prior to the meeting of the Board at which assessments are to be set. The Owners shall have the opportunity to discuss them at a Board meeting called for that purpose prior to their final approval. On or before December 31 of each year, the Board shall approve the budget in final form, and shall determine, levy, and assess the Master Association's Common Assessments for the upcoming year. Each budget shall include funds for establishing and maintaining reserves for periodic repairs, replacement, and maintenance of those improvements on the Master Association Property which must be replaced on a periodic basis, and for taxes, capital improvements, deficiencies from the prior year, and other purposes and shall include any expected income and surpluses from the prior year.



6.5 Basis and Maximum Annual Common Assessments and Initial Common Assessment. Until January 1 of the year immediately following the conveyance of the first Unit to an Owner other than the Declarant or Participating Developer, the maximum Annual Common Assessment shall be \$500.00 per Unit. At the time of closing on the Unit the first year's assessment for each Unit shall be paid by the Member to the Association. From and after January 1 of the year immediately following conveyance of the first Unit to an Owner other than the Declarant or Participating Developer, the maximum Annual Common Assessment may be increased each year by not more than 15 percent above the maximum Annual Common Assessment for the previous year without the affirmative vote of two-thirds of the voting power of the Master Association at a meeting dully called for that purpose; and so long as there is a Class B Membership, the consent of the Declarant. The Board may fix the Annual Common Assessments at an amount not in excess of the maximum. At the time of the first conveyance of each Unit to an Owner other than Declarant or a Participating Developer, the Owner shall pay the current Annual Common Assessment prorated for the remaining portion of that fiscal year and an Initial Common Assessment of an amount determined by the Board, but until the Board directs otherwise, \$500.00. The Initial Common Assessment is not in lieu of the Annual Common Assessment.

6.6 Special Assessments. If the Board determines that the estimated total amount of funds necessary to defray the common expenses of the Master Association for a given fiscal year is or will become inadequate to meet expenses for any reason, including by not limited to, unanticipated delinquencies, costs of construction, unexpected repairs or replacements of capital improvements of any Master Association Property, the Board shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by the Board it shall become an additional Special Assessment. The Board may, in its discretion, provide for the payment in installments of such Special Assessment over the remaining months of the year or levy the Special Assessment immediately against each Unit. Except for the initial Special Assessment, Special Assessments shall be due on the first day of the month following notice of levy. Excluding the initial Special Assessment, any Special Assessment which singly or in the aggregate with previous Special Assessments (excluding the initial Special Assessment) for the fiscal year would amount to more than 15 percent of the budgeted gross expenses of the Master Association for the year, shall require the affirmative vote of a majority the voting power of the Master Association at a meeting duly called for that purpose; and, so long as there is a Class B Membership, the consent of the Declarant.

6.7 Limited Use Assessment. Limited Use Assessments shall be levied equally against all Units in Sub-Associations or other groups of Members benefiting from and committed to Limited Use Property, if any. Limited Use Assessments shall be fixed, established and collected from time to time by as agreed between the Master Association and the Sub-Associations or other group of Members entering into the arrangement for such Limited Use Property.

6.8 Uniform Rate of Assessment. Common Assessments and Special

Assessments shall be fixed and assessed at a uniform rate for each Unit regardless of the size, location or type of Unit. No assessments shall be levied against or payable for Units owned by Declarant or Participating Developer provided that no portion of such Unit has been used or occupied for residential purposes.

6.9 Date of Commencements of Annual Assessments: Due Dates. Common and Special Assessments provided for herein shall commence as on all Units within a Phase of Development on the first day of the month following the recording of the first deed conveying the first Unit within that Phase of Development to an Owner other than Declarant or a Participating Developer. The Assessments, except the initial Common Assessment, shall be prorated according to the number of months remaining in the calendar year. Common Assessments shall be collected on a periodic basis as the Board may determine from time to time, but until the Board directs otherwise, Assessments shall be payable quarterly in advance on the first day of each calendar quarter.

6.10 Default Assessments. All monetary fines assessed against an Owner pursuant to the Master Association Documents, or any expense of the Master Association which is the obligation of an Owner or which is incurred by the Master Association on behalf of the Owner pursuant to the Master Association Documents, shall be a Default Assessments and shall become a lien against such Owner's Unit which maybe foreclosed or otherwise collected as provided herein. Notice of the amount and due date of such Default Assessments shall be sent to the Owners subject to such Assessment at least 30 days prior to their due date.

6.11 Collection of Assessments by Sub-Association. The Master Association may enter into an agreement with any Sub-Association to allow said Sub-Association to collect Common, Special and/or Limited Use Assessments as agent for the Master Association in the same manner as its Sub-Association assessments and to remit them to the Master Association on a timely basis. Such an agreement shall not affect Master Association's lien against any Unit or the Master Association's ability to enforce or collect it Assessments as provided hereunder, if they are not remitted to the Master Association in a timely manner. The Master Association may also enter into an agreement with any Sub-Association to collect Regular, and Special Assessments of the Sub-Association as agent for the Sub-Association in the same manner as its Master Association assessments and to remit them to the Sub-Association on a timely basis.

6.12 Effect of Non-payment of Assessments: Remedies of Master Association. Any Assessment installment, whether of a Common, Special, Limited Use, or Default Assessment, which is not paid within 30 days of its due date shall be delinquent. In the event that any Assessment installment becomes delinquent, the Master Association, in its sole discretion, may take any or all of the following actions:

6.12.1 Assess a late charge of not less than \$25 per delinquency.

6.12.2 Assess an interest charge from the date of delinquency at the rate if not less than 1½ percent per month on the unpaid balance.

6.12.3 Suspend the Owner's easement and right to use any of the Master Association Property during any period of Delinquency.

6.12.4 Accelerate all remaining Assessment installments for the year in questions so that unpaid Assessments for the remainder of the year shall be due and payable at once.

6.12.5 Bring an action of law against any Owner personally obligated to pay the delinquent installments.

6.12.6 File a Statement of Lien with respect to the Unit, and foreclose on the Unit as set forth in more detail below.

The Master Association may file a Statement of Lien by recording with the Recorder of Utah County, Utah, a written statement with respect to the Unit, setting forth the name of the Owner, the legal description of the Unit, the name of the Master Association, and the amount of delinquent Assessments then owing, which Statement shall be duly signed and acknowledged by the president, a vice president or the manager of the Master Association, and which shall be served upon the Owner of the Unit by mail to the address of the Unit or at such other address as the Master Association may have in its records for the Owner of the Unit. Thirty (30) days following the mailing of such notice, the Master Association may proceed to foreclose the Statement of Lien in the same manner as provided for the foreclosure of mortgages under the statutes of the State of Utah. Such lien shall be in favor of the Master Association and shall be for the benefit of all other Owners. In either a personal or foreclosure action, the Master Association shall be entitled to recover as part of the action the interest, costs, and reasonable attorneys' fees with respect to the action. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Master Association Property or the Owner's Unit. The remedies herein provided shall not be exclusive and the Master Association may enforce any other remedies to collect delinquent Assessments as may be provided by law.

6.13 Assignment of Rents. If an Owner, at any time, lease or sublease its Unit and shall default for a period of one month in the payment of assessments, the Master Association may, at its option, so long as such default shall continue, demand and receive from any tenant or subtenant of the Owner the rent due or becoming due and the payment of such rent to the Master Association shall be sufficient payment and discharge of such tenant or subtenant and the Owner to the extent of the amount so paid. Each Owner shall be deemed to have assigned to the Master Association any such rent in the event of a default by Owner in paying its Assessments.

6.14 Subordination of the Lien. The lien of the Assessments provided for herein shall be subordinate to the lien of any first Mortgage. No sale or transfer shall relieve a Unit from Liability for any Assessments or from the lien thereof. However, a sale or transfer of any Unit pursuant to a decree of foreclosure or by a trustee's foreclosure, or any other proceeding or deed in lieu of foreclosure, for the purpose of enforcing a first Mortgage, shall extinguish the lien of such Assessments as to installment which became due prior to such sale or transfer; provided that no such sale or transfer shall relieve the purchaser or transferee of a Unit from liability for, nor relieve the Unit from the lien of, any Assessments which shall come due thereafter.

6.15 Notice of Action. Any first Mortgagee who make a prior written request to the Master Association in regards to a Unit in which it has an interest as provided in Section 11.4 hereof shall be entitled to timely written notice of any delinquency in payment of Common, Special, Limited Use or Default Assessments owned by the Owner of the Unit encumbered by its first Mortgage or of any other default by the Owner under the Master Association Documents, which has continued for a period of 60 days or more. In addition, any such first Mortgagee shall be entitled to cure such delinquency and obtain the release of the Unit encumbered by its First Mortgage from any lien imposed or perfected by reason of such delinquency.

6.16 Failure to Assess. The omission or failure of the Board to fix the Assessment amounts or rates or to deliver or mail to each Owner an Assessment Notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay Assessments. In such event, each Owner shall continue to pay Common and Limited Use Assessments on the same basis as of the last year for which such an Assessment was made until a new Assessment is made at which time any shortfalls in collections may be assessed retroactively by the Master Association.

6.17 Certificate of Payment. The Master Association shall, upon demand, furnish to any Owner liable for said Assessment, a certification in writing signed by an officer of the Master Association, setting forth whether the Common, Special or Limited Use assessment to be collected by the Master Association on a specified Unit have been paid, the amount of the delinquency if any, and whether there are any Default Assessment and the amount thereof. A reasonable charge may be made by the Board for the issuance of such certificates. Such certificate shall be conclusive evidence of payment of any assessment herein stated to have been paid.

6.18 Exempt Property. The following property subject to this Declaration shall be exempt from the Assessments provided herein:

6.18.1 All properties dedicated to and accepted by a local public authority;

6.18.2 The Master Association Property;

6.18.3 All Sub-Association common areas; and

6.18.4 All of the property not yet developed.

6.18.5 All of the Units owned by Declarant or a Participating Developer provided that no portion of such Unit has been used or occupied for residential purposes.

