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**Declaration of Covenants, Conditions, and Restrictions for  
The Villas at Sand Hollow**

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**Declaration of Covenants, Conditions, and Restrictions for  
The Villas at Sand Hollow**

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This Declaration of Covenants, Conditions and Restrictions is made pursuant to the Utah Condominium Ownership Act to establish **The Villas at Sand Hollow**, a residential condominium development.

PURPOSE AND INTENT

Declarant is the owner of certain real property located in Washington County, State of Utah, which is more particularly described below. Declarant is desirous of subjecting this real property, along with all improvements constructed or to be constructed thereon, to the Utah Condominium Ownership Act, Title 57, Chapter 8 of the Utah Code, dividing, selling and conveying the same to various purchasers subject to the covenants, conditions, easements, and restrictions contained in this Declaration and the provisions of the Condominium Ownership Act.

DECLARATION

Declarant does hereby declare that the following described real property located in Washington County, Utah, is subject to the Utah Condominium Ownership Act and the following covenants, conditions, restrictions, easements, assessments, charges and liens, and the Condominium Plat recorded herewith:

*See legal description attached hereto as Exhibit A and  
incorporated herein by this reference*

which all are for the purpose of protecting the value and desirability of the Property as a harmonious and attractive residential and resort community, and which shall be construed as covenants of equitable servitude and shall run with the land and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE 1  
DEFINITIONS AND CONCEPTS

The following definitions and concepts shall control in this Declaration. Where a term is not defined herein, it shall have its ordinary meaning, unless it is defined the Act, in which case it shall have the meaning set forth in the Act.

1.1. "Act" means the Utah Condominium Ownership Act, Utah Code Ann. Title 57 Chapter 8. With respect to any amendments to the Act which become effective after the date of recording of this Declaration, unless such amendments are, by the terms of the Act, made applicable to existing

condominium projects, then the provisions of the Act as it exists upon recording of this Declaration shall control unless the Management Committee, by resolution, determines otherwise.

1.2. **"Articles"** means and refers to the Articles of Incorporation of The Villas at Sand Hollow Owners Association, which has been filed with the Utah Division of Corporations and Commercial Code, and includes any amendments thereto. The purpose of the Articles is to establish the Association as a non-profit corporation under Utah law.

1.3. **"Association"** means The Villas at Sand Hollow Owners Association, a Utah non-profit corporation, its successors and assigns.

1.4. **"Building"** means and refers to the separately numbered buildings located on the Property that contain Units.

1.5. **"Bylaws"** means and refers to the Bylaws of the Association, appended hereto as Exhibit B, and includes any amendments thereto. The purpose of the Bylaws is to govern the Association's internal affairs, such as (for purposes of example but not limitation) voting, elections, and meetings.

1.6. **"Common Areas and Facilities"** means and refers to the area designated "common area" on the Condominium Plat and all other area within the Condominium Project, whether leasehold or in fee simple, except for the Units.

1.7. **"Common Expenses"** means and includes: (a) all sums lawfully assessed against the Unit Owners; (b) expenses of administration, maintenance, repair, or replacement of the Common Areas and Facilities; (c) expenses agreed upon as Common Expenses by the Association; and (d) expenses declared Common Expenses by the provisions of the Act, this Declaration, the Bylaws, the Articles, or by rule or resolution adopted by the Management Committee.

1.8. **"Condominium Project"** means and refers to the entirety of the Buildings, the Units, the Common Areas and Facilities and Limited Common Areas, and the Property.

1.9. **"Condominium Plat"** means and refers to the plat that is made and prepared by a registered Utah land surveyor in accordance with section 57-8-13 of the Act and recorded concurrently herewith, and includes any amendments or replacements thereof or additions thereto, and other condominium plats prepared in accordance with the Act for additional property annexed into the Condominium Project and subjected to this Declaration.

1.10. **"Declarant"** means Sand Hollow Vacation Villas, LLC, a Utah limited liability company, and its successors or assigns.

1.11. **"Declarant Control Period"** means and refers to the period of time in which the Declarant has the right to unilaterally expand the Property as set forth in Article 13.

1.12. **"Declaration"** means and refers to this instrument, and any amendments, supplements, or additions hereto.

1.13. **"Eligible Mortgagee"** means a first Mortgagee or any insurer or guarantor of a first Mortgage which has notified the Association in writing of its name and address and status as holder,



insurer, or guarantor of a first Mortgage. Such notice will be deemed to include a request that an Eligible Mortgagee be given notices and other rights described in the Project Documents.

1.14. **"Limited Common Areas"** means and refers to those Common Areas and Facilities designated herein as reserved for use of a certain Unit or Units to the exclusion of other Units or area that is otherwise designated by the Management Committee or the Declarant for a reserved use.

1.15. **"Management Committee"** means and refers to the governing body of the Condominium Project.

1.16. **"Mortgage"** means a mortgage, a deed of trust, a deed to secure a debt, or any other form of security instrument which is held by an institutional lender and affects title to any Unit.

1.17. **"Master Association"** means and refers to the Sand Hollow Resort Master Owners Association, a Utah non-profit corporation, its successors and assigns.

1.18. **"Master Declaration"** means and refers to the Master Declaration for Sand Hollow Resort which was recorded in the Office of the Washington County Recorder on October 10, 2007, as Document No. 20070049542, Pages 1 – 65, and affects the Property as well as other real property subject thereto, all as set forth therein.

1.19. **"Mortgagee"** means and refers to a lender holding a Mortgage on any Unit.

1.20. **"Neighborhood"** means and refers to each separately developed and denominated subdivision, condominium project, or other form or residential housing project within the Sand Hollow Resort that is subject to the Master Declaration.

1.21. **"Neighborhood Association"** means and refers to any association, including an owners association, having jurisdiction over any neighborhood concurrent with, but subject and subservient to the jurisdiction of, the Master Association.

1.22. **"Project Documents"** means, collectively, this Declaration, the Bylaws, the Articles, any rules and regulations established pursuant to the authority of the Act or this Declaration, the Bylaws, or the Articles, and includes any amendments or supplements to the foregoing documents.

1.23. **"Property"** means that certain real property hereinbefore described and includes any expansion property once the same is subjected to this Declaration as provided for herein.

1.24. **"Sand Hollow Resort"** means and refers to the property governed by the Master Declaration, and such annexations and addition thereto as may be subjected to the Master Declaration.

1.25. **"Unit"** means and refers to the area or space contained in the perimeter walls of each of the individually numbered areas on the Condominium Plat designated for private ownership, including the covered patios and balconies as indicated on the Condominium Plat, together with an undivided interest in the Common Areas and Facilities.

1.26. **"Unit Owner"** means and refers to the person, persons, entity, or entities owning a Unit in fee simple and an appurtenant undivided interest in the fee simple estate of the Common Areas and

Facilities. Regardless of the number of parties participating in ownership of each Unit, those parties shall be treated as, collectively, one "Unit Owner."

ARTICLE 2

BOUNDARIES, DESCRIPTIONS, AND OWNERSHIP INTERESTS

2.1. **Units.** In order to establish a plan of condominium ownership, the Condominium Project is hereby initially divided into twenty (20) separately designated and legally described freehold estates consisting of the Units as defined above and designated on the Condominium Plat recorded herewith.

(a) Unit Boundaries. The boundaries of each Unit consist horizontally of the area within the interior surface of the sheet rock on walls which form the exterior of the Building, and the lines as drawn on the Condominium Plat as constituting boundaries between the Unit and Common Areas and Facilities or between the Unit and other Units, and vertically from the interior surface of the floor of the Unit up to the interior surface of the ceiling.

(b) Additional Portions of the Unit. Mechanical equipment and appurtenances located within any one Unit or located without said Unit but designated and designed to serve only that Unit, such as appliances, electrical receptacles and outlets, air conditioning and compressors and other air conditioning apparatus, fixtures and the like, shall be considered part of the Unit, as shall all decorated interiors, all surfaces of the interior structural walls, floors and ceilings, windows and window frames, doors and door frames, and trim consisting of, inter alia and as appropriate, wallpaper, paint, flooring, carpeting and tile. All pipes, wires, conduits, or other public utility lines or installations constituting a part of the Unit and serving only the Unit, and any structural members of any other property of any kind, including fixtures and appliances within any Unit, which are removable without jeopardizing the soundness, safety or usefulness of the remainder of the Building within which the Unit is situated shall be considered part of the Unit.

(c) Description of Units. The Unit numbers and square footage of the Units are set forth on Exhibit C and on the Condominium Plat. Revised Unit descriptions may be contained in subsequent plats, expansions or amendments.

(d) Inseparability of Unit. No part of a Unit or the legal rights comprising ownership of a Unit may be partitioned or separated from any other part thereof. Each Unit shall always be conveyed, transferred, devised, bequeathed, encumbered, and otherwise affected only as a complete Unit. Every conveyance, transfer devise, bequest, encumbrance, or other disposition of the Unit shall be presumed to be a disposition of the entire Unit, together with all appurtenant rights and interests created by law or by this Declaration, including the Unit Owner's membership in the Association. No Unit may be further subdivided.

2.2. **Common Areas and Facilities.**

(a) Description of Common Areas and Facilities. The Common Areas and Facilities, as defined above, generally consist of and include all foundations, columns, girders, beams, supports, main walls, roofs, stairways, stairwells, exterior walkways, driveways, streets, such recreational areas and facilities as may be provided, yards, fences, service and parking areas and

entrances and exits, and in general all other apparatus, installations and other parts of the Condominium Project not within the boundary of a Unit, whether or not expressly listed herein. The Common Areas and Facilities within the Condominium Project include open space, guest parking areas, and other amenities all as depicted and described on the Condominium Plat.

(b) Rights of Use and Rules and Regulations Concerning the Common Areas and Facilities. Every Unit Owner shall have a right and easement of use and enjoyment in and to the Common Areas and Facilities which easement shall be appurtenant to and shall pass with the title to every Unit, subject to the Project Documents and the Act. The Management Committee shall have the right to establish and enforce rules and regulations governing the use of the Common Areas and Facilities, including but not limited to rights of use, hours of use, and delegation of use. Additional rights to establish rules and regulations governing the Common Areas and Facilities may be set forth and established elsewhere in the Project Documents and the Act.

(c) Management Committee Rights in Common Areas and Facilities. The Management Committee shall have the right, for and on behalf of the Association, to:

(i) enter into agreements or leases which provide for use of the Common Areas and Facilities by a similar association in consideration for use of the common areas and facilities of the other association or for cash consideration, or by third parties for cash consideration;

(ii) with the approval of at least seventy-five percent (75%) of Unit Owners and at least fifty-one percent (51%) of Eligible Mortgagees (based on one vote for each Mortgage held) sell, exchange, hypothecate, alienate, mortgage, encumber, dedicate, release or transfer all or part of the Common Areas and Facilities to any private individual, corporate entity, public agency, authority, or utility;

(iii) grant easements for public utilities or other public purposes consistent with the intended use of the Common Areas and Facilities;

(iv) take such steps as are reasonably necessary or desirable to protect the Common Areas and Facilities against foreclosure;

(v) maintain, repair, and replace, as necessary, all sewer lines and related facilities within the Condominium Project in a prompt and timely manner; and

(vi) take such other actions with respect to the Common Areas and Facilities which are authorized by or otherwise consistent with the Project Documents or the Act.

(d) Ownership Interest in Common Areas and Facilities. Each Unit is allocated an equal undivided interest in the Common Areas and Facilities. This interest is appurtenant to and inseparable from each Unit. No Unit Owner shall execute any deed, Mortgage, lease or other instrument conveying, leasing or encumbering title to the Unit without including therein all interests appurtenant thereto. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed to include any omitted interest, even though not expressly mentioned or described therein.

(e) Inseparability of Common Areas and Facilities. Subject to the provisions of this Declaration and the Act, the Common Areas and Facilities shall remain physically undivided, and no Unit Owner shall bring any action for partition or division of the Common Areas and Facilities. Any conveyance, encumbrance, judicial sale, or other transfer (voluntarily or involuntarily) of an individual interest in the Common Areas and Facilities shall be and hereby is declared void unless the Unit to which that interest is allocated is also transferred. By acceptance of a deed or other instrument of conveyance to a Unit, each Unit Owner shall be deemed to have specifically waived such right to institute or maintain a partition action or any other cause of action designed to cause a division of the Common Areas and Facilities, and this section may be pleaded as a bar to the maintenance of such an action. Any Unit Owner who initiates or otherwise maintains any such action shall be liable to and hereby agrees to reimburse the Association for the Association's attorney fees and costs incurred in defending any such action. Such fees and costs shall automatically become a charge and lien against the Unit Owner and the Unit Owner's Unit, which may be enforced by the Association in accordance with Article 5.