## **7. DESIGN GUIDELINES**

7.1 Application of Design Guidelines. The requirements set out in this Article 7 (herein referred to as the "Design Guidelines") shall apply to all development, Buildings and Improvements in the Project unless provided otherwise in Supplemental Design Guidelines which may be adopted as provided in Section 8.2 of this Agreement.

7.2 Dwelling Units. Except as otherwise designated on the Master Plan or unless otherwise specified for a particular Unit, tract or parcel in Supplemental Design Guidelines, no Unit shall be improved except with one dwelling unit, each single-family, detached dwelling unit shall have a fully enclosed garage, attached or detached, adequate for a minimum of two standard size automobiles and no carports or parking pads shall be allowed. Unless otherwise specified in Supplemental Design Guidelines recorded after the date of this Master Declaration, the initial cost of the Unit and the initial improvements located thereon shall be not less than \$60,000.00 based on May 2001 costs, adjusted for subsequent years in accordance with reasonable increases in Unit prices and construction costs for residential dwelling units. Within a single-family neighborhood, lots up to 6,500 sq. ft. shall have homes with a minimum square footage of 1,000 sq. ft. Lots from 6,500 sq. ft. to 20,000 sq. ft. shall have homes with a minimum square footage of 1,250 sq. ft. and lots of 20,000 sq. ft. or larger shall have homes with a minimum square footage of 1,800 sq. ft. Within single-family attached developments or multi-family developments, each home shall not be less than 500 square feet on the main floor unless otherwise specified in Supplemental Design Guidelines.

7.3 Exterior Materials and Colors. All exterior materials and colors shall be selected and used which are approved by the ARC and which are compatible with other Buildings on the Unit and on neighboring Units to the end that all such Buildings will present a unified and coordinated appearance. All exterior finishes and/or colors, excluding accent features, shall be earth tone, including subtle blue and gray tones, or as otherwise approved by the ARC or specified in Supplemental Design Guidelines. The ARC may approve bold colors for accent features such as shutters and front doors. Each house shall include some brick, stone, stucco or other distinctive features on the front exposure. Roofs shall be wood shake, tile, architectural shingles (grays, browns, and blacks), or other materials or colors selected from ARC approved shingles, and no gravel roofs shall be permitted.

7.4 Fences. No fence, wall, ledge, high planting, obstruction or other visual or privacy barrier (hereafter collectively "fence") of any kind shall be constructed on a Unit unless the plans and specifications thereof, including the location, design, material and color thereof, have been approved in writing by the ARC prior to the construction or installation. Materials must be those approved in the Design Guidelines. No white vinyl shall be allowed.

It is the intent of the Declarant to create an open, spacious and landscaped street-scape and private backyards throughout the Project, and all decisions with respect to fences shall be governed accordingly. All fences constructed on a Unit shall be in compliance with the applicable ordinances of the City of Saratoga Springs, Utah or shall have obtained a variance from the City. The City's approval of a variance shall not eliminate the need for ARC approval as required herein. All fences shall be constructed of material and in colors approved by the ARC. Backyard fences along parks and open-space areas must be open and shall not exceed four feet in height unless otherwise approved by the ARC. Side-yard fences shall not exceed six feet in height. No fences shall be constructed within the front-yard setback area unless allowed by the Supplemental Design Guidelines and approved by the ARC.

All fence barriers constructed on a Unit shall be subject to the following restrictions unless specified otherwise in Supplemental Design Guidelines, which guidelines shall control:

7.4.1 No fence shall be permitted to be constructed or installed on any portion of a berm constructed by the Declarant or a Participating Developer in the Project such that it exceeds the height of the fence installed by the Declarant as part of the landscape easements, without written approval of the ARC.

7.4.2 Fences shall not project beyond the setback of the principal Building on the Unit. No fence higher than six feet shall be allowed unless the ARC approves an exception to this limitation.

7.4.3 All fences shall be constructed, installed and maintained in good appearance and condition at the expense of the Owner of the Unit at which they are located and all damaged fencing shall be repaired or replaced to original design, materials and color within a reasonable time after said damage occurs.

7.4.5 All fences constructed or installed on the interior of a Unit, e.g. dog runs, swimming pool, patio, etc., which are visible from an adjoining Unit or from a street within the Subdivision shall be subject to prior approval by the ARC.

7.5 Landscaping. The following provisions shall govern the landscaping of Units within the Project unless specified otherwise in Supplemental Design Guidelines, which guidelines shall supercede the requirements specified below:

7.5.1 The owner shall prepare a landscape plan and shall submit the same to the ARC. The ARC shall approve said landscape plan prior to the installation and/or construction of landscaping on a Unit. Landscaping of a Unit shall be in accordance with the approved plan.

7.5.2 A desire for an open, spacious and green-growing street-scape appearance and private back-yards will control the decisions of the ARC. The ARC shall consider overall design features of the improvements to be constructed on the Unit in reviewing and approving or disapproving the landscape plan.

7.5.3 The minimum landscaping requirements shall be as follows:

(a) Innovative landscape design, including sculptured planting areas, berms or other features with screening or bordering of foundations, fences (if any), curbs and other similar elements of the improvements on the Unit.

(b) The initial landscaping shall include plantings consistent with the Landscape Plan illustrated as Exhibit "B", attached hereto.

(c) Additional landscaping to that required in Exhibit "B" may be required if the ARC in its discretion, reasonably determines it is necessary or desired to achieve Project objectives. The Declarant or the ARC shall determine the species, size and location of all trees planted in the park strip or planter strip between the curb and sidewalk on the front or side of a Unit.

7.5.4 All required landscaping on a Unit shall be installed within ninety (90) days after the earlier of the following: (i) substantial completion of the Building on the Unit, or (ii) occupancy of the Building by an Owner, with a reasonable extension for weather.

7.6 Lighting. All exterior lights and interior lights reflecting outside shall not be placed in any manner which shall cause glare or excessive light spillage on a neighboring Unit or upward into the sky and shall be in accordance with the Supplemental Design Guidelines.

## 8. ARCHITECTURAL REVIEW COMMITTEE

8.1 ARC. The ARC shall consist of at least three but not more than five members, who do not need to be Members. Initially the ARC shall consist of five members, all of whom shall appointed by Declarant. So long as the Declarant retains its Class B Membership, Declarant shall have the sole right to appoint and remove all members of the ARC. Thereafter, all members of the ARC shall be appointed or removed by the Board and the Board may determine the number of the Committee, within the above limits. Because two parties own an interest in declarant and or the subject property at the time of filing of this declaration, it shall be the responsibility of those parties to determine how appointments to the ARC shall be allocated by declarant.

8.2 Supplemental Design Guidelines. The Design Guidelines set out in Articles 7 of this Declaration shall be imposed on all development within the Project. In addition, for

so long as Declarant is a Class B Member and thereafter the ARC, the Declarant shall prepare and, on behalf of the Board, promulgate supplemental design and development guidelines governing construction and development within the Project as well as all alteration, modifications, removal or destruction of Improvements, which shall include application and review procedures and rules, including a filing fee, to be followed in submitting an application for approval hereunder ("Supplemental Design Guidelines"). The Supplemental Design Guidelines shall be considered a Master Association Document. The Supplemental Design Guidelines shall not be inconsistent with the Design Guidelines, this Declaration or the Master Plan. In case of conflict between the Design Guidelines and Supplemental Design Guidelines, the Supplemental Design Guidelines shall control. The Supplemental Design Guidelines shall have the objective of preserving a sense of community, harmony and integrity for the Project taking in consideration the diverse types, densities and costs of the various developments. The Supplemental Design Guidelines shall provide for the preservation and protection of the natural beauty and the esthetics of the Project. The Supplemental Design Guidelines shall provide that plans and specifications submitted for approval by the ARC will be approved only if the Committee deems that the construction, developments, alterations or additions (i) will not be detrimental to the appearance of the surrounding area of the Project as a whole, (ii) the appearance of the development or structure(s) involved will be in harmony with other developments or structures in the Project, (iii) the construction will not detract from the attractiveness of the Project, and (iv) the construction will comply with the Design Guidelines, this Declaration, the Master Plan and any architectural guidelines and standards for the Phase of Developments in which the construction will take place. The Declarant, for so long as it is a Class B Member and thereafter the ARC, shall have the sole and full authority to modify and to amend the Supplemental Design Guidelines from time to time without the consent of any Owner. The ARC shall make the Supplemental Design Guidelines available to all Owners, Participating Developers and other builders and developers who seek to engage in development of a construction upon any portion of the Project and such Owners, Participating Developers, other developers and builders shall conduct their operations in accordance therewith.

8.3 Compensation. The members of the ARC shall not receive any compensation for services rendered, but shall be reimbursed for actual expenses incurred by them in the performance for their duties hereunder. The ARC's manager and inspector, who are not voting members of the ARC, may be compensated for time spent on behalf of the ARC.

8.4 Non-Liability. Neither the ARC, or any member thereof, or the Declarant or any partner, officer, employee, agent, successor or assign thereof, shall be liable to the Master Association, any Owner or any other person for any loss, damage or injury arising out of or connected with the performance by the ARC of its duties and responsibilities by reason of a mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve an application. Every person who submits an application at the ARC for approval of plans and specifications agrees, by submission of such an application, and every Owner or Occupant of any Unit agrees, by



acquiring title thereto, or an interest therein, not to bring any action or suit against the Master Association, the ARC or any member thereof, or the Declarant or any officer, partner, employee, agent, successor or assign thereof to recover such damages.

8.5 Approval Required. No construction, alteration, modification, removal, or destruction of any Improvements of any nature whatsoever whether real or personal in nature, whether temporary or permanent, shall be initiated or be permitted to continue or exist within the Project without the prior express written approval of the ARC.

8.6 Variances. The ARC may authorize variances from compliance with the requirements of any conditions and restrictions contained in this Master Declaration, the Design Guidelines contained in this Master Declaration, the Supplemental Design Guidelines, or any prior approval when, in the sole discretion of the ARC, circumstances such as topography, natural obstruction, aesthetics or environmental considerations or hardship may so require or if the ARC determines that a variance enhances the health, safety or general welfare of those living within the Project. Such variances must be evidenced in writing signed by at least two members of the ARC. If a variance is granted as provided herein, no violation of this Master Declaration, the Design Guidelines, the Supplemental Design Guidelines or prior approval shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provision of this Master Declaration, the Design Guidelines or the Supplemental Design Guidelines for any purpose except as to the particular subject matter of the variance thereof and the specific Unit covered thereby. The ARC shall have the right to consider and grant a variance as herein provided either with or without notice to other Owners of a hearing of Owners thereon. The granting of a variance by the ARC pursuant to this Section shall not relieve the Owner from the obligation to fully comply with the applicable ordinances of the City of Saratoga Springs, Utah and the ARC shall not have authority to grant variances from the design guidelines attached to the master development plan agreement or the ordinances of the City of Saratoga Springs.

8.7 Application. To request ARC approval for the construction, alteration, modification, removal or demolition of any Improvements within the Property, the Owner shall submit a written application as provided by the Supplemental Design Guidelines or in a form required by the ARC which must be signed by the Owner and contain all information requested and be accompanied by all other material to be submitted as hereafter provided. All applications must contain, or have submitted therewith, two copies of each of the following (collectively called "plans and specifications") prepared in accordance with acceptable architectural standards and submitted with the application form, if any, approved by the ARC. An application fee of \$75 per home plan or \$150 per multi-unit plan is required as part of the application.

8.7.1 Site Plan. A site plan showing the location of the Building(s) and all other structures and Improvements including fences and walls on the Unit, Unit drainage and all set backs, curb cuts, driveways, parking areas and other pertinent

information relating to the Improvements.

8.7.2 *Building Plan.* As building plan which shall consist of preliminary or final blueprints, elevation drawing of the north, south, east and west sides, and detailed specifications which shall indicate, by sample if required by the ARC, all exterior colors, materials and finishes, including the roof, to be used.

8.7.3 *Landscape Plan.* A landscape plan for portions of the Unit to be landscaped which shall show the location, type and size of trees, plants, ground cover, shrubs, berming and mounding, grading, drainage, sprinkler system, fences, freestanding exterior lights, driveways, parking areas and walkways.

8.7.4 *Evidence of Cost.* Such evidence of the cost of the Improvements as shall be satisfactory to the ARC to assure compliance with the requirements of Section 7.1 of this Master Declaration.

8.7.5 *Additional Information.* The ARC may, in its discretion, require the Owner to furnish additional specifications, drawings, material samples or such other information as the ARC, in its sole discretion reasonably exercised, shall deem necessary or convenient for the purpose of assisting the ARC in reviewing and processing the application.

8.8 Decision. In reviewing the application and the materials submitted therewith and in reaching a decision thereon, the ARC shall use its best efforts and judgment to assure that all Improvements shall produce and contribute to an orderly and aesthetically complementary design and appearance and be of the quality required to maintain the Subdivision as a quality residential development. Unless extended by mutual consent of the Owner and the ARC, the ARC shall render its decision with respect to an application within thirty (30) days after the receipt of a properly submitted application. The decision of the ARC can be in the form of an approval, a conditional approval or denial. The decision of the ARC shall be in writing, signed by a member of the ARC, dated, and a copy thereof mailed to the Owner at the address shown on the application. A conditional approval shall set forth with particularity the conditions upon which the application is approved and the Owner shall be required to affix a copy of said conditions to the working drawings or blueprints which are to be kept on the job site during the entire course of the work to which said plans relate. A denial of an application shall state with particularity the reasons for such denial.

8.9 Inspection and Complaints. The ARC is empowered to inspect all work in progress on any Unit at any time. Such inspection shall be for the purpose of determining whether the Owner is proceeding in accordance with the approved application or is deviating there from or is violating this Master Declaration, the Design Guidelines or the Supplemental Design Guidelines or the approved plans and specifications. The ARC is empowered to receive from other Owners ("Complainant") complaints in writing involving deviations from approved applications or violations of this Master Declaration or any applicable

Supplemental Design Guidelines. In the event the ARC receives such a complaint from a Complainant, it shall first determine the validity of such complaint by inspection or otherwise. Should the ARC determine that there has been a deviation or a violation, it shall promptly issue a notice in writing thereof to the Owner and to the complainant, which notice shall specify the particulars of the deviation or violation and shall demand that the Owner conform to either or both of the following directives: (i) the Owner shall immediately cease the activity which constitutes a deviation or violation; and/or (ii) the Owner shall adhere to the corrective measures set forth in the written notice. Should the ARC determine there has been no deviation or violation, it shall promptly issue a notice of such determination to the Owner and the Complainant.

8.10 Hearing. An Owner submitting an application under Section 8.7, above, or served with a written notice of deviation or violation, or a Complainant shall have the right to require and be heard at a hearing held by the ARC for the purpose of presenting facts and information to the ARC. Such hearing must be requested by such party within ten days from the date the written notice of the decision of the ARC is mailed to the Owner (and Complainant) as evidenced by the records of the ARC. The hearing shall be held within ten days following receipt by the ARC of the request for a hearing, unless the ARC shall extend said period of time because of the unavailability of ARC members. A hearing may be continued by the ARC for the purpose of further investigation or to receive additional evidence. Upon completion of the hearing, the ARC shall issue a written opinion to be involved parties within ten business days thereafter which opinion shall set forth the findings of the ARC with respect to the matters at issue and shall affirm, modify or rescind its previous decisions as contained in the original written notice. If the ARC incurs any costs or expenses in connection with the investigation, processing or hearing on a matter involving a deviation or violation, including the costs of retaining a consultant(s) to advise the ARC and legal fees, such costs shall be paid by the Complainant unless an Owner is found to be in violation, in which event such Owner shall pay all such costs. The payment of such costs shall be enforceable as provided in Section 8.12 below.

8.11 Appeal. Either an Owner or a Complainant shall have the right to appeal to the Board a decision of the ARC on an application with respect to the conditions imposed thereon or a denial thereof, or a decision of the ARC adverse to the Owner or the Complainant reached following a hearing held pursuant to Section 8.10, above, provided, however, that neither an Owner nor a Complainant shall be entitled to such an appeal with respect to deviations or violations unless said Owner or Complainant has participated in the ARC hearing. A notice of appeal shall be in writing and shall be delivered by mail to the Secretary of the Board within ten days from the date of the decision by the ARC. Said notice of appeal shall be dated and shall contain the name of the Owner and the Complainant, if any, and a copy of the written decision or determination of the ARC. The failure of an Owner and the Complainant to appeal a decision of the ARC in the manner and within the time herein provided shall terminate all rights of said Owner or Complainant to appeal said decision and it shall be binding and enforceable. The Board shall fix a date for the hearing of such an appeal which date shall be no later than ten days from the date of receipt of a notice

of appeal unless extended by the Board because of the unavailability of Board members. The Owner and Complainant, if any, shall be advised of the time and place of the hearing by a mailed written notice. Written notice of time and place for hearing shall also be served by mail upon each member of the ARC. The Board may require the Owner or Complainant to provide additional information to facilitate the Board's decision and the failure of such party to comply promptly with such a request shall entitle the Board to deny the appeal, in which event the decision by the ARC shall be considered final and not subject to further appeal. At the hearing, the Owner, Complainant, if any, and the ARC, together with their representatives and other witnesses, shall present their position to the Board. The order of presentation and the evidence to be admitted shall be solely within the discretion of the Board provided, however that the Owner, the Complainant, if any, and the ARC shall have the opportunity to question and cross-examine witnesses presented by the other. The Owner, the Complainant, if any, and the ARC will have the opportunity to present final argument consistent with the rules adopted by the Board for such hearing process. Any party may be represented by an attorney at any hearing by the ARC or the Board. Upon receiving all of the evidence, oral and documentary, and following the conclusion of the hearing, the Board shall retire to deliberate and shall reconvene at a time and place determined by the Board, at which time the Board shall cast its official ballot and the decision shall be duly recorded in the minutes of the meeting. The Owner, the Complainant, if any, and the ARC members shall be given written notice of the decision which shall be deemed given when deposited in the United States mail, postage prepaid and properly addressed. If the Board incurs any costs or expenses in connection with the investigation, processing or hearing on an appeal, including the costs of retaining a consultant(s) to advise the Board and legal fees, such costs shall be paid by the party(ies) filing the appeal unless the decision by the Board constitutes a substantial reversal of the decisions of the ARC, in which event such costs shall be paid by the Master Association. If the party filing the appeal is obligated to pay such costs, payment of the same shall be enforceable as provided in Section 8.12 below. As decision of the Board of an appeal shall be final and shall not be subject to reconsideration or further appeal.

8.12 Enforcement. The ARC, upon approval by the Board, shall be authorized on behalf and in the name of the Master Association to commence such legal or equitable proceeding as are determined by it to be necessary or proper to correct or enjoin any activity or condition existing within the Property, the continuation of which violates the provisions of this Master Declaration, the Supplemental Design Guidelines or the approved plans and specifications. The ARC shall not commence such legal or equitable proceedings until a written notice of the deviation or violation has been appropriately prepared and given to the Owner but thereafter the ARC shall have the sole discretion to commence such proceedings. The authority of the ARC and/or the Master Association shall prevail in any such legal or equitable proceedings, all costs and expenses incurred in connection therewith including, but not limited to, attorneys' fees shall be reimbursed to the Master Association by the Owner against whom said proceedings are filed and upon the failure of said Owner to reimburse the Master Association within five days after written demand therefore is mailed to the Owner, the Aster Association shall have the right to levy a Default Assessment against the Owner and the Unit owned by the Owner which Default Assessment shall be equal to said costs and

expenses incurred plus any additional costs and expenses incurred in levying the Assessment.

Said Default Assessment shall be due and payable at such time or in such installments as may be determined by the Board, in its sole discretion. The failure of the Owner to pay said Default Assessments, or any installment thereof when due, shall be enforceable in the manner provided in Article 6 above.