### 2.3. Limited Common Areas.

(a) Description of Limited Common Areas. Limited Common Areas may be designated on the Condominium Plat or may otherwise be assigned or designated in this Declaration or by the Declarant or Management Committee consistent with the Project Documents. Limited Common Areas include: the underground parking spaces designated for use by Unit Owners in a particular Building or otherwise assigned to particular Units; storage facilities located on the garage floor of each Building which are designated and assigned on the Condominium Plat for the use of particular Units; and covered decks and patios as depicted on the Condominium Plat which are reserved for the exclusive use of appurtenant Units. Limited Common Areas also include, but are not limited to, any shutters, awnings, window boxes, doorsteps, porches, or other apparatus or area intended to serve a particular Unit, but located outside the boundaries of that Unit.

(b) Rights of Use and Rules and Regulations Concerning the Limited Common Areas. Each Unit Owner is hereby granted an irrevocable and exclusive license to use and occupy the Limited Common Areas reserved exclusively for the use of his Unit, subject to the rights of the Declarant and the Management Committee as set forth in the Project Documents and the Act. The right of exclusive use and occupancy does not include the right to repaint, remodel, erect structures upon or attach any apparatus without the express written consent of the Management Committee.

(c) Management Committee Rights in Limited Common Area. The Management Committee's right of regulation in the Limited Common Area includes all rights it possesses with respect to the Common Areas and Facilities which are not inconsistent with exclusive use to a particular Unit or Units to which the Limited Common Area is assigned, and includes, but is not limited to, the right to regulate and control architectural and aesthetic appearances of the Limited Common Area.

(d) Business Office; On-Site Manager. The Condominium Plat, the Declarant, or the Management Committee may designate an office space within the Common Areas and Facilities as Limited Common Area for the exclusive use of an on-site property manager within which the

manager can manage and conduct the affairs of the Association consistent with any contract between the property manager and the Association for such services.

2.4. **Description of Buildings.** The Buildings will be as described on Exhibit C. Revised Building descriptions may be contained in subsequent plats, expansion or amendments.

ARTICLE 3

MEMBERSHIP, VOTING, DEVELOPMENT RIGHTS, MASTER DECLARATION

3.1. **Membership.** Each Unit Owner shall automatically become a member of the Association upon becoming the owner of a Unit and shall remain a member of the Association until such time as the ownership ceases for any reason, at which time membership in the Association shall automatically cease. Membership is appurtenant to and may not be separated from Unit ownership. The Management Committee or its delegate may require that a member provide proof of ownership as a condition to recognition. All Unit Owners are subject to all the rights and duties established in the Project Documents. Unless otherwise provided in the Project Documents, the Declarant, for all unsold Units in the Property, enjoys the same rights and is subject to the same duties as other Unit Owners.

3.2. **Voting Rights.** Each Unit Owner shall be entitled to one vote for each Unit owned. A Unit which has been acquired by the Management Committee in its own name or in the name of its agents, designee or nominee on behalf of all of the Unit Owners shall not be entitled to vote so long as it continues to be so held. The limitation in the preceding sentence shall have no application to Units owned by Declarant. If a Unit is owned by more than one person or entity, as joint tenants, tenants by the entirety, or as tenants in common, or in partnership, the persons or entities owning such Unit shall reach agreement as to the matter voted upon and cast their vote for their Unit. A vote cast at any Association meeting by any of such co-owners, whether in person or by proxy, shall be conclusively presumed to be the vote attributable to the Unit concerned unless written objection is made prior to said meeting or verbal objection is made at said meeting by another co-owner of the same Unit. In the event such an objection is made, the vote involved shall not be counted for any purpose whatsoever other than to determine whether a quorum exists.

3.3. **Declarant's Development Rights.** The rights reserved to Declarant in the Project Documents are for the purpose of maximizing flexibility available to the Declarant, as the developer of the Property, to ensure the success of the development and meet the demands of the market. The Declarant shall have the right to exercise all rights incident to development of the Property and any property annexed into the Property in accordance with Declarant's expansion rights, including without limitation the right or combination of rights hereby reserved by Declarant, as follows:

(a) The right to create Units and Common Areas and Facilities and Limited Common Areas on the Property, subject to the limitations of the Act and the Project Documents;

(b) The right to subdivide or combine Units and convert Units into Common Areas and Facilities on any part of the Property and the right to convert Common Areas and Facilities into Limited Common Areas and the right to convert Limited Common Areas into Common Areas and Facilities, subject to the limitations of the Act. This right will specifically include, without limitation, the right to convert parking spaces that are designated as Common Areas and Facilities to Limited Common Areas and the right to convert parking spaces that are designated as Limited Common Areas to Common Areas and Facilities;

(c) The right, without the consent of the Unit Owners, to amend or supplement the Condominium Plat, apply for any zone change or for other zoning, building, or subdivision permits or approvals which Declarant deems necessary in the course of developing the Property.

3.4. **Master Declaration.** The Condominium Project constitutes a Neighborhood within Sand Hollow Resort. In addition to being subject to this Declaration, the Condominium Project is also subject to the Master Declaration. The Association constitutes a Neighborhood Association pursuant to the Master Declaration and is subject to and participates in the Master Association in the manner and to the extent described in the Master Declaration. In the event of any conflict or disparity between the terms of this Declaration and the Master Declaration, the terms of the Master Declaration shall control.

ARTICLE 4  
MANAGEMENT COMMITTEE

4.1. **Management Committee.** The affairs of the Association shall be governed by a Management Committee, the composition of which is set forth in the Bylaws. The Management Committee shall have the power to manage the Condominium Project in accordance with the Act and the Project Documents.

4.2. **Declarant's Right to Appoint.** Notwithstanding any contrary provision in the Bylaws, the Declarant shall have the right to appoint and remove all the members of the Management Committee, all officers of the Association, and exercise all powers and responsibilities delegated by this Declaration, the Act, and the Project Documents to the Association, its officers and the Management Committee for a period ending: (a) six years after the recording of this Declaration; or (b)(i) after Units to which three-fourths of the undivided interest in the Common Areas and Facilities appertain have been conveyed, or (ii) after all additional land has been added to the Property, whichever occurs last between (b)(i) and (ii), and whichever first occurs between (a) and (b).

4.3. **Indemnification.** The Management Committee, and each member thereof, shall be indemnified by the Association against any loss, damage, claims or liability, including reasonable attorney fees, suffered or incurred by reason of such position, except to the extent such damage, claim, loss or liability is covered by any type of insurance; provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claim or liability arising out of that persons own willful misconduct or gross negligence.

4.4. **Rulemaking Power.** The Management Committee may, from time to time, subject to the provisions of the Act and the Project Documents, adopt, amend and repeal rules and regulations governing, among other things, use of any Common Areas and Facilities, use of Limited Common Areas, parking restrictions and limitations, limitations upon vehicular travel within the Condominium Project, and restrictions on other activities or improvements on the Condominium Project which, in the opinion of the Management Committee, create a hazard, nuisance, unsightly appearance, excessive noise, or offensive smell.

4.5. **Notice; Promulgation of Rules.** A copy of the rules and regulations, as they may from time to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Unit Owner and may, but need not be, recorded. Upon such mailing or other delivery, said rules and regulations shall have the same force and effect as if they were set forth in and were a part of this Declaration and the Bylaws. In addition to or in lieu of providing notice by mail, the Management

Committee may provide notice by electronic means such as electronic mail (e-mail) to Unit Owners and may require that Unit Owners, in addition to keeping the Management Committee informed as to their current mailing address, maintain a current e-mail address with the Management Committee for such purpose.

4.6. **Change of Corporate Status.** The Association has been set up and established as a non-profit corporation under Utah law. However, the continuing existence and viability of the Association is not vested in its corporate status. During any period in which the Association is not incorporated or otherwise has a change of corporate status (*e.g.*, involuntary dissolution under the Utah Nonprofit Corporation Act for failure to file for corporate renewal), the Project Documents shall nevertheless continue to be effective as the Project Documents of the Association, and the Association, the Management Committee, and all officers and committees operating under the authority of the Project Documents and the Act shall have all rights, power, and authority granted therein, and no Unit Owner may escape or avoid any assessment, charge, lien, rule or other matter contained in the Project Documents or the Act by virtue of such change of corporate status. In the case of non-incorporation, the Management Committee is authorized, to the extent it deems necessary, and without approval of the Unit Owners, to re-incorporate under a same or similar name and such corporation shall be deemed the successor to the Association. In the event the Management Committee does not reincorporate, the Association shall continue to operate and function under the Project Documents and the Act as an unincorporated association.

4.7. **Management Agreement; Property Manager.** The Management Committee may engage for the Association the services of a property manager to perform such duties and services as the Management Committee shall authorize. The Management Committee may delegate to and otherwise authorize the property manager to perform those services to which the Management Committee itself may perform under the Project Documents or the Act, and those services to which the Act otherwise authorizes a manager to perform. Any contract or agreement for services entered into by the Management Committee for and on behalf of the Association and the property manager shall not exceed a term of five (5) years. The property manager may also provide services to individual Unit Owners as may be determined between the property manager and the Unit Owner; *provided however*, that services performed for individual Unit Owners which are not performed for the Association shall not be Common Expenses but shall be charged to such Unit Owners as the Unit Owners and the property manager may determine.

ARTICLE 5  
ASSESSMENTS AND LIENS

5.1. **Authority to Levy Assessments and Charges.** The Management Committee has authority, and is required, to set and levy assessments and other charges consistent with and as set forth in the Act and the Project Documents.

5.2. **Personal Obligation of Assessments; Creation of Lien.**

(a) Every Unit Owner, by acceptance of a deed to a Unit, whether or not it shall be so expressed in any such deed or other conveyance, covenants and agrees to pay to the Association all assessments levied or charged by the Association or Management Committee pursuant to this Declaration as well any additional charges, interest, costs of collection and reasonable attorney fees, as hereinafter provided. All such amounts shall be a charge on the land

and shall be a continuing lien upon the Unit against which each such assessment or amount is charged. Such assessments and other amounts shall be the personal obligation of the person who was the Unit Owner at the time the assessment fell due. Successors-in-title shall not be personally liable for assessments delinquent at the time they took title unless that obligation is expressly assumed by them.

(b) If any Unit Owner shall fail or refuse to make any payment to the Association when due, the entire amount thereof shall constitute a lien on the interest of the Unit Owner in the Unit, and upon the recording of notice thereof by the manager or Management Committee shall be a lien upon the Unit Owner's interest in the Unit prior to all other liens and encumbrances, recorded or unrecorded, except as otherwise provided in the Act.

(c) The sale or transfer of any Unit shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to foreclosure of a first Mortgage or any proceeding in lieu thereof shall extinguish the assessment lien as to payments which became due prior to such sale or transfer. No sale or transfer, however, shall relieve a Unit Owner from personal liability for assessments coming due after the Unit Owner takes title to a Unit or from the lien of such later assessments.

5.3. **Purposes.** The purposes for which assessments and other charges may be set and levied include, but are not limited to:

- (a) payment of taxes, insurance and common utility charges;
- (b) payment of cost of repairing, replacing, maintaining, and constructing or acquiring additions to the Common Areas and Facilities;
- (c) establishment and maintenance of an adequate reserve fund for the repair or replacement of the Common Areas and Facilities;
- (d) payment of administrative expenses of the Association;
- (e) payment of prior years' deficits;
- (f) payment for any common trash collection, sewer and water costs, and cable television charges; and
- (g) payment of other charges required by the Project Documents, the Act, or that the Management Committee shall determine to be necessary to meet the primary purposes of the Association.

5.4. **Annual Assessments.** The Management Committee shall prepare a budget before the close of each fiscal year of the Association for the purpose of calculating and establishing the annual assessments for the subsequent fiscal year. Annual assessments for Common Expenses shall be based upon the estimated net cash flow requirements of the Association to cover items including, without limitation, the cost of maintenance and operation of the Common Areas and Facilities; expenses of management; premiums for insurance coverage as deemed desirable or necessary by the Association; landscaping, care of grounds, common lighting within the Common Areas and Facilities; renovations within the Common Areas and Facilities; wages; common water and utility charges for the Common



Areas and Facilities; legal and accounting fees; management fees; expenses and liabilities from a previous assessment period; and the supplementing of the reserve fund for general, routine maintenance, repairs, and replacement of the Common Areas and Facilities.