8.13 Additional Damages. In addition to the costs and expenses to be reimbursed by the Owner or the Complainant, all other costs, expenses and damages determined by the Board to be proximately caused by the deviation or violation or the costs and expenses incurred by the Master Association to correct the same shall be assessed as a Default Assessment against the Owner and the Unit owned by said Owner, or the Complainant and the Unit owned by the Complainant, as the case may be, which Default Assessments shall be due and payable at such time or in such installments as determined by the Board in its sole discretion. The right of the Board to enforce said Default Assessment shall be the same as provided in Articles 6, above.

8.14 Non-Exclusive Remedy. The right of the Master Association to levy a Default Assessment as described in Sections 8.12 and 8.13, above, shall not be deemed to be an exclusive remedy of the Master Association and it may, in its sole discretion, without waiver of any other legal or equitable remedy, pursue enforcement of the lien of said Default Assessment(s), proceed to collect any amount due directly from the Owner and/or pursue any other remedies available at law or in equity.

8.15 Private Rights. The Master Association shall not have the right to mediate or litigate private disputes between Owners where there is a legal or equitable remedy available to resolve said dispute when, in the sole discretion of the Board, the interest of the Master Association or a substantial number of the Owners would not be benefited thereby.

8.16 Delegation to Sub-Association Architectural Committees. The ARC may delegate to a Sub-Association Architectural Committee the ARC's authority to approve: (i) the construction of Buildings and Improvements in a Phase of Development that is a subdivision or planned unit development in which the Owner individually arrange for construction of Buildings or other Improvements, and (ii) modifications and additional Improvements after original construction for any the Phase Development, as provided in this Section. The ARC may delegate this authority so long as the ARC has determined that such Architectural Committee has in force and effect review and enforcement practices and procedures and appropriate standards at least equal to the Design Guidelines set out in this Declaration and the Supplemental Design Guidelines. Such delegation may be revoked and any jurisdiction resumed, at any time by written notice, if the ARC determined the Sub-Association Architectural Committee is failing to enforce its procedures and standards consistent with the Design Guidelines and the Supplemental Design Guidelines and the ARC may veto any action taken by such an Architectural Committee which the ARC determines to be inconsistent with the Design Guidelines and the Supplemental Design Guidelines.

8.17 Approval by Sub-Association Architectural Committees. If an Architectural Committee of a Sub-Association is established for a Phase of Development, and the ARC has not delegated its approval authority to that Sub-Association Architectural Committee, then an Owner shall be required to obtain both the approval of the Architectural Committee as required by the Phase Declaration, and the approval of the ARC as herein provided. The ARC may require approval of the applicable Architectural Committee prior to approval by the ARC.

8.18 No Waiver of Future Approvals. The approval of the ARC of any proposals or plans and specifications or drawings for any work done or proposed or in connections with any other matter requiring the approval and consent of the ARC, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specification, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

8.19 No Liability. Review and approval of any application pursuant to this Article shall be made on the basis of aesthetic considerations only and the ARC shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Master Association, the Board, the ARC, or member of any of the foregoing shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction of or modifications to any improvement. The ARC shall use reasonable judgment in approving or disapproving all plans and specifications submitted to it. Neither the Committee, nor any individual member thereof, shall be liable to any person for any official act of the Committee in connection with submitted plans and specifications, except to the extent the Committee or an individual member thereof acted with malice or wrongful intent.

8.20 Deemed Nuisances - Removal of Non-conforming Improvements. Every violation of this Declaration or Supplemental Design Guidelines or part thereof is hereby declared to be and to constitute a nuisance, and every public or private remedy allowed there to by law or equity against an Owner or other Person shall be applicable against every such violation. The Master Association, upon request of the ARC and after reasonable notice to the offender and to the Owner, may remove any Improvements constructed, reconstructed, refinished, altered, or maintained in violation of this Declaration or the Supplemental Design Guidelines, and the Owner thereof shall forthwith reimburse the Master Association for all expenses incurred in connection therewith. Such expenses shall be assessed as a Default Assessment and a lien on the Unit of the Owner as provided in Article 6 of this Declaration.

8.21 Exemption of Declaration. Nothing herein contained shall limit the right of the Declarant to subdivide or re-subdivide any Unit or portion of the Property or to grant licenses, reservations, rights-of-way or easements with respect to Master Association Property to utility companies, public agencies or others; or to complete excavation, grading and development to or on any Unit or other portion of the Property owned or controlled by

the Declarant, or to alter the foregoing and its development plans and designs, or construct additional Improvements as the Declarant deem advisable in the course of development of the project. This Master Declaration shall not limit the right of the Declarant at any time prior to acquisition of title to a Unit by an Owner to establish on that Unit additional licenses, restriction, reservation, rights-of-way and easements to itself, to utility companies and to others, as may from time to time be reasonably necessary. The Declarant need not seek or obtain ARC approval of any Improvements constructed or placed within the Property by Declarant in connection with the development of the Project, but this exemption shall not apply to a Building(s) constructed by Declarant on a Unit owned by a Declarant. The Declarant shall be entitled to the non-exclusive use, without charge, of any Common Area within the Project in connection with the marketing of the Units therein.

## 9. USE RESTRICTIONS

9.1 General Restriction. The Property shall only be used for those purposes specified by the Master Plan and the Design Guidelines. It is contemplated that the Phase Declarations for Phases of Development in the Property will impose use restrictions that will address the needs and interest of each Phase of Development. It is the intent of this Declaration to only set out minimal use restrictions and it is expected that the Phase Declarations will contain more detailed and restrictive use limitations. The Master Association shall have standing and the power to enforce the use restrictions imposed by the Phase Declarations.

9.2 Maintenance of Units. Except as provided otherwise in the Master Association Documents, Phase Declarations or by written agreement with the Master Association, all maintenance of the Units and all Buildings, Improvements, landscaping and parking areas thereon shall be the sole responsibility of the Owner thereof who shall maintain said Units in accordance with the standards of the Master Association and the Sub-Association for the Phase of Development on which the Unit is located. The Master Association shall, in the discretion of the Board, assume the maintenance responsibilities of such Owner if, in the opinion of the Board, the level the quality of maintenance being provide by such Owner does not satisfy such standard, and the Sub-Association for the Phase of Development in which the Unit is located has failed to adequately provide such maintenance. Before assuming the maintenance responsibilities, the Board shall notify the Owner and the applicable Sub-Association in writing of its intention to do so, and if such Owner or the Sub-Association has not commenced and diligently pursued remedial action within 30 days after mailing of such written notice, then the Master Association may proceed. The expenses of such maintenance by the Board shall be reimbursed to the Master Association by the Owner. Such expenses shall be assessed as a Default Assessment and a lien on the Unit of the Owner as provided in Article 6 of this Declaration.

9.3 Construction Regulation of the Design Guidelines. All Owners, Participating Developers and their contractors shall comply with the construction regulations portion the of the Supplemental Design Guidelines. Such regulations may affect, without limitations,

trash and debris removal, sanitary facilities, parking areas, outside storage, restoration of damaged property, conduct and behavior of builders, subcontractors, and Owner's representatives on the Property, blasting, the conservation of landscape materials and fire protection.

9.4 Compliance with Laws. Subject to the rights of reasonable contest, each Member shall promptly comply with the provisions of all applicable laws, regulations, ordinances, and other governmental or quasi-governmental regulations with respect to all or any portion of the Project.

9.5 Fire Hazards. No exterior fires, except barbeques, outside fireplaces, braziers, and incinerator fires which are contained within facilities or receptacles and which are located in areas designated and approved by the ARC, shall be permitted. No Member shall permit any condition upon its Unit or other portion of the Project which creates a fire hazard or is in violation of the fire prevention regulations.

9.6 Annoying Lights, Sounds or Odors. No sound or odor shall be emitted from any property within the Project which is obnoxious or unreasonably offensive to others. Without limited the generality of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, other than devices used exclusively for security, fire prevention or fire control purposes, and no exterior lighting that illuminates any area beyond the limits of a Unit shall be located or used on any property except with the prior written approval of the ARC.

9.7 Nuisances. No illegal, obnoxious or offensive activity, or nuisance shall be carried on or be permitted to exist within the Project, nor shall anything be done or permitted which is or becomes offensive or detrimental or cause a disturbance or annoyance to any other part of the Project or its occupants.

9.8 Hazardous Materials. Each Owner shall comply with all federal, state, and local statutes, regulations, ordinances, or other rules intended to protect the public health and welfare as related to land, water, groundwater, air or other aspects of the natural environment (the "Environmental Law"). Environmental Laws shall include, but are not limited to those laws regulating the use, generation, storage or disposal of hazardous substances, wastes and materials (collectively, the "Hazardous Materials"). No Owner shall use, generate, manufacture, store, release, dispose of or knowingly permit to exist in, on, under or about his or her Unit or any portion of the Project, or transport to or from any portion of the Project any Hazardous Materials except in compliance with Environmental Laws.

## 10. INSURANCE

10.1 Requirements for Master Association Insurance. The Master Association shall obtain and maintain at all times insurance of the type and kind as provided herein and insurance for such other risks, of a similar or dissimilar nature, covering the Master



Association Property and the facilities and improvements on the Master Association Property as are or shall hereafter customarily be covered with respect to other properties similar in construction, design, and use. The Master Association shall obtain insurance with the following provisions or endorsements:

10.1.1 Exclusive authority to adjust losses shall be vested in the Master Association and/or the Board as insurance trustee or any successor trustee as designated by the Master Association.

10.1.2 The insurance coverage shall not be brought into contribution with insurance purchased by the individual Owners or their respective mortgagees;

10.1.3 The insurer waives its right of subrogation as to any and all claims against the Master Association, each Owner, and/or their respective agents, employees or tenants, and of all defenses based upon coinsurance or upon invalidity arising from the acts of the insured;

10.1.4 The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any officer or employee, agent, or contractor of the Master Association, without prior demand in writing that the Master Association cure the defect.

10.1.5 The insurance coverage cannot be canceled, invalidated or suspended because of the conduct of any officer or employee, agent, or contractor of the Master Association, without prior demand in writing that the Master Association cure the defect.

10.1.6 Such policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of the individual Owners or their respective lessees, employees, agents, contractors or guests; or (ii) by failure of the Master Association to comply with any warranty or condition with regard to any portion of the premises over which the Master Association has no control; and

10.1.7 The insurance coverage shall provide that coverage may not be canceled or substantially modified (including cancellation for non payment of premium) without at least ten days prior written notice to any and all insureds named thereon, including all first Mortgagees of the Units.

10.2 Casualty Insurance. The Master Association shall obtain and maintain fire and casualty insurance with extended coverage, without deductions for depreciation, in an amount as near as possible to the full replacement value of the improvements and facilities located on the Master Association Property and other insurable property and improvements owned by the Master Association. Such insurance shall be maintained for the benefit of the Master Association, the Owners, and the Mortgagees, as their interest may appear as named insured. The casualty insurance carried by the Master Association shall be reviewed by the

Board at least annually to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property that may be damaged or destroyed.

10.3 Liability Insurance. The Master Association shall obtain a policy or policies of insurance insuring the Master Association, the Owners and their respective lessees, servants, agents or guests against any liability to the public or to the Owners, members of the households of Owners and their respective invitees or tenants, incident to the ownership and/or use of the Project, and including the personal liability exposure to the Owners, incident to the ownership and/or use of the Project, including but not limited to the operation and use of the Master Association Property, public ways and any other area under the supervision of the Master Association. Limits of liability under such insurance shall not be less than one Million Dollars for any one person injured in any one occurrence, and shall not be less than One Million Dollars for property damage in each occurrence. The limits in coverage of said liability policy or policies shall be reviewed at least annually by the Board and increased at its discretion. Said policy or policies shall be issued on a comprehensive basis and, if possible, shall provide cross-liability endorsements for possible claims of any one or more group is insured without prejudice to the right of a named insured under the policies to maintain the action against another named insured.

10.4 Fidelity Bond. There may be obtained a blanket fidelity bond for anyone who handles or is responsible for funds held or administered by the Master Association. The amount of the bond shall not be less than the greater of (i) the sum of three months assessments on all Units plus the Master Association's reserve funds; or (ii) the maximum funds that will be in the Master Association's possession. The bond must state that at least ten days written notice will be given to the Master Association or insurance trustee to each Mortgagee and Mortgage service prior to the cancellation or substantial modification for any reason.

10.5 Officer and Director Insurance. The Master Association may purchase and maintain insurance on behalf of any member of the Board, Officer, or member of a committee of the Master Association (collectively, the "Agents") against any liability asserted against or incurred by the Agent in such capacity or arising out of the Agent's status as such, whether or not the Master Association would have the power to indemnify the Agent against such liability under applicable law.

## 11. MORTGAGE PROTECTION

11.1 Purpose. Notwithstanding any and all provisions of this Master Declaration to the contrary, to induce the Federal Home Loan Mortgage Corporation ("FHLMC"), the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA"), the Federal Housing Administration ("FHA") and the Veterans Administration ("VA") to participate in the financing of the purchase of Units within the Project, the provisions of this Article are added thereto. To the extent the following Sections

of this Article conflict with any other provisions of this Master Declaration or the provisions of any Supplemental Declaration, this Article shall control.

11.2 Restrictions on Amendments. No amendment of this Master Declaration shall operate to defeat or render invalid the rights of a Mortgagee or beneficiary under any first Mortgage upon a Unit made in good faith and for value and recorded prior to the recordation of such amendment, provided that after foreclosure of any such Mortgage, such Unit shall remain subject to this Master Declaration, as amended.

11.3 Mortgagee Defined. For the purposes of this Article only, a "Mortgagee" shall refer only to FHLMC, GNMA, FNMA, FHA, and VA, as described in Section 11.1, above.

11.4 Right to Notice. Each first Mortgagee, upon filing a written request for notification with the Board in accordance with this Section 11.4, shall be given written notice by the Master Association of any default by the owner of the unit encumbered by the Mortgage held by said Mortgagee in the performance of such Owner's obligations under this Master Association (hereafter collectively referred to as "Project Documents"), which default is not cured within thirty (30) days after the Master Association has notice of such default. The duty to give such Notice shall arise only after said Mortgagee furnishes to the Master Association written notice of a Mortgage (or Deed of Trust) which shall contain the following:

11.4.1 The name and address of said Mortgagee.

11.4.2 A legal description of the Unit subject to the lien of the Mortgage by Unit, Block and Subdivision.

11.4.3 The name and address of the Owner.

11.4.4 The date the lien of the Mortgage was filed of record in Utah County, Utah, and the instrument number thereof;

11.4.5 The maturity date of the obligation secured by said Mortgage lien.

11.4.6 A copy of a title insurance report evidencing that the Mortgagee is the holder of a first Mortgage or the beneficiary of a first Deed of Trust.

11.4.7 The signature of the Mortgagee or authorized agent.

11.5 Exemption from Prior Assessments. Each first Mortgagee which come into ownership of a Unit by virtue of foreclosure or otherwise shall take title to such Unit free from any claims for unpaid Assessments and charges against the Unit which accrue prior to the time such First Mortgagee comes into ownership, except for claims for a share of such assessments or charges resulting from a reallocation thereof to all Units, including the

mortgaged Unit.

11.6 Changes Requiring Unanimous Approval. Without the prior unanimous approval of all first Mortgages of Units within the Subdivision, neither the Master Association nor the Owners shall:

11.6.1 By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Master Association Property, which are owned, directly or indirectly, by the Master Association, provided, however, that the granting of easements for public utilities or for other public purposes consistent with the intended use of the Master Association Property by the Master Association shall not be deemed a transfer within the meaning of hazard insurance.

11.6.2 Change the ratio of Assessments or method of determining the obligations, Assessments, dues or other charges which may be levied against any Owner or the method of allocating distributions of hazard insurance proceeds or condemnation awards.

11.7 Restrictions on Other Charges. Without prior written approval of at least seventy-five percent of the Mortgagees holding first Mortgages on Units within the Project, neither the Master Association nor the Owners shall:

11.7.1 By act or omission change, waive or abandon any scheme of regulations or enforcement thereof, pertaining to the architectural design of the exterior appearance of Buildings or Improvements on Units within the Project, the exterior maintenance of said Improvements or the maintenance and upkeep of landscaping within the Project.

11.7.2 Fail to maintain fire and extended coverage insurance on insurable Improvements within the Master Association Property on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on a current replacement cost);

11.7.3 Use hazard insurance proceeds for losses occurring within the Master Association Property for any purpose other than the repair, replacement or reconstruction thereof.

11.7.4 Abandon or terminate the covenants, conditions, restrictions, and easements of this Master Declaration or any Supplemental Declaration.

11.7.5 Make any material amendment to this Master Declaration or any Supplemental Declaration or to the Articles or By-Laws of the Master Association.

11.8 Right to Inspect Books, Etc. First Mortgagees, upon written request, shall have the right to (i) examine the books and records of the Master Association during normal

business hours, (ii) require from the Master Association the submission of audited annual financing reports and other financial data; (iii) receive written notice of all meetings of Owners; and (iv) designate in writing a representative to attend all such meetings.

11.9 Notification of Damages. Upon the Board receiving notice of any damage to the Master Association Property or any Unit wherein the cost of repair, replacement or reconstruction exceeds Ten Thousand Dollars (\$10,000.00) or notice of any condemnation or eminent domain proceedings or other similar involuntary acquisition of any portion of the Project, the Board shall give to each first Mortgagee which has filed with the Board a written request for notice as provided in Section 11.4, prompt written notice of said damage or condemnation.

11.10 Right to Pay Charges. Mortgagees may pay taxes or other charges which are in default and which may or have become a charge against any Master Association Property and may pay any overdue premiums on hazard insurance policies covering said Master Association Property and said Mortgagees making such payments shall be entitled to immediate reimbursement therefore from the Master Association.

11.11 Fidelity Bond Requirement. The Board shall secure and caused to be maintained in force at all times a fidelity bond for any person or entity handling funds for the Master Association.

11.12 Lessee's Obligations. Any agreement for the leasing or rental of a Unit, including a month-to-month rental agreement, shall provide that the terms of such agreement shall be subject to the provisions of the Project Documents. All such agreements shall be in writing and shall provide that any failure by the lessee to comply with the terms of the Project Documents shall be in default under the leasing or rental agreement.

11.13 Liability for Taxes. All taxes levied and assessed on the Master Association Property must be assessable against those Master Association Property only and the Master Association shall be solely responsible for the payment thereof.

11.14 Waiver of Liability and Subrogation. Any provision in this Master Declaration which required Owners to indemnify the Master Association, the Board or other Owners against acts of the indemnitor is subject to the exception that if the liability, damage or injury is covered by any type of insurance and proceeds are actually paid to the insured by reason thereof, the indemnitor is relieved of liability to the extent of insurance proceeds so paid.

11.15 FNMA and GNMA Insurance Requirements. Notwithstanding any other provisions contained in this Master Declaration, the Master Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by the FNMA and GNMA, so long as either is a Mortgagee or Owner of a Unit within the

Subdivision, except to the extent such coverage is not available or has been waived in writing by FNMA or GNMA.

11.16 Additional Contracts. In addition to the foregoing provisions of this Article, the Board may enter into such contracts and agreements on behalf of the Master Association as are required in order to satisfy the guidelines of FHLMC, FNMA, GNMA, FHA, VA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entity of mortgage as encumbering Units within Improvements thereon. Each Owner hereby agrees that it will benefit the Master Association and each Owner, as a class of potential mortgage borrowers and potential seller of their Units if such agencies approve the Subdivision as a qualifying subdivision under applicable policies, rules and regulations as adopted from time-to-time.

11.17 Consent to Release of Information by Mortgagee. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Unit and each Owner of a Unit encumbered by such a Mortgage here by consent thereto.

11.18 Restricted Application. It is expressly provided that the terms, conditions and provisions of this Article shall not be operative or in force and effect unless and until FHLMC, FNMA, GNMA, FHA, or VA purchases, grants or insures a Mortgage on a Unit within the Project and then only to the extent the same are required by said purchaser, grantor, or insurer. In the event the standards and guidelines of FHLMC, FNMA, GNMA, FHA or VA do not require, as a condition for approval of the project as a qualifying subdivision, the inclusion of one or more of the provisions of this article, said non-required provisions shall be of no further force or effect.