5.5. **Special Assessments.** In addition to the annual assessments, the Management Committee may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of (a) defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of Common Areas and Facilities or Limited Common Areas and any structures, fixtures and personal property related thereto; (b) making up any shortfall in the current year's budget; or (c) as necessary to fund any litigation the Management Committee deems necessary for the benefit of the Association.

5.6. **Additional Assessments.** In addition to the annual assessments and special assessments authorized herein, the Management Committee may levy such assessments as may be necessary from time to time for the purpose of repairing and restoring damage or disruption to streets or other Common Areas and Facilities or Limited Common Areas resulting from the activities of the City of Hurricane in maintaining, repairing or replacing utility lines and facilities thereon.

5.7. **Emergency Assessments.** Notwithstanding anything contained in this Declaration, the Management Committee, without Unit Owner approval, may levy emergency assessments in response to an emergency situation. Prior to the imposition or collection of any assessment due to an emergency situation, the Management Committee shall pass a resolution containing the written findings as to the necessity of such expenditure and why the expenditure was not or could not have been reasonably foreseen or accurately predicted in the budgeting process and the resolution shall be distributed to the Unit Owners with the notice of the emergency assessment. If such expenditure was created by an unbudgeted utility maintenance or similar expense or increase, the assessment created thereby shall be discontinued by the Management Committee by a similar resolution, if such expense is subsequently reduced, or to the extent the next succeeding annual budget incorporates said increase into the annual assessment. An emergency situation is one in which the Management Committee finds, in its discretion:

- (a) An expenditure is required by an order of a court, to defend the Association in litigation, or to settle litigation;
- (b) An expenditure is necessary to repair or maintain the Condominium Project or any part of it for which the Association is responsible where a threat to personal safety on the Condominium Project is discovered;
- (c) An expenditure is necessary to repair, maintain, or cover actual Association expenses for the Condominium Project or any part of it that could not have been reasonably foreseen by the Management Committee in preparing and distributing the pro forma operating budget (for example: increases in utility rates, landscape or maintenance contract services, attorney fees incurred in the defense of litigation, etc.); or
- (d) Such other situations in which the Management Committee finds that immediate action is necessary and in the best interests of the Association.

5.8. **Apportionment of Assessments.** Unless otherwise provided in the Project Documents or the Act, all assessments levied by the Management Committee under the authority of this Article,

whether assessed as annual, special, additional or emergency assessments, must be fixed at a uniform rate for each Unit; *provided, however*, that unsold and unoccupied Units owned by the Declarant may be assessed at no less than twenty-five percent (25%) of their full assessment. Any Common Expense associated with the maintenance, repair, or replacement of any Limited Common Areas shall be assessed against the Unit or Units to which that Limited Common Area is assigned, equally, or in any other proportion the Management Committee reasonably determines. Any Common Expense or portion thereof benefiting fewer than all of the Units shall be assessed exclusively against the Units benefited. If any Common Expense is caused by the misconduct of any Unit Owner, or the occupant of that Unit Owner's Unit, the Association may assess that expense exclusively against such Unit Owner and his Unit. The total annual assessments of the Association shall be apportioned among all Units as provided in this section and shall not be apportioned between Common Areas and Facilities and Limited Common Areas.

**5.9. Date of Commencement of Annual Assessments; Due Dates.**

(a) Commencement. The annual assessment provided for herein shall commence to accrue on the date fixed by the Management Committee. The first annual assessment may be set at any time and shall be adjusted according to the number of months remaining in the Association's fiscal year.

(b) Assessment Notices. At least thirty (30) days prior to the commencement of each new fiscal year, the Management Committee shall send or cause to be sent a written notice of the annual assessment to each Unit Owner subject thereto. This notice will include the amount of the past year's budget, plus a status of reserve funds and anticipated reserve needs. This notice shall not be a pre-requisite to the validity of the assessment.

(c) Default Rate. In the absence of a determination by the Management Committee as to the amount of an annual assessment, the annual assessment shall increase by five percent (5%) above the annual assessment for the previous year.

(d) Due Dates. The assessment due dates shall be established by the Management Committee. The Management Committee may provide for the payment of annual and special assessments in equal installments (monthly or quarterly) throughout the assessment year. Due dates for other assessments shall be set by the Management Committee, provided that the due dates of such assessments shall give Unit Owners at least thirty (30) days notice prior to coming due.

**5.10. Effect of Non-Payment of Assessment; Remedies of the Association.**

(a) Delinquency; Interest and Late Fees. Any assessment or installment thereof not paid within fifteen (15) days after the due date shall be delinquent and shall bear interest from the due date at the rate of eighteen percent (18%) per annum until paid. In addition, the Management Committee may assess a late fee for each delinquent installment which shall not exceed ten percent (10%) of the installment.

(b) Remedies. If any Unit Owner fails or refuses to pay any assessment when due, the Management Committee may, in the name of the Association:

(i) bring an action at law against the Unit Owner personally obligated to pay any such delinquent assessment without waiving the lien of assessment;

(ii) record a notice of lien upon the Unit Owner's interest in the property and foreclose the lien against the property as permitted by the Act;

(iii) terminate, in accordance with section 57-8-20(5) of the Act, the Unit Owner's right to receive utility services paid as a Common Expense and/or terminate the Unit Owner's right of access and use of those Common Areas and Facilities designed and designated for recreational use;

(iv) if the Unit Owner is leasing or renting his Unit, the Management Committee may, in accordance with section 57-8-20(6) of the Act, demand that the Unit Owner's tenant pay to the Association all future lease payments due to the Unit Owner from the tenant, beginning with the next monthly or other periodic payment, until the amount due to the Association from the Unit Owner is paid;

(v) accelerate all assessment installments that will become due within the subsequent twelve (12) months so that all such assessments for that period become due and payable at once; *provided however*, that acceleration may only be invoked against a Unit Owner who has been delinquent in paying any assessment or installment two (2) or more times within a twelve (12) month period; and/or

(vi) take such other action as provided for and authorized in the Act.

(c) Costs, Expenses, and Attorneys' Fees. There shall be added to the amount of any delinquent assessment the costs and expenses of any action, sale or foreclosure, and reasonable attorneys' fees and costs incurred in attempting to collect the assessment, whether or not legal action is actually filed, together with an account for the reasonable rental for the Unit from time to time from commencement of the foreclosure. The Association shall be entitled to the appointment of a receiver to collect the rental income or the reasonable rental without regard to the value of the other security.

(d) Power of Sale. A power of sale is hereby conferred upon the Association. Under the power of sale the Unit of a Unit Owner may be sold in the manner provided by Utah law pertaining to deeds of trust or mortgages as if said Association were beneficiary under a deed of trust or mortgage. The Association may designate any person or entity qualified by law to serve as trustee for purposes of power of sale foreclosure.

(e) No Waiver for Non-Use or Abandonment. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas and Facilities or by abandonment of his Unit.

(f) Remedies in Act. The remedies provided for herein shall be in addition to and shall include those set forth in the Act, whether or not specifically set forth in this Declaration.

5.11. **Statement of Amount.** The Management Committee shall, upon the written request of any Unit Owner or any encumbrancer or prospective encumbrancer of a Unit, upon payment of a reasonable fee not to exceed ten dollars, issue a written statement setting forth the unpaid assessments

with respect to the Unit covered by the request. Such a statement shall be conclusive upon the remaining Unit Owners and upon the Management Committee in favor of all persons who rely thereon in good faith. Unless the requested statement of indebtedness is provided within twenty (20) days after the request, all unpaid assessments that became due prior to the date of the making of such request shall be subordinate to the lien or position of ownership held by the person requesting the statement. Any encumbrancer holding a lien on a Unit may pay any unpaid assessments payable with respect to such Unit. Upon payment, the encumbrancer shall have a lien on the Unit for the amounts paid of the same rank as the lien of the respective encumbrance.

5.12. **Working Capital Fund.** The Declarant shall establish an initial working capital fund in an amount equal to at least two months of the estimated Common Expenses for each Unit in the initial phase of development. The fund shall be used to meet unforeseen expenditures or to purchase additional equipment or services for the Association not covered by regular assessments. Each Unit's share of the working capital fund shall be paid either on closing of the sale of a Unit, or when control of the Property is transferred to the Unit Owners, whichever is earlier. Any amounts paid into this fund shall not be considered advance payments of regular assessments. The fund shall be transferred to the Association for deposit to a segregated account when control of the Association is transferred to the Unit Owners. The Declarant shall not use the fund to defray any of its expenses, reserve contributions, or construction costs, or to make up any budget deficits while it is in control of the Association. However, the Declarant may reimburse itself for funds it paid the Association for an unsold Unit's share of the working capital fund by using funds collected at closing when such Unit is sold.

ARTICLE 6  
INSURANCE

6.1. **Property Damage and Liability Insurance.** The Management Committee shall procure the following types of property damage and public liability insurance:

(a) A "master" or "blanket" policy of property insurance equal to full replacement value (exclusive of land, foundation, excavation and other like items) of all Common Areas and Facilities and all Buildings, including any improvement which is a permanent part of any Building, affording protection against at least loss or damage by fire and other hazards covered by the standard extended coverage endorsement, and by debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage and such other risks as are customarily covered in similar projects. The policy must cover all of the general and limited common elements normally included in coverage including fixtures, building service equipment, and the Association's personal property and supplies.

(b) A comprehensive policy of commercial general liability insurance covering all Common Areas and Facilities, all Buildings, including any improvement which is a permanent part of any Building, and Limited Common Areas, if any, with a Severability of Interest Endorsement or equivalent coverage which would preclude the company from denying the claim of a Unit Owner because of the negligent acts of the Association or another Unit Owner, with limits not less than One Million Dollars (\$1,000,000) covering all claims for personal injury and/or property damage arising out of a single occurrence, including protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others and such other risks as are customarily covered in similar projects. The policy should provide that coverage not be canceled or substantially modified (including cancellation for nonpayment of

premium) without at least thirty (30) days' prior written notice to any and all insureds and Eligible Mortgagees.

6.2. **Other Provisions for Insurance Policies.** Any insurance obtained by the Management Committee shall provide that:

- (a) Any insurance trust agreement will be recognized;
- (b) The named insured under any such policies shall be the Association, as trustee for the Unit Owners and holder of each Unit's Mortgage, and shall have standard mortgagee clauses;
- (c) Insurance coverage obtained and maintained pursuant to the requirements of **Section 6.1** may not be brought into contribution with insurance purchased by the Unit Owners or their Mortgagees, and the coverage shall in all events be primary even if other insurance covers the same loss;
- (d) Coverage must not be prejudiced by (i) any act or neglect of the Unit Owners when such act or neglect is not within the control of the Association or (ii) any failure of the Association to comply with any warranty or condition regarding any portion of the Condominium Project over which the Association has no control;
- (e) Coverage may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten days' prior written notice to any and all insureds, including Eligible Mortgagees who have filed written request for such notice including its name and address and the Unit number on which it has the Mortgage;
- (f) The insurer shall waive subrogation as to any and all claims against the Association, the Unit Owners, and/or their respective agents, employees or tenants, and of any defenses based on co-insurance or on invalidity arising from the acts of the insured; and
- (g) Any provisions that the carrier may elect to restore damage in lieu of a cash settlement shall not be exercisable without the prior written approval of the Association or when in conflict with any requirement of law.

6.3. **Use of Proceeds.** Except as provided by statute in case of substantial loss to the Units and/or Common Areas and Facilities, unless at least two-thirds (2/3) of the first Mortgagees and Unit Owners have given their prior written approval, the Association shall not be entitled to use hazard insurance proceeds for the losses to any condominium property for other than the repair, replacement, or reconstruction of such condominium property.

6.4. **Fidelity Insurance.** The Association may maintain adequate fidelity coverage to protect against dishonest acts by the Management Committee, their agents and employees and all others who are responsible for handling funds of the Association meeting the following requirements:

- (a) naming the Association as the insured;
- (b) written in an amount equal to at least three months' assessments plus all reserve funds; and

(c) containing waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

The policy must include a provision that calls for ten days' written notice to the Association and first mortgagees before the policy can be canceled or substantially modified for any reason. A management agent that handles funds for the Association should be covered by its own fidelity policy, which must provide the same coverage required herein.