## 12. MISCELLANEOUS

12.1 Registration of Mailing Address. Each Owner shall register his mailing address with the Master Association. Any first Mortgagee desiring notices provided in Article 11 shall register with the Master Association as provided in Section 11.4

12.2 Notice. All notices or requests required hereunder shall be in writing. Notice to any Owner shall be considered delivered and effective upon personal delivery, or three days after posting, when sent by certified mail, return receipt request, to the address of such Owner on file in the records of the Master Association at the time of such mailing. Notice to the Board, the Master Association or to the ARC shall be considered delivered and effective upon personal delivery, or three days after posting, when sent by certified mail, return receipt requested, to the Master Association, the Board or the ARC, at each address as shall be established by the Master Association from time to time by notice to the Owners. General Notice to all Owners or any classification thereof need not be certified, but may be sent regular first class mail.

12.3 No Waiver. The failure of the Declarant, the Master Association, the Board, the ARC or any of their contractors or employees to insist, in one or more instances, upon the strict performance of any of the terms, covenants, conditions, or restrictions of this Declaration or other Master Association Documents, or to exercise any right or option herein contained, or to serve any notice to institute any action shall not be construed as a waiver or a relinquishment, for the future, of such term, covenant, condition or restriction; but such term, covenant, condition or restriction shall remain in full force and effect. The receipt and acceptance by the Master Association or its contractor or employees of the payment of any assessment from an Owner, with knowledge of the breach of any such covenant, shall not be deemed a waiver of such breach, and no waiver by the Master Association or the board of any such provision shall be deemed to have been made unless expressed in writing and signed by the Master Association.

12.4 Amendment. Subject to the provisions of Section 11.7 of this Declaration any amendment hereto shall require the affirmative vote of a two-thirds of voting power of the Master Association; and so long as the Class B Membership exists, the written consent of the Declarant. Any amendment authorized pursuant to this Section shall be accomplished through the recordation of an instrument executed by the President or Vice President or the Master Association, and by the Declarant if the Class B Membership then exists. In such instrument the President or Vice President of the Master Association shall certify that the vote required by this Section for amendment has occurred. Notwithstanding any requirement in this Section 12.4, Declarant reserves the right to amend the Declaration within twelve months from recording the same on the records of the Utah County Recorder's Office, if required by statute, the FHLMC, FNMA, GNMA, FHA or VA or other governmental agency or lending institution or to correct a technical error, provided that such amendment does not materially affect the rights of Owners.

12.5 Declarant's Sales Program. Notwithstanding any other provisions of this Declaration, so long as Declarant retains its Class B Membership, Declarant and its successors or assigns shall have the following rights in furtherance of any sales, promotional, or other activities designed to accomplish or facilitate the sale of all Units and properties owned by Declarant:

12.5.1 To maintain reasonable number of promotional, advertising and/or directional signs, banners or similar devices at any place or places on the Project, or upon real property directly adjacent to the Project, but any such device shall be of a size and at a location as is reasonable and customary.

12.5.2 To use the Master Association Property and facilities to entertain prospective purchasers or to otherwise facilitate sales, provided sales use is reasonable and customary.

12.5.3 To locate or relocate from time to time its sales office, model Units and/or signs, banners or similar devices. Declarant shall have the right to remove

from the Project any signs, banners or similar devices within a reasonable time after the sale of the first Unit or other Property owned by Declarant.

12.6 Declarant's Rights Assignable. All or any portion of the rights of Declarant under this Declaration under this Declaration or in any way relating to the Project may be assigned, provided, however, that the assignment of Declarant rights as the Class B Member shall be subject to the limitations set out in Section 4.2 of this Declaration.

12.7 Dissolution. Subject to the restrictions set forth in Article 11 of this Declaration pertaining to Mortgagee protection, the Master Association may be dissolved by the affirmative vote of two-thirds of the voting power of the Master Association and, so long as Declarant is a Class B Member, the written consent of Declarant. Upon dissolution of the Master Association all of its assets (including the Master Association Property) may be dedicated or transferred as provided in Section 3.5.

12.8 Interpretation. The captions and headings for the Articles and Sections of this Declaration are for convenience only and shall in no way affect the manner in which any provisions hereof are 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 general shall include the other gender. The invalidity or unenforceability or any portion of this Declaration shall not affect the validity and enforceability of the remainder hereof.

12.9 Covenants to Run with Land. This Declaration and all provisions hereof shall constitute covenants to run with the land or equitable servitude as the case may be, and shall be binding upon and shall inure to the benefit of the Declarant, and all parties who hereafter acquire any interest in a Unit, the Property or in the Master Association Property shall be subject to the terms of this Declaration and the provisions of all other Master Association Documents; and failure to comply with any of the foregoing shall be grounds for an action by the Master Association or an aggrieved Owner for recovery of damages, or for injunctive relief, or both. By acquiring any interest in a Unit, or in the Project, the party acquiring such interest consents to, and agrees to be bound by, each and every provision of this Declaration and the other Master Association Documents.

12.10 Effective Date. This Declaration and any amendment hereof shall take effect upon its being filed for record in the office of the County Recorder of Utah County, Utah.

12.11 Limitation of liability. Neither the Master Association, the ARC, nor any officer or director of the Board shall be liable to any party for any action or for any failure to act with respect to any matter arising by, through or under the Master Association Documents if the action or failure to act was made in good faith. The Master Association shall indemnify all of the ARC, members of the Board and officers of the Master Association with respect to any act taken in their official capacity to the extent provided herein and by law an in the Articles and Bylaws of the Master Association.

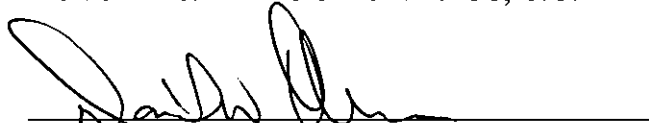


12.12 Conflicts Between Documents. In case of conflict between the Declaration and the Articles or the Bylaws, the Declaration shall control. In the case of conflict between the Articles and the Bylaws, the Articles shall control. In case of conflict between this Declaration and the Supplemental Design Guidelines, the Supplemental Design Guidelines shall control.

IN WITNESS WHEREOF, Declarant has executed this Master Declaration as of the day and year first above written, June 14, 2004, and is effective as of that date. This document is a resigning of that document for recording purposes.

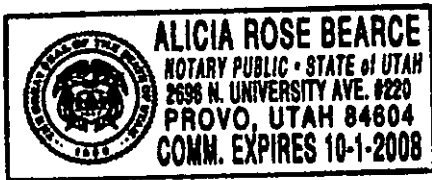
Dated this 26 day of Oct., 2005.

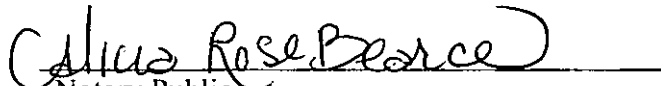
THE VILLAGES AT SARATOGA SPRINGS, L.C.

  
By: David W. Olsen, President of Hearthstone Development, Inc., its Managing Member

State of Utah            )  
                                  :§  
County of Utah         )

On this 26 day of October, 2005 personally appeared before me, David Olsen, who is the President of Hearthstone Development Corporation, which is the Managing Member of the Villages at Saratoga Springs, L. C., who being by me first duly sworn, did say that he executed the foregoing instrument pursuant to the authority vested in him.



  
Notary Public

## LEGAL DESCRIPTION

ATTACHMENT A

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Beginning at the West quarter corner of Section 12, Township 6 South, Range 1 West, Salt Lake Base and Meridian; thence North  $89^{\circ} 50' 38''$  East 2710.59 feet along the quarter section line to the center of said section; thence North  $89^{\circ} 50' 38''$  East 1199.88 feet along the quarter section line; thence South  $23^{\circ} 51' 28''$  East 84.23 feet; thence South  $9^{\circ} 02' 49''$  West 90.95 feet; thence South  $55^{\circ} 41' 49''$  West 171.89 feet; thence on a 16.50 foot radius curve to the left 38.60 feet, having a central angle of  $134^{\circ} 01' 46''$  and whose long chord bears South  $11^{\circ} 18' 11''$  East 30.38 feet; thence South  $78^{\circ} 18' 11''$  East 282.80 feet; thence on a 2897.79 foot radius curve to the left 104.55 feet, having a central angle of  $2^{\circ} 04' 02''$  and whose long chord bears South  $28^{\circ} 16' 01''$  East 104.54 feet; thence South  $65^{\circ} 58' 00''$  West 748.59 feet; thence on a 640.00 foot radius curve to the right 60.31 feet, having a central angle of  $5^{\circ} 23' 58''$  and whose long chord bears South  $68^{\circ} 39' 59''$  West 60.29 feet; thence South  $11^{\circ} 28' 54''$  West 185.01 feet; thence South  $41^{\circ} 06' 30''$  West 918.29 feet; thence North  $48^{\circ} 53' 30''$  West 263.28 feet; thence North  $55^{\circ} 55' 52''$  West 79.81 feet; thence South  $34^{\circ} 45' 07''$  West 41.74 feet; thence North  $56^{\circ} 03' 37''$  West 56.00 feet; thence on a 15.00 foot radius curve to the left 22.78 feet, having a central angle of  $87^{\circ} 01' 17''$  and whose long chord bears North  $9^{\circ} 34' 16''$  West 20.65 feet; thence on a 322.00 foot radius curve to the left 196.34 feet, having a central angle of  $34^{\circ} 56' 11''$  and whose long chord bears North  $72^{\circ} 13' 47''$  West 193.31 feet; thence North  $89^{\circ} 41' 53''$  West 505.51 feet; thence on a 928.00 foot radius curve to the right 119.14 feet, having a central angle of  $7^{\circ} 21' 20''$  and whose long chord bears North  $86^{\circ} 01' 13''$  West 119.05 feet; thence North  $82^{\circ} 20' 33''$  West 126.60 feet; thence on a 15.00 foot radius curve to the left 24.01 feet, having a central angle of  $91^{\circ} 42' 19''$  and whose long chord bears South  $51^{\circ} 48' 18''$  West 21.53 feet; thence on a 1460.00 foot radius curve to the left 81.65 feet, having a central angle of  $3^{\circ} 12' 15''$  and whose long chord bears South  $4^{\circ} 21' 01''$  West 81.64 feet; thence South  $2^{\circ} 44' 53''$  West 595.30 feet; thence on a 1640.00 foot radius curve to the right 213.60 feet, having a central angle of  $7^{\circ} 27' 45''$  and whose long chord bears South  $6^{\circ} 28' 45''$  West 213.45 feet; thence on a 25.00 foot radius curve to the left 38.40 feet, having a central angle of  $88^{\circ} 00' 14''$  and whose long chord bears South  $33^{\circ} 47' 29''$  East 34.73 feet; thence South  $12^{\circ} 12' 24''$  West 66.00 feet; thence on a 25.00 foot radius curve to the left 38.40 feet, having a central angle of  $88^{\circ} 00' 13''$  and whose long chord bears South  $58^{\circ} 12' 18''$  West 34.73 feet; thence North  $77^{\circ} 06' 33''$  West 80.02 feet; thence on a 25.00 foot radius curve to the left 41.02 feet, having a central angle of  $94^{\circ} 00' 36''$  and whose long chord bears North  $32^{\circ} 44' 05''$  West 36.57 feet; thence North  $79^{\circ} 44' 23''$  West 69.32 feet; thence North  $78^{\circ} 33' 17''$  West 85.87 feet; thence North  $77^{\circ} 33' 10''$  West 64.43 feet; thence on a 628.00 foot radius curve to the right 162.08 feet, having a central angle of  $14^{\circ} 47' 15''$  and whose long chord bears North  $70^{\circ} 09' 33''$  West 161.63 feet; thence North  $62^{\circ} 45' 55''$  West 88.50 feet; thence on a 228.00 foot radius curve to the right 250.97 feet, having a central angle of  $63^{\circ} 04' 02''$  and whose long chord bears North  $31^{\circ} 13' 54''$  West 238.49 feet; thence North  $0^{\circ} 18' 07''$  East 148.09 feet; thence on a 228.00 foot radius curve to the right 80.89 feet, having a central angle of  $20^{\circ} 19' 35''$  and whose long chord bears North  $10^{\circ} 27' 54''$  East 80.46 feet; thence on a 15.00 foot radius curve to the left 20.89 feet, having a central angle of  $79^{\circ} 48' 27''$  and whose long chord bears North  $19^{\circ} 16' 32''$  West 19.25 feet; thence North  $59^{\circ} 10' 45''$  West 209.91 feet; thence on a 15.00 foot radius curve to the left 28.03 feet, having a central angle of  $107^{\circ} 04' 48''$  and whose long chord bears South  $67^{\circ} 16' 51''$  West 24.13 feet; thence North  $59^{\circ} 12' 40''$  West 59.22 feet; thence on a 15.65 foot radius curve to the left 28.18 feet, having a central angle of  $103^{\circ} 08' 05''$  and whose long chord bears North  $6^{\circ} 45' 11''$  West 24.53 feet; thence North  $59^{\circ} 10' 45''$  West 196.10 feet; thence North  $59^{\circ} 09' 47''$  West 88.24 feet; thence on a 272.00 foot radius curve to the left 124.81 feet, having a central angle of  $26^{\circ} 17' 27''$  and whose long chord bears North  $76^{\circ} 28' 45''$  West 123.72 feet; thence North  $89^{\circ} 37' 29''$  West 96.30 feet; thence North  $0^{\circ} 18' 07''$  East 1358.75 feet along the West section line of the Southwest quarter of Section 12 (said section line being the basis of bearing of this description), Township 6 South, Range 1 West, Salt Lake Base and Meridian to the point of beginning.

Excepting therefrom all oil, gas, minerals, and ores situated in, upon, or under the above described tract of land, together with all rights in connection with or relative to the exploration, mining, removal or sale of the same.

(ABOVE DESCRIPTION INCLUDES LOTS 101 THRU 135, THE VILLAGE OF FOX HOLLOW, PLAT 1; AND LOTS 201 THRU 227, THE VILLAGE OF FOX HOLLOW, PLAT 2)

PARCEL NO. 1

A PARCEL OF LAND LOCATED IN THE SOUTH HALF OF SECTION 12, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, UTAH COUNTY, UTAH DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT BEING ALONG THE SECTION LINE SOUTH 00°18'07" WEST 1358.76 FEET FROM THE WEST QUARTER CORNER OF SECTION 12, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE ALONG THE SECTION LINE SOUTH 00°18'07" WEST 1276.90 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 12, THENCE SOUTH 89°45'57" EAST 2750.81 FEET ALONG THE SECTION LINE TO THE SOUTH QUARTER CORNER OF SAID SECTION 12; THENCE ALONG THE CENTER SECTION LINE NORTH 00°33'50" WEST 1025.87 FEET; THENCE NORTH 48°53'30" WEST 245.26 FEET; THENCE NORTH 55°56'62" WEST 79.81 FEET; THENCE SOUTH 34°45'07" WEST 41.74 FEET; THENCE NORTH 58°03'37" WEST 56.00 FEET; THENCE NORTHWESTERLY 22.78 FEET ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 88°59'48" AND A LONG CHORD OF NORTH 09°34'16" WEST 20.65 FEET; THENCE NORTHWESTERLY 196.34 FEET ALONG THE ARC OF A 322.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 34°56'11" AND A LONG CHORD OF NORTH 72°13'48" WEST 193.31 FEET; THENCE NORTH 89°41'53" WEST 505.51 FEET; THENCE NORTHWESTERLY 119.14 FEET ALONG THE ARC OF A 928.00 FOOT RADIUS CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 07°21'20" AND A LONG CHORD OF NORTH 88°01'13" WEST 119.05 FEET; THENCE NORTH 82°20'33" WEST 128.80 FEET; THENCE SOUTHWESTERLY 24.01 FEET ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 91°42'18" AND A LONG CHORD OF SOUTH 51°48'18" WEST 21.53 FEET; THENCE SOUTHWESTERLY 81.85 FEET ALONG THE ARC OF A 1460.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 03°12'16" AND A LONG CHORD OF SOUTH 04°21'01" WEST 81.84 FEET; THENCE SOUTH 02°44'53" WEST 595.30 FEET; THENCE SOUTHWESTERLY 213.60 FEET ALONG THE ARC OF A 1640.00 FOOT RADIUS CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 07°27'45" AND A LONG CHORD OF SOUTH 06°28'46" WEST 213.45 FEET; THENCE SOUTHWESTERLY 38.40 FEET ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 88°00'14" AND A LONG CHORD OF SOUTH 33°47'29" EAST 34.73 FEET; THENCE SOUTH 12°12'24" WEST 66.00 FEET; THENCE SOUTHWESTERLY 38.40 FEET ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 88°00'13" AND A LONG CHORD OF SOUTH 58°12'18" WEST 34.73 FEET; THENCE NORTH 77°06'33" WEST 80.02 FEET; THENCE NORTHWESTERLY 41.02 FEET ALONG THE ARC OF A 25.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 94°00'36" AND A LONG CHORD OF NORTH 32°44'05" WEST 36.57 FEET; THENCE NORTH 79°44'23" WEST 69.32 FEET; THENCE NORTH 78°33'17" WEST 85.87 FEET; THENCE NORTH 77°33'10" WEST 64.43 FEET; THENCE NORTHWESTERLY 162.08 FEET ALONG THENCE ARC OF A 628.00 FOOT RADIUS CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 14°47'15" AND A LONG CHORD OF NORTH 70°9'32" WEST 161.63 FEET; THENCE NORTH 62°45'56" WEST 88.50 FEET; THENCE NORTHWESTERLY 250.97 FEET ALONG THE ARC OF A 228.00 FOOT RADIUS CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 63°04'02" AND A LONG CHORD OF NORTH 31°13'54" WEST 238.49 FEET; THENCE NORTH 00°18'07" EAST 148.09 FEET; THENCE NORTHEASTERLY 80.89 FEET ALONG THE ARC OF A 228.00 FOOT RADIUS CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 20°19'35" AND A LONG CHORD OF NORTH 10°27'54" EAST 80.48 FEET; THENCE NORTHWESTERLY 20.89 FEET ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 79°48'27" AND A LONG CHORD OF NORTH 19°16'31" WEST 19.24 FEET; THENCE NORTH 59°10'45" WEST 209.91 FEET; THENCE SOUTHWESTERLY 28.03 FEET ALONG THE ARC OF A 15.00 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 107°04'48" AND A LONG CHORD OF SOUTH 87°16'51" WEST 24.13 FEET; THENCE NORTH 59°12'40" WEST 59.22 FEET; THENCE NORTHWESTERLY 28.17 FEET ALONG THE ARC OF A 16.65 FOOT RADIUS CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 103°08'05" AND A LONG CHORD OF NORTH 06°45'11" WEST 24.52 FEET; THENCE NORTH 59°10'45" WEST 196.10 FEET; THENCE NORTH 59°09'47" WEST 88.24 FEET; THENCE NORTHWESTERLY 124.81 FEET ALONG THE ARC OF A 272.00 FOOT RADIUS CURVE TO THE LEFT HAVING CENTRAL ANGLE OF 26°17'27" AND A LONG CHORD OF NORTH 76°28'45" WEST 123.72 FEET; THENCE NORTH 89°37'28" WEST 86.30 FEET TO THE POINT OF BEGINNING.