6.5. **Premiums.** Any insurance premiums of the Association shall be Common Expenses.

6.6. **Deductibles.**

(a) Payment by Association. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as premiums for the applicable insurance coverage and paid by the Association accordingly.

(b) Payment by Individual Unit Owners. In the event the Management Committee determines that the loss is the result of the negligence or willful misconduct of one or more Unit Owners, their guests, invitees, or lessees, then the Management Committee may assess the full amount of such deductible against such Unit Owners and their Units as an assessment pursuant to **Article 5**. In the event the Management Committee determines that a loss is limited to one or more Units, then the Management Committee may assess the full amount of such deductible against such Unit Owners and their Units as an assessment pursuant to **Article 5**. An assessment against more than one Unit Owner for the payment of any deductible shall be made equally among the Unit Owners or in proportion to the Unit Owners' fault, as determined by the Management Committee, for the loss to which the claim is being made.

(c) Appeal of Individual Deductible Assessment. Any Unit Owner who is assessed by the Management Committee for the payment of a deductible in accordance with **Section 6.6(b)** may appeal such assessment to the Management Committee by providing written notice of such appeal to the Management Committee within ten (10) days of the date of the assessment. The Management Committee shall, within a reasonable time thereafter, convene a special meeting of the Management Committee to allow the Unit Owner an opportunity to be heard as to why the Unit Owner should not be assessed the amount of the deductible. Any decision by the Management Committee shall be final and non-appealable. Management Committee members may file an appeal under this Section, only in their capacity as individual Unit Owners. If a Management Committee member (or an occupant of his/her household) files an appeal, the Management Committee member must recuse himself/herself from all of the proceedings of the Management Committee which relate to that appeal.

6.7. **Flood Insurance.** If any part of the Condominium Project's improvements are in a Special Flood Hazard Area, the Association must maintain a "master" or "blanket" policy of flood insurance covering the Common Areas and Facilities.

6.8. **Individual Unit Owner's Insurance.** Insurance obtained by the Association shall not prejudice the rights of the individual Unit Owners to obtain insurance. Unit Owners are encouraged to insure their personal property and installed fixtures.

6.9. **Annual Review of Policies.** The Management Committee should review all insurance policies at least annually in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacements of the property which may be damaged or destroyed. The Management Committee may, to the extent it deems necessary to more fully protect and insure the Association and the Common Areas and Facilities, or to otherwise comply with evolving laws, regulations, and insurance standards, modify the coverage standards set forth in this Article without the necessity of amending this Declaration.

ARTICLE 7  
MORTGAGEE PROTECTIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units within the Condominium Project. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

7.1. **Notices.** An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association, stating the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an Eligible Mortgagee will be entitled to timely written notice of:

- (a) Any condemnation loss or any casualty loss that affects a material portion of the Condominium Project or which affects any Unit securing its Mortgage;
- (b) Any 60-day delinquency in the payment of assessments or charges owed by the Unit Owner of any Unit on which it holds a Mortgage;
- (c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; and
- (d) Any proposed action that requires the consent of a specified percentage of Mortgagees.

7.2. **Amendments to Documents.** No amendment to the Project Documents which is of a material adverse nature to Mortgagees may be effective unless approved by Mortgagees that represent at least fifty-one percent (51%) of the votes of Unit Owners that are subject to Mortgages.

7.3. **Actions.** Any action to terminate the legal status of the Condominium Project after substantial destruction or condemnation occurs or for other reasons must be agreed upon by Mortgagees representing at least fifty-one percent (51%) of the votes of Unit Owners that are subject to Mortgages.

7.4. **Notice of Mortgagee Objections; Implied Approval.** Unless a Mortgagee provides the Association with written notice of its objection, if any, to any proposed amendment or action outlined in this Article within thirty (30) days following the receipt of notice delivered by certified or registered mail, return receipt requested, of such proposed amendment or action, the Mortgagee shall be deemed conclusively to have approved the proposed amendment or action.

7.5. **First Mortgagee's Rights Confirmed.** Notwithstanding any provision in the Project Documents, nothing contained in the Project Documents shall give a Unit Owner or any other party priority over any rights of the first Mortgagee of a Unit pursuant to its Mortgage in the case of payment

to the Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of a Unit and/or Common Areas and Facilities.

7.6. **Right to Cure Unpaid Assessments.** Eligible Mortgagees shall be entitled to cure any delinquency of the Unit Owner of the Unit encumbered by the Eligible Mortgagee's Mortgage in the payment of assessments of which the Eligible Mortgagee has received notice under Section 7.1 above. In that event, the Eligible Mortgagee shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

ARTICLE 8  
DAMAGE OR DESTRUCTION

8.1. **Role of the Management Committee.** Except as provided for below, in the event of damage to or destruction of all or part of any Unit, Common Areas and Facilities, or other property covered by insurance written in the name of the Association, the Management Committee shall arrange for and supervise the prompt repair and restoration of the damaged areas of the Condominium Project, including, without limitation, the floor coverings, fixtures, and appliances initially installed therein by Declarant, and replacement thereof installed by the Unit Owners up to the value of those initially installed by Declarant, but not including any furniture, furnishings, fixtures, equipment, or other personal property supplied or installed by the Unit Owners in the Units unless covered by insurance obtained by the Association. Notwithstanding the foregoing, each Unit Owner shall have the right to supervise the reconstruction and redecorating of the interior of his Unit.

8.2. **Association to Represent Unit Owners.** Each Unit Owner hereby appoints the Management Committee as an attorney-in-fact to represent the Unit Owner in negotiations, settlements, agreements, and related proceedings resulting from damage or destruction to the Condominium Project.

8.3. **Estimate of Damage or Destruction.** As soon as practicable after an event causing damage to or destruction of any part of the Condominium Project, unless such damage or destruction shall be minor, the Management Committee shall obtain an estimate or estimates that it deems reliable and complete the costs of repair and reconstruction of that part of the Condominium Project damaged or destroyed. "*Repair and reconstruction*" as used in this Article shall mean restoring the damaged or destroyed part of the Condominium Project to substantially the same condition in which it existed immediately prior to the damage or destruction, with each Unit and the Common Areas and Facilities having substantially the same vertical and horizontal boundaries as before.

8.4. **Repair and Reconstruction.** As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of that part of the Condominium Project damaged or destroyed. As attorney-in-fact for the Unit Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Unit Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

8.5. **Funds for Repair and Reconstruction.** Subject to the provisions of Section 8.6 below, the proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair and reconstruction. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may,



pursuant to **Section 5.5** above, levy, assess, and collect in advance from the Unit Owners a special assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. The cost of repair and reconstruction in excess of insurance proceeds and reserves is a Common Expense.

8.6. **Disbursement of Funds.** The insurance proceeds held by the Association and the amounts received from the special assessments provided for above, constitute a fund for the payment of the costs of repair and reconstruction after casualty. Such fund shall be applied by the Association as attorney-in-fact for such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right, and power, as attorney-in-fact to cause the repair and restoration of the improvements. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds, and the balance from the special assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Unit Owners in proportion to the contributions each Unit Owner made as special assessments, or if no special assessments were made, then in proportionate shares among Unit Owners based on the relative value of each Unit and in accordance with the par value of each Unit, as more fully set forth in the Act, first to the Mortgagees and then to the Unit Owners, as their interests appear.

8.7. **Decision Not to Rebuild.** Any portion of the Condominium Project for which insurance is required pursuant to the provisions of this Declaration or the Act which is damaged or destroyed must be repaired or replaced promptly by the Association unless: (a) repair or replacement would be illegal under any applicable state or local statute or ordinance governing health or safety or (b) Unit Owners representing at least eighty percent (80%) of votes in the Association, and any other votes required by the Act, vote not to repair and reconstruct the Condominium Project in which case the Condominium Project will be terminated in accordance with the Act.

If the entire Condominium Project is not repaired or replaced, the insurance proceeds attributable to the damaged Common Areas and Facilities must be used to restore the damaged area to a condition compatible with the remainder of the Condominium Project, and, except to the extent that other persons will be distributees, the insurance proceeds attributable to Units and Common Areas and Facilities that are not rebuilt must be distributed to the Unit Owners of those Units and the Unit Owners of the Units to which those Common Areas and Facilities were allocated, or to lienholders, as their interests may appear, and the remainder of the proceeds must be distributed to all the Unit Owners or lienholders, based on the relative value of each Unit and in accordance with the par value of each Unit.

8.8. **Repairs.** All repairs and reconstruction contemplated by this Article shall be performed substantially in accordance with this Declaration, the Condominium Plat, and the original plans and specifications for the Condominium Project, unless other action is approved by the Association in accordance with the requirements of this Declaration or the Act.

8.9. **Notice of Damage or Destruction.** In the event that any portion of the Condominium Project encompassing more than one Unit is substantially damaged or destroyed by fire or other casualty, then written notice of the damage or destruction shall be given by the Association to each Eligible Mortgagee of the affected Units within a reasonable time following the event of casualty damage.

ARTICLE 9  
CONDEMNATION

9.1. **Consequences of Condemnation.** If, at any time or times during the continuance of the Condominium Project pursuant to this Declaration, all or any part of the same shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu or in avoidance of condemnation, then all compensation, damages, or other proceeds of condemnation shall be payable to the Association and shall be allocated among Unit Owners in accordance with the Act. Nothing in this Article shall be construed to give the Association or Unit Owners priority over a first Mortgagee to proceeds of insurance, damage or condemnation claims.

9.2. **Association to Represent Unit Owners.** Each Unit Owner hereby appoints the Management Committee as an attorney-in-fact to represent the Unit Owner in negotiations, settlements, agreements, and related proceedings resulting from condemnation or liquidation of all or a part of the Property, or from termination of the Condominium Project.

9.3. **Notice of Condemnation.** In the event that any portion of the Condominium Project shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Unit Owner and Eligible Mortgagee.

ARTICLE 10  
MAINTENANCE AND ALTERATIONS

10.1. **Maintenance by Association.** It shall be the responsibility of the Association to maintain, repair, or replace:

- (a) all Common Areas and Facilities and Limited Common Areas, and any other common elements;
- (b) all portions of the Unit which contribute to the support of the Building, including main bearing walls, but excluding painting, wall papering, carpeting or other floor covering, decorating or other work on the interior surfaces of walls, ceilings and floors within the Unit;
- (c) all portions of the Unit which constitute a part of the exterior of the Building, or which front the Common Areas and Facilities; and
- (d) all incidental damage caused by the work done by or at the direction of the Association.

10.2. **Maintenance by Unit Owner.** It shall be the responsibility of the Unit Owner:

- (a) to maintain, repair, or replace at the Unit Owner's expense all portions of the Unit which may cause injury or damage to the other Units or to the Common Areas and Facilities and Limited Common Areas, if any, and any other common elements;
- (b) to paint, wallpaper, decorate and maintain the interior surfaces of all walls, ceilings and floors within the Unit;

(c) to perform preventative and routine maintenance on and to otherwise keep all mechanical equipment, appliances, pipes and similar items located within the Unit in good and working condition;

(d) to perform all responsibilities in such a manner and at such reasonable hours so as not to unreasonably disturb other Unit Owners; and

(e) to refrain from repairing, altering, replacing, painting, decorating or changing the exterior of the Unit.

10.3. **Alteration or Improvement of Units.** No structural alterations shall be made to any Unit. Unit Owners shall not repair, alter, replace, paint, decorate or change the exterior of the Unit, including any patio/balcony area, or any exterior appendages whether exclusively used by the Unit Owner or otherwise without obtaining the written consent of the Management Committee. Unit Owners may make improvements to the interior of their Units provided that such improvements do not create excessive noise or disturbance to other Unit Owners.

10.4. **Responsibility for Damage.** Any individual who causes damage to any Common Areas and Facilities or Limited Common Area shall be personally responsible for said damage and repair or restoration of the same and the Association may undertake to repair the damage, the cost of which repair shall be assessed and charged against the individual responsible therefor.

#### ARTICLE 11 USE AND OTHER RESTRICTIONS

The following use and other restrictions shall apply to the Condominium Project. These restrictions are in addition to those established by federal, state, or local law and ordinance, those set forth in the Master Declaration and those which may be set forth elsewhere in the Project Documents. In the event of a conflict or inconsistency between these use and other restrictions and those contained in the Master Declaration, the terms of the Master Declaration will control.

11.1. **Use of Units.** All Units are restricted to residential use by the Unit Owner, the Unit Owner's family, tenants or guests as a private permanent or temporary residence and for no other purpose. No Unit shall be used, occupied, or altered in violation of law, so as to create a nuisance or interfere with the rights of any Unit Owner or in a way that would result in an increase in the cost of any insurance covering the Condominium Project.

11.2. **Use of Common Areas and Facilities; Delegation of Use.** Except for the rights of ingress and egress, Unit Owners are hereby prohibited and restricted from using any of the Common Areas and Facilities other than as permitted in this Declaration or as may be allowed by the Management Committee. Any Unit Owner may delegate his right of enjoyment of the Common Areas and Facilities to the members of his family, his tenants, guests, licensees and invitees, but only in accordance with the applicable rules and regulations of the Association and other Project Documents. The Management Committee may, by rule, require Unit Owners to forfeit their right of use in the Common Areas and Facilities for so long as the Unit Owner has delegated his right of use in the Common Areas and Facilities to his or her tenant.

11.3. **Commercial Activity.** No commercial activities of any kind whatever shall be conducted on any portion of the Condominium Project, including an in-home business as defined by local

ordinances. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Declarant or its agents during the construction and sales period or by the Association in furtherance of its powers and purposes set forth in the Project Documents, as the same may be amended from time to time or to any on-site property manager under contract to perform services for the Association.

11.4. **Compliance with Laws.** No Unit Owner shall permit anything to be done or kept in his Unit or any part of the Condominium Project that is in violation of any applicable federal, state, or local law, ordinance, or regulation.

11.5. **Declarant's Construction, Business and Sales.** Notwithstanding any provisions to the contrary herein contained, it shall be expressly permissible for Declarant to maintain such facilities and conduct such activities as in the sole opinion of Declarant may be reasonably required, convenient or incidental to the construction, marketing, and sale of Units including but not limited to a business office, storage areas, construction yard, signs, model units and sales offices. There are no limitations on the number, size, location and relocation of any sales office and model units that may be utilized by Declarant.

11.6. **Signs.** The Management Committee shall have the right to regulate the display, use, size, and location of signs within the Condominium Project. The right to regulate includes the right of prohibition. Notwithstanding the Management Committee's right of regulation, no signs, advertising signs, billboards, objects of unsightly appearance, or nuisances shall be erected, placed, or permitted to remain on the exterior of any Unit or Building, on the Common Areas and Facilities, or any portion of the Condominium Project. Nor shall such signs, billboards, objects of unsightly appearance, or nuisances be placed or permitted to remain within any Unit where the same are visible from the streets, or roadways. The foregoing restrictions shall not apply to the commercial activities, signs and billboards, if any, of the Declarant or its agents during the construction and sales period or by the Association in furtherance of its powers and purposes set forth in the Project Documents, as the same may be amended from time to time.

11.7. **Quiet Enjoyment.** No noxious or offensive activity shall be carried on upon any part of the Condominium Project nor shall anything be done thereon which may be or may become an annoyance or nuisance to individuals residing in the Condominium Project, or which shall in any way interfere with the quiet enjoyment of each of the Unit Owners or which shall in any way increase the rate of insurance.

11.8. **Planting and Gardening.** No planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Property except such as are installed in accordance with the initial construction of the Condominium Project, or as approved by the Management Committee.

11.9. **Garbage Removal.** All rubbish, refuse, trash, and garbage shall be placed in proper containers and regularly removed from within and around the Units so it does not accumulate.

11.10. **Patios and Balconies.** No bicycles, ATV's, trash containers or any items other than patio furniture and barbecue grills may be kept or stored on the patios and balconies of Units.

11.11. **External Apparatus.** No Unit Owner shall cause or permit anything (including, without limitation, external material, awnings, canopies or shutters) to hang, be displayed or otherwise affixed to

or placed on the exterior of any Building, Common Areas and Facilities, or any Limited Common Area. Nor shall such items be displayed or otherwise affixed to Units where the same are visible from outside the Unit.

11.12. **Electronic Antennas.** To the extent not prohibited by law, no television, radio, or other electronic antenna or device of any type shall be erected, constructed, placed or permitted to remain on the exterior of any Building, on any Common Areas and Facilities, or the exterior of any building or structure within the Condominium Project, or within any Unit where the same is visible from outside the Unit. The Management Committee is authorized to establish and promulgate rules and regulations to govern the placement and installation of antennas.

11.13. **Exclusive Fractional Plan Rights.** No timeshare plans, fractional plans, exchange programs or club, or travel or vacation clubs comprised of a trust, corporation, cooperative, limited liability company, partnership, equity plan, nonequity plan, membership program, or any such other similar programs, structures, schemes, devices or plans of any kind (a) shall be created, established, operated or maintained with respect to the Units, (b) shall acquire or accommodate Units, and (c) shall be permitted to incorporate a Unit into such entity's program, structure or plan, except by the Declarant or except with the prior written authorization from the Declarant, which authorization may be given or withheld in the Declarant's sole and absolute discretion, and which authorization shall be evidenced by a written instrument executed by the Declarant, recorded in the Office of the Washington County Recorder.

11.14. **Leases.** Unit Owners may lease their Units only in accordance with the following requirements: (a) Unit Owners may not lease less than their entire Unit, (b) the minimum lease term for the lease of a Unit shall be 12 months (other than for Units included in a program, structure or plan authorized by Declarant pursuant to Section 11.13), (c) any lease or rental agreement shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Project Documents and that any failure by lessee to comply with the terms of the Project Documents shall be a default under the lease, and (d) Unit Owners must provide a copy of the lease or rental agreement with respect to their units to the Management Committee, or its designee, within ten (10) days after the execution of the lease or rental agreement.

11.15. **Parking.**

(a) **Underground Parking.** Each Unit Owner shall have use of the parking stalls in the underground parking garage located beneath the Building in which the Unit is located. The Management Committee may assign certain underground stalls to particular Units. Underground parking is Limited Common Area reserved to the Unit Owners of the Building in which the underground parking is located. In the case of assignment of particular stalls, such stalls are Limited Common Area reserved for the exclusive use of the Unit to which they are assigned.

(b) **Parking Generally.** Parking on the streets is prohibited. Parking spaces within the Property shall be used for parking of motor vehicles actually used by the Unit Owner or his immediate family for personal use and not for commercial use. Each Unit shall be allocated not more than two parking spaces. No motor vehicle which is inoperable shall be placed in parking areas, and any motor vehicle which remains parked over 72 hours shall be subject to removal by the Association, at the owner's expense. Such expense of removal shall be secured by the lien for

assessment obligations previously provided. No vehicle repairs of any kind shall be performed in the parking areas. Parking areas may not be used for storage purposes of any kind. If parking spaces are designated with numbers corresponding to Unit numbers, each such space is for the exclusive use of the Unit Owner. Recreational vehicles, boats, travel trailers and similar property may not be parked in the Condominium Project.

11.16. **Smoking.** The Management Committee is authorized to, by rule, prohibit tobacco smoking within or around the Common Areas and Facilities and any other portion of the Condominium Project, including within Units or on patios and balconies, when it is determined that the smoke or the smell from the smoking might filter or drift into other Units or interfere with the use and enjoyment of the Condominium Project by other Unit Owners. In addition, the Management Committee is authorized to enforce and otherwise bring an action for nuisance under the provisions of Title 78, Chapter 38 of the Utah Code for and on behalf of any Unit Owner against any other Unit Owner or occupant whose smoking creates or constitutes a nuisance under said provision of the Utah Code.

11.17. **Pest Control.** No Unit Owner or Unit occupant shall permit any thing or condition to exist within or upon the Unit which would induce, breed, or harbor insects, rodents, or other pests. In addition to such pest control services as may be provided by the Association, each Unit Owner shall perform such pest control activities within and upon the Unit as may be necessary to prevent insects, rodents, and other pests from being present in his Unit.

ARTICLE 12  
EASEMENTS

The following easements are in addition to those created elsewhere in this Declaration or other Project Documents, in the Act, or otherwise by law.

12.1. **Encroachments.** If any portion of the Common Areas and Facilities encroaches upon any one Unit, or if any Unit encroaches upon any other Unit or upon any portion of the Common Areas and Facilities as a result of the construction of the Building (including the Units and all other improvements to the Property), or if any such encroachment shall occur hereafter as a result of settling or shifting of the Buildings, a valid easement for the encroachment and for the maintenance of the same so long as the buildings stand shall exist. In the event the Building, the Unit, any adjoining Unit or any adjoining Common Areas and Facilities shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and then rebuilt, encroachments of parts of the Common Areas and Facilities upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Areas and Facilities due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

12.2. **Utility Easements.** There is hereby created a blanket easement upon, across, over and under all of the Property for public utility purposes. By virtue of this easement, it shall be expressly permissible for all public utilities serving the Property to lay, construct, renew, operate and maintain conduits, cables, pipes, mains, ducts, wires and other necessary equipment on the Property, provided that all such services shall be placed underground, except that said public utilities may affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under roofs and exterior walls. Notwithstanding anything to the contrary contained in this section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property in such a way as to

unreasonably encroach upon or limit the use of the Common Areas and Facilities, Limited Common Areas, or any structures thereon. In the initial exercise of easement rights under this Section, a utility shall make reasonable efforts to occupy and use the same physical location or lane as other utilities. After a utility service has initially exercised its easement rights under this Section, the utility shall make reasonable efforts to occupy and use the same physical location as its prior installations. Should any utility furnishing a service covered by the general easement in this Section request a specific easement by separate recordable document, the Declarant or the Association shall have the right to grant such easement without conflicting with the terms hereof.

**12.3. Easement for Police, Fire, and Ambulance Service.** An easement is hereby granted to all police, fire protection, ambulance services and all similar persons to enter upon any part of the Condominium Project in the performance of their duties.

**12.4. Easement for Maintenance by Association.** An easement is hereby granted to the Association, its officers, agents, employees and to any maintenance company selected by the Association for the purpose of maintaining the Common Areas and Facilities and to otherwise enter in any Unit in case of emergency or to perform the duties of maintenance and repair, in the event the same are neglected by the Unit Owner.

**12.5. Easement for Unit Owners.** Each Unit Owner has an unrestricted right of ingress and egress to his Unit which is appurtenant to ownership of the Unit. A Unit Owner has no easement of use of the air space outside of the boundaries of his Unit or, in the case of a patio or deck, outside the confines of the patio or deck as depicted on the Condominium Plat. Thus, subject to the Management Committee's right of regulation, each Unit Owner's easement of use with respect to an appurtenant patio or deck shall not extend (i) horizontally beyond or outside of the center line of any wall or other exterior surface constituting the perimeter boundary of the patio or deck or (ii) vertically beyond the interior surface of any covered area or ceiling over the patio/deck. In the event that a patio or deck is uncovered, the Unit Owner's easement of use of the airspace for such patio or deck shall not extend beyond the height of the interior surface of the ceiling within the Unit Owner's Unit.

**12.6. Easement for Declarant.** The Declarant hereby reserves to itself the right to reserve easements over, beneath, and through the Property, including over the Common Area and Facilities and Limited Common Area and related facilities, for the purpose of making improvements to and developing the Property or on any additional land submitted under the Declaration, including but not limited to construction, marketing, installation and upkeep of landscaping features, entrance features, project signage, street lights, paths, trails or sidewalks or other facilities or things benefiting the Property. The Declarant reserves to itself the right to make any dedications and to reserve, grant, vacate, or terminate any easements, rights-of-ways and licenses as may be reasonably required by any governmental authority or to carry out the intent and design of the Declarant's plan for development of the Property, without compensation therefor.

**12.7. Reservation for Construction.** Declarant hereby reserves for itself and its successors and assigns and for the Association a perpetual easement and right-of-way over, upon, and across the Property for construction, utilities, drainage, and ingress and egress. The location of these easements and rights-of-way may be made certain by Declarant or the Association by instruments recorded in the office of the Washington County Recorder. Declarant further reserves the right to establish from time to time, by dedication or otherwise, utility and other easements, reservations, exceptions and exclusions necessary or convenient for the development, use and operation of any other property of Declarant, as

long as such action does not interfere with the occupancy, use, enjoyment, or access to the Condominium Project by the Unit Owners.

12.8. **Declarant's Rights Incident to Construction.** Declarant, for itself and its successors and assigns, hereby reserves an easement for construction, utilities, drainage, ingress and egress over, in, upon, under, and across the Common Areas and Facilities, together with the right to store materials on the Common Areas and Facilities and to make such other use of the Common Areas and Facilities as may be reasonably necessary or incident to the construction of Units on the Property. However, no such rights shall be exercised by Declarant in a way which unreasonably interferes with the occupancy, use, enjoyment, or access to the Condominium Project by the Unit Owners.

12.9. **Reservation of Easements, Exceptions, and Exclusions.** Declarant reserves for itself, its successors and assigns, and hereby grants to the Association, the concurrent right to establish from time to time, by declaration or otherwise, utility and other easements, permits, or licenses over the Common Areas and Facilities, for purposes including but not limited to streets, paths, walkways, drainage, recreation areas, parking areas, ducts, shafts, flues, conduit installation areas, and to create other reservations, exceptions, and exclusions for the best interests of all the Association.

12.10. **Drainage and Irrigation Easements.** Declarant reserves for itself and its successors and assigns, and for the Association, and its officers, agents, employees, and successors and assigns, an easement to enter on, across, over, in and under any portion of the Property for the purpose of modifying the grade of any drainage channels on the Property to improve the drainage of water. Declarant also reserves the right to use or delegate the use of any irrigation ditches existing on the Property on the date this Declaration is recorded, and Declarant reserves for itself and its successors and assigns the right to construct, access and maintain additional irrigation ditches and lines on the Property for the maintenance of the Common Areas and Facilities and for such other purposes as Declarant may from time to time deem appropriate.

12.11. **Remodeling Easement.** Declarant, for itself and its successors and assigns, including the Unit Owners, retains a right and easement in and about any Building for the construction and installation of any duct work, additional plumbing, or other additional services or utilities in the Common Areas and Facilities in connection with the improvement or alteration of any Unit, including the right of access to such areas of the Common Areas and Facilities as is reasonably necessary to accomplish such improvements. In the event of a dispute among Unit Owners with respect to the scope of the easement reserved in this Section, the decision of the Management Committee shall be final.

12.12. **General Reservations.** Declarant reserves (a) the right to dedicate any access roads and streets serving the Property for and to public use, to grant road easements with respect thereto and to allow such street or road to be used by owners of adjacent land; and (b) the right to enter into, establish, execute, amend, and otherwise deal with contracts and agreements for the use, lease, repair, maintenance, or regulation of parking and/or recreational facilities, which may or may not be a part of the Property for the benefit of the Unit Owners, and/or the Association.

12.13. **Right to Grant Easements.** The Management Committee shall have the right to grant such easements over and on the Common Areas and Facilities for use by any property manager, management company, security or courtesy patrol, or other individuals or companies with whom the Management Committee contracts to perform services for the Association.



12.14. **Other Easements.** The easements provided for in this Article shall in no way affect any other recorded easement.

ARTICLE 13  
EXPANSION

13.1. **Right to Expand.** Declarant reserves the right at its sole election to expand the Property to include additional property more particularly described below by unilateral action of Declarant without the consent of Unit Owners for a period of seven (7) years from the date of recording of this Declaration in the office of the Washington County Recorder, Washington County, State of Utah.

13.2. **Expansion Property.** The property all or part of which may be included in one or more expansions, is located in Washington County, Utah, and is more particularly described on Exhibit D, which is attached hereto and incorporated herein by this reference. There are no limitations on the maximum or minimum amount of the above property which may be added. There may be more than one expansion and the expansion may be made as to any amount or in any order.

13.3. **Expansion Procedure.** Expansion shall occur by the Declarant filing:

(a) An additional condominium plat or plats creating additional condominiums on the expansion property described above, stating on each plat the intention to have the property described on said plat bound by the terms, covenants and conditions of this Declaration upon the filing of a Declaration of Annexation; and

(b) A Declaration of Annexation (after satisfying conditions hereafter stated), in which the Declarant shall subject the property described to this Declaration. Upon the recording of such a Declaration of Annexation the property described therein shall be subject to this Declaration.

13.4. **Use of Expansion Property.** Any additional property annexed hereto by the Declarant shall be exclusively for residential purposes and architecturally compatible to the existing Units. No other assurances are made as to the improvements which will be made on the expansion property. The Declarant shall have the sole discretion as to development of the common area in any expansion area and may include any facilities or amenities thereon that Declarant deems necessary and such common areas shall be managed by the Association.

13.5. **Maximum Number of Units in Expansion Property.** The total maximum number of Units that may be added to the Condominium Project is eight hundred fifty (850).

13.6. **Common Areas and Facilities; Assessments.** Each Unit Owner in the original and expansion areas shall have the same undivided interest in the Common Areas and Facilities and the same rights to the use and enjoyment of the property and facilities of the Association. The liability for assessments of each Unit and Unit Owner in any expansion area shall be the same as the liability of each Unit and Unit Owner in the original Property.

ARTICLE 14  
AMENDMENT

14.1. **By Unit Owners.** Except as otherwise specifically provided herein, this Declaration may be amended, modified, extended, or revoked, in whole or in part, by the affirmative vote or written consent, obtained by written ballot or otherwise, whether in a meeting or on an individual basis, or any combination of the foregoing, of Unit Owners representing at least sixty-seven percent (67%) of the total votes in the Association. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

14.2. **By Declarant.** Declarant has the exclusive right to amend, modify, extend, or revoke this Declaration for any purpose during the Declarant Control Period. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans to make, purchase, insure, or guarantee mortgage loans on any Lot; (d) to satisfy the requirements of any local, state, or federal governmental agency; (e) to comply with the Master Declaration; or (f) to correct any scrivener's error. However, any such amendment occurring after the Declarant Control Period shall not adversely affect the title to any Unit unless the Unit Owner shall consent in writing. Declarant's right to amend shall be construed liberally and shall include, without limitation, the right to amend and/or restate this Declaration in part or in its entirety.

14.3. **By Management Committee.** The Management Committee has the right, after the Declarant Control Period, to unilaterally amend this Declaration if such amendment is necessary to bring any provision into compliance with any applicable governmental statute, ordinance, regulation, or judicial determination.

14.4. **Validity.** No amendment made by the Unit Owners or Management Committee during the Declarant Control Period shall be effective unless the Declarant provides its prior express written consent to such amendment, which consent is within Declarant's sole and absolute discretion. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

14.5. **Effective Date.** Unless a later effective date is specified in the amendment, any amendment shall be immediately effective upon recording in the office of the Washington County Recorder a copy of such amendment accompanied by a verified certificate of the President or Secretary of the Association stating that the required number of votes or consents was obtained and that a record of such votes or originals of the consents will be placed on file in the Association's office. In the case of unilateral amendment by Declarant as provided for herein, such amendment shall be immediately effective upon recording in the office of the Washington County Recorder a copy of such amendment signed and verified by the Declarant.

ARTICLE 15  
ENFORCEMENT

15.1. **Violations Deemed a Nuisance.** Every violation of this Declaration or any rule or regulation established pursuant to the authority of this Declaration is deemed a nuisance and is subject to

all the remedies provided for the abatement or correction of the violation provided for in this Declaration, in the Act, or otherwise at law or in equity.

15.2. **Legal Action Authorized.** The Association, through the Management Committee, the Declarant, any Unit Owner, or the property manager, if delegated such authority by the Management Committee, shall have the right to enforce, by any proceeding at law or in equity all provisions of this Declaration or any rule or regulation established pursuant to the authority of this Declaration or the Act, including all charges and liens now or hereafter imposed pursuant to the authority of this Declaration or the Act, against any person, persons, or entities violating or attempting to violate any provision of this Declaration or the Act or any rule or regulation established pursuant to the authority of this Declaration or the Act, to restrain or abate or otherwise recover damages for the violation, and against any interest in real property to enforce any charge or lien created by this Declaration. In addition to taking legal action, the Declarant and the Management Committee shall have the right to grant variances and stay enforcement proceedings against any Unit Owner on a case-by-case basis when they determine such action is in the best interests of the Association.

15.3. **Fines and Penalties.** The Management Committee may establish a schedule of fines which may be imposed for a violation of any provision of this Declaration or any rule or regulation duly adopted by the Management Committee. Any such fine shall be levied in accordance with the provisions and procedures set forth in the Act.

15.4. **Attorneys' Fees and Costs.** Any fine or penalty levied against a Unit Owner for any violation shall include any attorneys' fees and costs incurred by the Association with respect to such violation. The prevailing party in any action to enforce this Declaration or any rule or regulation established pursuant to the authority of this Declaration shall be entitled to an award of reasonable attorneys' fees and costs incurred in such action.

15.5. **Nonexclusive Remedies.** All the remedies set forth in this Declaration are cumulative and not exclusive to any others provided in the Project Documents, the Act, or by other applicable law.

15.6. **Non-Liability.** The Management Committee, officers or members of the Association shall not be liable to any Unit Owner, lessee, tenant, member or other individual for a mistake in judgment, or for any negligence or non-feasance arising in connection with the performance or non-performance of duties under the Project Documents or the Act.

15.7. **Arbitration; Mediation.** The Management Committee may, by rule or resolution, establish procedures for mandatory mediation and/or binding arbitration to settle disputes between and among the Association and Unit Owners. Any such rule or resolution shall operate prospectively only.

ARTICLE 16  
GENERAL PROVISIONS

16.1. **Implied Rights; Management Committee Authority.** The Management Committee may exercise any right or privilege expressly given to it by the Project Documents and the Act, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. All rights and powers of the Management Committee or the Association may be exercised by the Management Committee without a vote of the Unit Owners except where applicable law or the Project Documents specifically require a vote of the Unit Owners, or, where applicable, consent of the Eligible Mortgagees.

16.2. **Severability.** All of the terms and provision contained in this Declaration shall be construed together, but if any one of said terms or provisions, or any part thereof, shall at any time be held invalid, or for any reason become unenforceable, no other term or provision, or any part thereof, shall be thereby affected or impaired; and the Association and Unit Owners, including their successors, heirs and assigns shall be bound by each article, section, subsection, paragraph, sentence, clause and phrase of this Declaration, irrespective of the invalidity of unenforceability of any other article, section, subsection, paragraph, sentence, clause or phrase.

16.3. **Duration.** Pursuant to section 57-8-28 of the Act, this Declaration shall be perpetual in duration unless terminated in accordance with the Project Documents and the Act. In the event section 57-8-28 of the Act is repealed or otherwise declared unenforceable by a court of competent jurisdiction, then the covenants, conditions, and restrictions of this Declaration shall run with and bind the Property, and shall inure to the benefit of and be enforceable by the Association, Management Committee, or any Unit Owner or their respective legal representatives, heirs, successors, and assigns for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years.

16.4. **Notices.** Any notice required to be sent under the provisions of this Declaration shall be conclusively deemed to have been given when deposited in the U.S. Mail, postage paid, to the last known address of the person who is entitled to receive it. Unit Owners have the obligation and duty to provide the Management Committee with their current mailing address, which, in the absence of specific instruction from the Unit Owner, will be deemed to be the mailing address for the Unit owned by the Unit Owner. Notice may also be provided in the manner provided for service of a summons under the Utah Rules of Civil Procedure. The Management Committee may, by rule or resolution, allow for any notice required to be sent to a Unit Owner to be sent via electronic mail ("e-mail") in lieu of U.S. Mail and, upon such adoption, Unit Owners shall have the obligation and duty to provide the Management Committee with their current e-mail address.

16.5. **Dates and Times.** In computing any period of time prescribed or allowed by the Project Documents, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a legal holiday (either federal or Utah state), in which event the period runs until the end of the next day that is not a Saturday, a Sunday, or a legal holiday. The deadline of the last day of the period so computed shall be 5:00 P.M., Mountain Time.

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

16.7. **Waivers.** No provision contained in this Declaration shall be deemed to have been waived by reason of any failure to enforce it, irrespective of the number of violations that may occur.

16.8. **Interpretive Conflicts.** In the event of any conflict between the provisions of any of the Project Documents, the documents shall control in the following order of authority: (1) the Declaration; (2) the Articles; (3) the Bylaws; and (4) any rule, regulation, or resolution passed pursuant to the authority of the foregoing documents. In the event of any conflict between the provisions of the Project

Documents and the Act, the Project Documents shall control unless the provision of the Act is mandatory, in which case the mandatory provision of the Act shall control.

16.9. **Topical Headings.** The topical headings contained in this Declaration are for convenience only and do not define, limit or construe the contents of the Declaration.

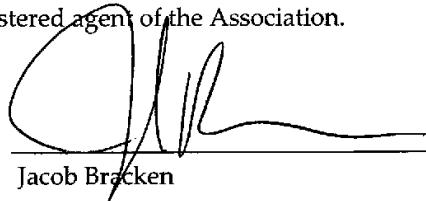
ARTICLE 17  
ASSIGNMENT OF DECLARANT'S RIGHTS

Declarant may, by written instrument, delegate, transfer, or assign any or all of its rights and powers possessed under this Declaration.

ARTICLE 18  
AGENT FOR SERVICE

Jacob Bracken of Hurricane, Utah, whose address is, 5625 West Clubhouse Drive, Hurricane, Utah 84737, is hereby appointed agent for service of process in those cases provided under Section 57-8-10(2)(d)(iii)(A) of the Act. The Management Committee may change this registered agent by a filing with the Utah Department of Commerce, Division of Corporations and Commercial Code, in the manner provided by law.

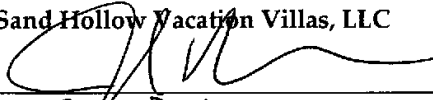
I hereby accept appointment as registered agent of the Association.

  
\_\_\_\_\_  
Jacob Bracken

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal this 6 day of April, 2010.

DECLARANT:

Sand Hollow Vacation Villas, LLC



By: Jacob Bracken

Its: Manager

The undersigned as the assignee of the declarant under the Master Declaration, hereby acknowledges and consents to this Declaration.

MASTER DECLARANT


SHR Development, LLC

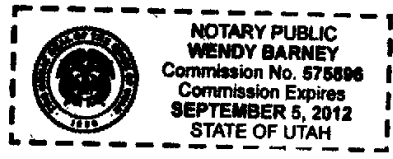
By:

Its:

STATE OF UTAH )  
 ) :ss  
COUNTY OF WASHINGTON )

On this 6<sup>th</sup> day of April, 2010, before me personally appeared Jacob J. Bracken whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that he is the Manager of Sand Hollow Vacation Villas, LLC (the "Company"), and that the foregoing document was signed by him on behalf of that Company by proper authority and he acknowledged before me that the Company executed the document and the document was the act of the Company for its stated purpose.

  
NOTARY PUBLIC  
Address: Hurricane ut  
My Commission Expires: 9/5/2012



IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set his hand and seal this \_\_\_\_ day of \_\_\_\_\_, 2010.

DECLARANT:

**Sand Hollow Vacation Villas, LLC**


By: \_\_\_\_\_

Its: \_\_\_\_\_

The undersigned as the assignee of the declarant under the Master Declaration, hereby acknowledges and consents to this Declaration.

MASTER DECLARANT

**SHR Development, LLC**

  
By: Nancy Stark  
Its: President

STATE OF UTAH )  
 ) :ss  
COUNTY OF WASHINGTON )

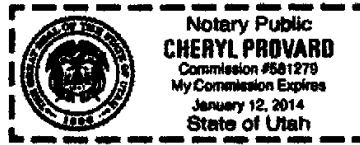
On this \_\_\_\_ day of \_\_\_\_\_, 2010, before me personally appeared \_\_\_\_\_ whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that he is the \_\_\_\_\_ of Sand Hollow Vacation Villas, LLC (the "Company"), and that the foregoing document was signed by him on behalf of that Company by proper authority and he acknowledged before me that the Company executed the document and the document was the act of the Company for its stated purpose.

\_\_\_\_\_  
NOTARY PUBLIC  
Address: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF UTAH )  
 ) :ss  
COUNTY OF SALT LAKE )  
 )  
 WASHINGTON )

On this 6 day of APRIL, 2010, before me personally appeared Nancy Stark whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who, being by me duly sworn (or affirmed), did say that he is the president of SHR Development, LLC (the "Company"), and that the foregoing document was signed by him on behalf of that Company by proper authority and he acknowledged before me that the Company executed the document and the document was the act of the Company for its stated purpose.

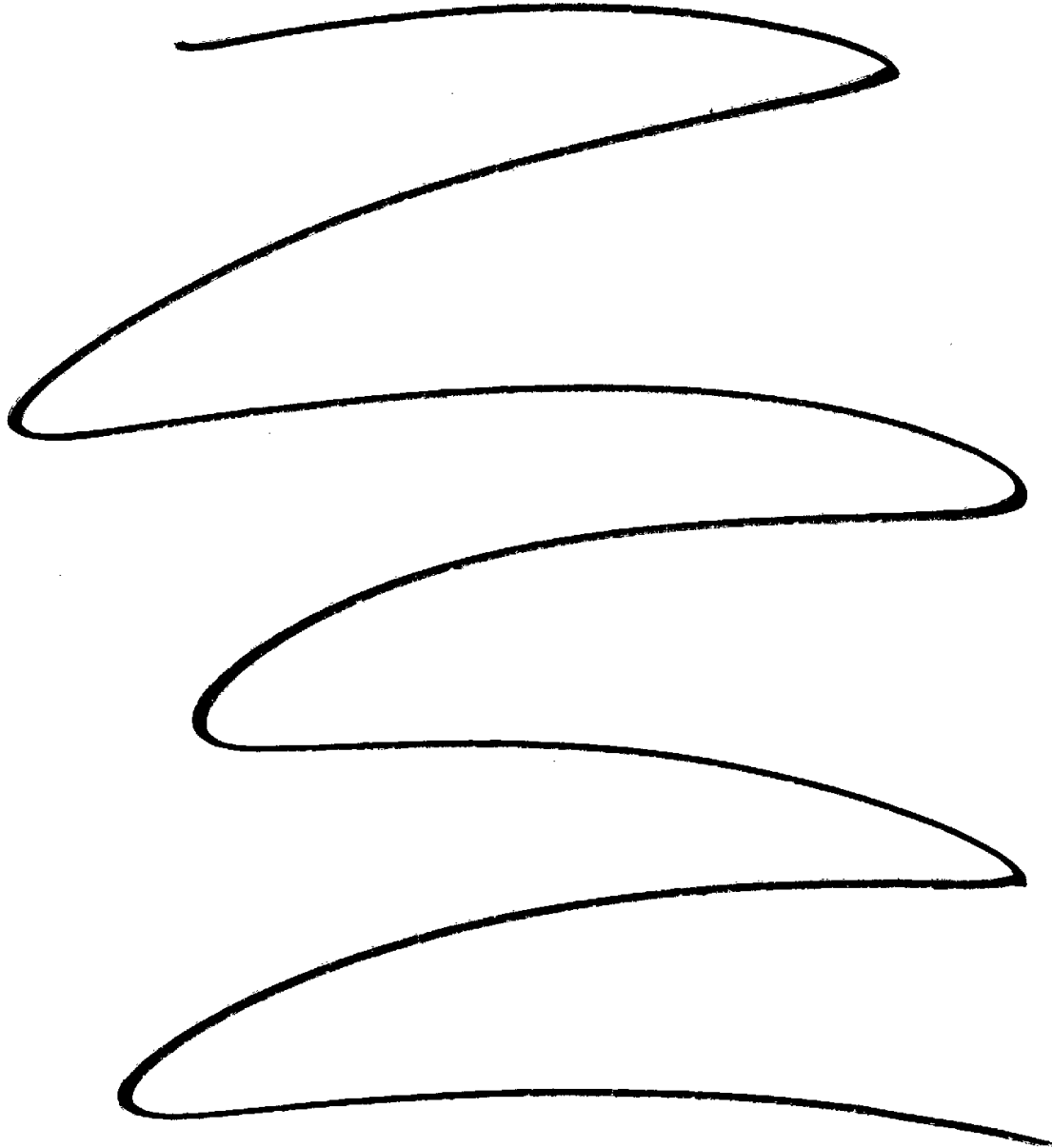
Cheryl Provard  
NOTARY PUBLIC  
Address: 124 S 400 E #360 SLE UT 81111  
My Commission Expires: Jan. 12, 2014





**EXHIBIT A**

**[Legal Description of Property]**



H-4210-H  
H-4205-H-5



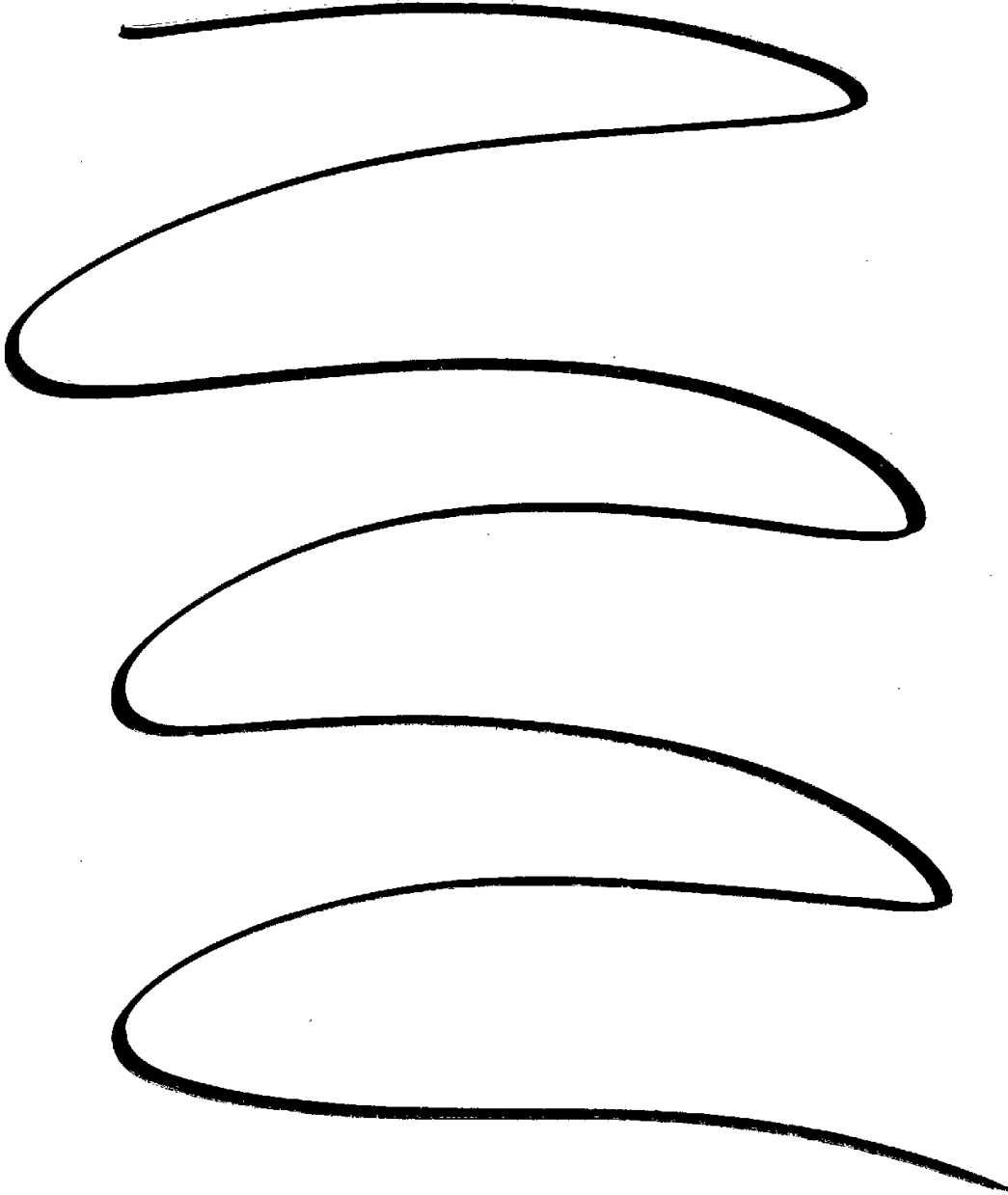
**THE VILLAS AT SAND HOLLOW  
PHASE 1  
(June 4, 2009)**

Commencing at the Southeast Corner of Section 22, Township 42 south, Range 14 West, Salt Lake Base and Meridian; Thence North  $89^{\circ}59'33''$  West, along the South Section Line, a distance of 1,192.25 feet; Thence North, a distance of 889.25 feet to a point on the South Right of Way of 3580 South (Villas North Drive) and the Point of Beginning; said point being on a non-tangent curve to the right, of which the radius point lies North  $00^{\circ}13'21''$  West, a radial distance of 975.00 feet; Thence the following (6) courses along the said Right of Way; Thence Westerly along said arc, through a central angle of  $03^{\circ}52'36''$ , a distance of 65.97 feet; Thence North  $86^{\circ}20'44''$  West, a distance of 182.96 feet, to the beginning of a curve to the left having a radius of 160.00 feet, and a central angle of  $50^{\circ}22'31''$ ; Thence Southerly along said arc, a distance of 140.67 feet; Thence South  $43^{\circ}16'45''$  West, a distance of 119.31 feet to the beginning of a curve to the right having a radius of 125.00 feet and a central angle of  $18^{\circ}46'30''$ ; Thence Southwesterly along the arc of said curve, a distance of 40.96 feet to the beginning of a reverse curve to the left having a radius of 20.00 feet and a central angle of  $74^{\circ}26'50''$ ; Thence Southwesterly along the arc of said curve, a distance of 25.99 feet; Thence South  $77^{\circ}36'25''$  West, a distance of 50.00 feet; Thence North  $12^{\circ}23'35''$  West, a distance of 66.64 feet to the beginning of a curve to the left having a radius of 375.00 feet and a central angle of  $11^{\circ}10'13''$ ; Thence Northerly along the arc of said curve a distance of 73.11 feet to the beginning of a compound curve to the left having a radius of 20.00 feet and a central angle of  $90^{\circ}44'54''$ ; Thence Westerly along the arc of said curve, a distance of 31.68 feet, to a point on the Southeasterly line of 3600 South Street (Club House Drive); Document #20080029912, Washington County Official Records; Thence along said road the following 3 courses: Thence North  $65^{\circ}41'18''$  East, a distance of 47.89 feet to the beginning of a curve to the left having a radius of 625.00 feet and a central angle of  $45^{\circ}44'47''$ ; thence northeasterly along the arc of said curve a distance of 499.02 feet to the beginning of a reverse curve to the right having a radius of 20.00 feet and a central angle of  $85^{\circ}29'30''$ ; Thence Northeasterly along the arc of said curve, a distance of 29.84 feet, to a point on the South line of 3400 South Second Extended (Sand Hollow Resort Parkway) Document #20080027515 Washington County Official Records, and to the beginning of a non-tangent curve to the left having a radius of 1,040.00 feet and a central angle of  $07^{\circ}27'41''$  the radius point of which lies South  $15^{\circ}26'01''$  West; Thence along said road the following 2 courses: Easterly along the arc of said curve, a distance of 135.43 feet; Thence South  $82^{\circ}01'40''$  East, a distance of 129.54 feet; Thence leaving said road and running South  $13^{\circ}44'50''$  West, a distance of 143.54 feet; Thence North  $87^{\circ}49'50''$  East, a distance of 13.08 feet; Thence South  $12^{\circ}33'48''$  West, a distance of 121.26 feet; Thence South  $00^{\circ}29'41''$  East, a distance of 50.00 feet, to the Point of Beginning.

Containing 3.35 acres, more or less.

**EXHIBIT B**

[Bylaws]



**THE VILLAS AT SAND HOLLOW OWNERS ASSOCIATION**  
**BYLAWS**

THE VILLAS AT SAND HOLLOW OWNERS ASSOCIATION

BYLAWS

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**Bylaws**  
**of**  
**The Villas at Sand Hollow Owners Association**

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**ARTICLE 1**  
**OFFICES AND REGISTERED AGENT**

1.1. Principal Office. The principal office of the Villas at Sand Hollow Owners Association, hereinafter referred to as the "*Villas Association*", shall be located in Washington County, Utah, at such place as the Management Committee shall designate. The location of the principal office may be changed by resolution of the Management Committee.

1.2. Registered Office and Agent. The registered office and agent of the Villas Association, as required by Section 501 of the Utah Revised Nonprofit Corporation Act, Utah Code Ann. § 16-6a-101 et seq. (1953, as amended) (hereinafter the "Act"), may be changed from time to time as provided in the Act.

**ARTICLE 2**  
**DEFINITIONS**

Except as otherwise provided herein, the definitions set forth in the Declaration of Covenants, Conditions, and Restrictions of The Villas at Sand Hollow ("*Villas Declaration*") and any applicable amendments and supplements thereto or restatements thereof shall control in these Bylaws.

**ARTICLE 3**  
**MEMBERSHIP AND VOTING RIGHTS**

3.1. Membership. The Master Association shall have one class of membership as more fully set forth in the Villas Declaration.

3.2. Voting Rights. Voting rights shall be as set forth in the Villas Declaration.

3.3. Evidence of Membership. No person, persons, entity or entities shall exercise the rights of membership until satisfactory proof has been furnished to the Secretary of the Villas Association of qualification as a Member, or nominee of a Member, pursuant to the terms of the Articles of Incorporation and the Bylaws. Such proof may consist of a copy of a duly executed and acknowledged warranty deed or title insurance policy showing said person, persons, entity or entities, or the person nominating him or her qualified in accordance therewith, in which event said deed or title insurance policy shall be deemed conclusive evidence in the absence of a conflicting claim based upon a later deed or title insurance policy.

3.4. Suspension of Membership. The rights of membership are subject to the payment of assessments and other charges levied by the Villas Association and Master Association. If a Member fails to make payment of any assessment or other charge levied by the Villas or Master Association within thirty (30) days after the same shall become due and payable the voting



rights of such Member may be suspended by the Management Committee until such assessment or charge has been paid. Rights of a Member may also be suspended for violation of any of the use restrictions and for infraction of any rules and regulations established by the Management Committee for a period not to exceed sixty (60) days. Except for suspension of voting rights for failure to pay assessments or other charges, any suspension of the rights of membership shall be pursuant to notice and hearing. The Management Committee shall establish a procedure for notice and hearing that is fair and reasonable taking into consideration all of the relevant facts and circumstances.

ARTICLE 4  
MEETINGS OF MEMBERS

4.1. Annual Meetings. There shall be no requirement to hold an annual meeting during the Declarant Control Period. Thereafter, annual meetings of the Members for the election of committee members, the presentation of the annual financial report of the Villas Association and for the transaction of such other business as the Management Committee may determine, shall be held at such time and place as may be designated by the Management Committee. If the day of the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour of the first day following which is not a legal holiday.

4.2. Special Meetings. Special meetings of the Members may be called at any time by the Management Committee, or upon written request of the Members who are entitled to vote twenty-five percent (25%) of all of the votes of the Villas Association.

4.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days before such meeting to each Member entitled to vote on the matter for which the meeting has called, addressed to the Member's address last appearing on the books of the Villas Association. Such notice shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

4.4. Waiver of Notice. The notice provided for hereinabove is not indispensable and any meeting of the Members shall be deemed validly called for all purposes if all Members are represented thereat in person or by proxy, or if a quorum is present and waivers of notice of time, place and purpose of such meeting shall be duly executed in writing either before or after said meeting by those Members not so represented or not given such notice. The attendance of any Member at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by that Member.

4.5. Quorum.

(a) General Requirements. Except as hereafter provided, and as otherwise provided in the Articles or Villas Declaration, the presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of all the votes of membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Where the Villas Declaration requires a percentage vote of all Members, the quorum required for such vote be the same as the minimum percentage vote required to approve the action which is the subject of the vote; provided however, that in calculating any such percentage, Members whose voting rights have been suspended shall not be included.

(b) Quorum for Voting Members. If the matter is one that will be voted on by Voting Members (described in the Declaration) in lieu of the Members, the presence at the meeting of a majority of Voting Members shall

constitute a quorum for any action upon which such Voting Members are entitled to vote.

4.6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary prior to the vote being taken at meeting for which the proxy is valid. Every proxy shall be revocable and shall automatically cease when the Membership of the Member voting by proxy has ceased.

4.7. Voting. If a quorum is present, the affirmative vote of the majority of the Members present at the meeting shall be the act of all the Members, unless the act of a greater number is expressly required by law, by the Villas Declaration, by the Articles, or elsewhere in these Bylaws. Upon direction of the management committee, the vote upon any business at a meeting shall be by ballot, but otherwise any such vote need not be by ballot.

4.8. Action by Written Ballot in Lieu of Meeting. Any action authorized to be taken at any annual, regular, or special meeting may be taken by written ballot in lieu of such meeting if the ballot is delivered by or at the direction of the Secretary to each Member entitled to vote on the matter, which ballot shall: (a) set forth in detail the proposed action; (b) provide an opportunity to vote for or against the proposed action; (c) state the date when such ballot must be returned in order to be counted, which date shall not be less than thirty (30) days after delivery of the ballot; (d) state by what means it shall be returned and where; and (e) shall be accompanied by any written information, which has been approved by a majority of the Management Committee, sufficient to permit each Member casting the ballot to reach an informed decision on the matter. Each ballot shall contain a means of identification for each Member entitled to vote, which shall identify such Member by Lot number. The number of votes cast by written ballot pursuant to this section shall constitute a quorum for action on the matter. Where any matter in the Governing Documents calls for the consent of Members but does not specify that such consent must be obtained at a meeting, then no meeting of the Members shall be required or is necessary to obtain such consents.

4.9. Acceptance of Votes. If the name signed on any consent, written ballot, vote, waiver, proxy appointment, or proxy appointment revocation, corresponds to the name of a Member, the Villas Association, acting in good faith, may accept and give effect to the same as the act of the Member, notwithstanding that the signature may not be technically correct. For example, if a Unit is owned by a trust, thereby making the trust the Member, and the individual fails to sign as "trustee," it shall not invalidate the signature or vote of the Member.

4.10. Consent Where Meeting Not Required. Where any matter in the Governing Documents calls for the consent of Members but does not specify that such consent must be obtained at a meeting, then no meeting of such Members shall be required or is necessary to obtain such consents.

4.11. Validity of Votes and Consents. Any consent or vote given by an Owner on any matter in the Governing Documents shall be valid for a period of ninety days, and shall be binding on any subsequent Owner who takes title of the Lot during that period of time.

4.12. Procedure: Parliamentary Rules. The order of business and all other matters of procedure at every meeting of Members shall be determined by the presiding officer. Except as may be modified by resolution of the Management Committee, *Robert's Rules of Order* (current edition) shall govern the conduct of Villas Association proceedings when not in conflict with Utah law or the Governing Documents.

4.13. Place of Meetings. The Management Committee may designate the place of any annual or special meeting of the Members by stating or fixing such place pursuant to resolution, provided, however, that such place must be within Washington County, State of Utah. If the Management Committee makes no designation, annual and regular meetings shall be held at the Villas Association's principal office.

4.14. Meetings of Voting Members. In any matter that the Management Committee has designated shall be voted

on by Voting Members in lieu of the Members, the meeting of such Voting Members shall be undertaken in the same manner and with the same procedures and any meeting of Members as set forth in these Bylaws.

ARTICLE 5  
MANAGEMENT COMMITTEE

5.1. Qualifications. A committee member must be a natural person of at least 18 years of age or older and, except with respect to committee members appointed by the Declarant. In the event that a Member is not a natural person, a natural person who holds an ownership interest in the entity which is the Member may serve as a member of the Management Committee if duly appointed or elected as provided for herein.

5.2. Number. The affairs of this Villas Association shall be managed by a Management Committee consisting of at least three qualified persons. The number of committee members may range from a minimum of three to a maximum of twenty-one committee members. The number of persons constituting the whole Management Committee may be fixed from time to time within this range by resolution of the Management Committee.

5.3. Term of Office; Staggered Terms. At the first annual meeting at which Members elect the committee members, the two persons obtaining the highest number of votes shall serve for two years and all others shall serve for one year. Thereafter, upon the expiration of the initial term of each director, his or her successor shall be elected for one-year terms. Nothing shall prevent any person from serving as a director for successive terms or more than one term if duly elected by the Members.

5.4. Removal. Any committee member may be removed from the Management Committee with cause, by a majority vote of the Members of the Villas Association. Any committee member who shall be absent from three (3) consecutive Management Committee meetings shall be automatically removed from the Management Committee unless otherwise determined by the Management Committee. In the event of death, resignation or removal of a committee member, a temporary successor shall be selected by the remaining committee members and shall serve for the unexpired term of his or her predecessor or until special election of a successor.

5.5. Compensation. No committee member shall receive compensation for any service