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PARCEL 2:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, UTAH COUNTY, UTAH DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ALONG THE CENTER SECTION LINE NORTH 89°50'38" EAST 4122.73 FEET AND SOUTH 443.50 FEET FROM THE WEST QUARTER CORNER OF SECTION 12, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 65°58'00" WEST 748.59 FEET; THENCE SOUTHWESTERLY 6031 FEET ALONG THE ARC OF A 640.00 FOOT RADIUS CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 5°23'58" AND A LONG CHORD OF SOUTH 68°39'59" WEST 60.29 FEET; THENCE SOUTH 11°28'54" WEST 185.01 FEET; THENCE SOUTH 41°06'30" WEST 503.42 FEET; THENCE SOUTH 89°57'00" EAST 1727.21 FEET; THENCE NORTH 35°04'27" WEST 434.06 FEET; THENCE NORTH 37°08'57" WEST 254.88 FEET TO THE WEST LINE OF STATE HIGHWAY NO. 88; THENCE ALONG SAID WEST LINE NORTHWESTERLY 395.26 FEET ALONG THE ARC OF A 2897.79 FOOT RADIUS CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 7°48'55" AND A LONG CHORD OF NORTH 33°12'30" WEST 394.95 FEET TO THE POINT OF BEGINNING.

**PARCEL 3:**

A PARCEL OF LAND COMPRISING THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 14, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, UTAH COUNTY, UTAH DESCRIBED AS FOLLOWS:

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BEGINNING AT A NORTH QUARTER CORNER OF SECTION 14, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE ALONG THE SECTION LINE NORTH 89°48'54" WEST 1372.29 FEET; THENCE ALONG THE SIXTEENTH SECTION LINE SOUTH 01°26'34" EAST 1309.21 FEET; THENCE ALONG THE SIXTEENTH SECTION LINE SOUTH 89°43'16" EAST 1360.05 FEET; THENCE ALONG THE CENTER SECTION LINE NORTH 00°54'22" WEST 1310.35 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH A PERPETUAL NON-EXCLUSIVE, FLOATING EASEMENT FOR A RIGHT OF WAY FOR PURPOSES OF INGRESS AND EGRESS 2 RODS WIDE CONNECTING FROM THE GRANTEE'S PROPERTY IN THE SW1/4 NW1/4 OF SECTION 12, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SLB & M, AND EXTENDING OVER THE FOLLOWING DESCRIBED PROPERTY:

W1/2 NW1/4 SECTION 13; S 1/2 NE 1/4 SECTION 14; AND SE 1/4 NE 1/4 SECTION 14, ALL OF TOWNSHIP 6 SOUTH, RANGE 1 WEST, SLB & M

THE PRECISE LOCATION OF THE EASEMENT WILL BE ESTABLISHED BY MUTUAL AGREEMENT BY THE PARTIES AND RECORDED BY AFFIDAVIT BASED ON AN ACTUAL SURVEY AT SUCH TIME AS A ROADWAY IS ACTUALLY CONSTRUCTED. THE LOCATION OF THE EASEMENT WILL BE SHIFTED FROM TIME TO TIME TO OVERLAY THE NEAREST PUBLIC ROADS AS THEY ARE CONSTRUCTED, IT BEING THE INTENTION OF THE PARTIES THAT THE EASEMENT EVENTUALLY BY ENTIRELY REPLACED WITH DEDICATED PUBLIC ROADS. NO PHYSICAL CONSTRUCTION OF EITHER AN IMPROVED ROADWAY OR ANY UNDERGROUND OR OVERHEAD UTILITY FACILITIES WILL BE PERMITTED WITHIN THIS FLOATING EASEMENT UNTIL SUCH TIME AS THE PERMANENT LOCATION HAS BEEN AGREED TO BY THE PARTIES AND A CENTER LINE DESCRIPTION HAS BEEN RECORDED. IN FIXING THE LOCATION OF THE ROADWAY, THE PARTIES AGREE TO A LOCATION THAT MINIMIZES INTERFERENCE WITH THE SERVIENT PROPERTY, FOLLOWS AS CLOSELY AS REASONABLY POSSIBLE THE ANTICIPATED LOCATION OF FUTURE PUBLIC ROADS, MAINTAINS REASONABLE GRADES, CURVES, AND OTHER REASONABLE AND CUSTOMARY DESIGN STANDARDS CONSISTENT WITH SOUND ENGINEERING PRACTICES. UPON RECORDING AN AGREEMENT DESCRIBING THE EXACT LOCATION OF THE ROAD EASEMENT, THE REMAINING PROPERTY DESCRIBED ABOVE WILL NO LONGER BE ENCUMBERED BY THIS EASEMENT IN ANY WAY, AT ANY TIME, GRANTOR MAY EXTINGUISH THE EASEMENT BY DEDICATING A PUBLIC ROADWAY THAT PROVIDES ACCESS TO THE DOMINANT PROPERTY LOCATION AT SUCH LOCATION AS GRANTOR AND THE PUBLIC AGENCY RECEIVING THE DEDICATION MAY DETERMINE.

**PARCEL 1:**

SOUTHEAST 1/4 OF THE NORTHWEST 1/4, SECTION 14, TOWNSHIP 6 SOUTH, RANGE 1 WEST, OF THE SALT LAKE BASE AND MERIDIAN, CONTAINING 40 ACRES, MORE OR LESS.

**PARCEL 2:**

NORTHEAST 1/4 OF THE NORTHEAST 1/4, SECTION 14, TOWNSHIP 6 SOUTH, RANGE 1 WEST, OF THE SALT LAKE BASE AND MERIDIAN, CONTAINING 40 ACRES, MORE OR LESS.

**PARCEL 3:**

NORTHWEST 1/4 OF THE NORTHWEST 1/4, SECTION 13, TOWNSHIP 6 SOUTH, RANGE 1 WEST, OF THE SALT LAKE BASE AND MERIDIAN, CONTAINING 40 ACRES, MORE OR LESS.

**PARCEL 1:**

THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 6 SOUTH, RANGE 1 WEST, OF THE SALT LAKE BASE AND MERIDIAN. (CONTAINING 81.50 ACRES, MORE OR LESS)

TOGETHER WITH; and also SUBJECT TO a perpetual, non-exclusive, floating easement for a right of way for purposes of ingress and egress 2 rods wide connecting from the grantee's property in the SW1/4NW1/4 of Section 12, Township 6 South, Range 1 West, Salt Lake Base and Meridian; and extending over the following described property: W1/2NW1/4 Section 13; S1/2NE1/4 Section 14; and SE1/4NE1/4 Section 14, all of Township 6 South, Range 1 West, Salt Lake Base and Meridian.

The Terms and Conditions of this easement are set forth in the deeds from the Grantor to Grantee conveying other property, which appears of record in the office of the Utah County Recorder as Entry 7819:2000

**PARCEL 2:**

THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 6 SOUTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN. (CONTAINING 40.48 ACRES, MORE OR LESS)

THE SOUTHWEST 1/4 SECTION 12; NORTH 1/2 AND SOUTHWEST 1/4 SECTION 13, THE SOUTH 1/2 OF THE NORTHEAST 1/4 AND THE NORTHEAST 1/4 OF THE NORTHEAST 1/4, EAST 1/2 NORTHWEST 1/4, AND NORTH 1/2 SOUTHEAST 1/4 OF SECTION 14, ALL IN TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN.

ALSO: BEGINNING AT A POINT ON THE SOUTHERLY BOUNDARY OF THE RIGHTS OF WAY OF UTAH LAKE IRRIGATION CO. CANAL, WHICH POINT IS 518 FEET NORTH FROM THE SOUTHEAST CORNER OF SECTION 12, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN; THENCE ALONG SAID RIGHT OF WAY NORTH 44°54' WEST 427 FEET; THENCE NORTH 34°45' WEST 1218.50 FEET; THENCE NORTH 34°55' WEST 531.11 FEET; THENCE NORTH 47°25' WEST 89 FEET; THENCE NORTH 78°04' WEST 315 FEET; THENCE NORTH 55°66' EAST 179 FEET; THENCE NORTH 9°17' EAST 143 FEET TO THE NORTH LINE OF SOUTHEAST 1/4 CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 12; THENCE SOUTH 40 CHAINS; THENCE EAST 40 CHAINS TO THE PLACE OF BEGINNING.

LESS: BEGINNING AT A POINT WHICH IS SOUTH 2,123.55 FEET ALONG THE SECTION LINE FROM THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SECTION 12, TOWNSHIP 6 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN; SAID POINT OF BEGINNING BEING ON THE WEST BOUNDARY OF THE 33 FOOT WIDE UTAH LAKE IRRIGATION COMPANY'S PELICAN POINT BRANCH CANAL RIGHT-OF-WAY; AND RUNNING THENCE ALONG SAID WEST BOUNDARY FOR FIVE COURSES AS FOLLOWS: NORTH 44°54' WEST 440.55 FEET; THENCE NORTH 34°45' WEST 1,219.58 FEET; THENCE NORTH 34°55' WEST 529.84 FEET; THENCE NORTH 47°25' WEST 84.24 FEET; THENCE NORTH 78°04' WEST 4.99 FEET, MORE OR LESS, TO THE EAST RIGHT OF WAY LINE OF A 66 FOOT WIDE STATE ROAD; THENCE LEAVING SAID CANAL BOUNDARY AND RUNNING ALONG THE EAST RIGHT OF WAY LINE OF SAID STATE ROAD FOR FOUR COURSES AS FOLLOWS: SOUTHEASTERLY 524.74 FEET, MORE OR LESS, ALONG THE ARC OF A 2,831.79 FOOT RADIUS CURVE TO THE LEFT OF THE POINT OF TANGENCY; THENCE SOUTH 37°48' EAST 239.29 FEET; THENCE SOUTH 35°25'30 EAST 1,120.53 FEET TO THE POINT OF CURVATURE OF A 3,307.04 FOOT RADIUS CURVE TO THE RIGHT; THENCE SOUTHEASTERLY 592.98 FEET, MORE OR LESS, ALONG THE ARC OF SAID CURVE TO THE EAST LINE OF SAID SECTION 12; THENCE LEAVING SAID ROAD RIGHT OF WAY LINE AND RUNNING NORTH 248.88 FEET ALONG THE SECTION LINE TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPTING THE "FIRST RELEASE PARCEL" DESCRIBED ON THE FOLLOWING PAGES CONTAINING 129.824 ACRES: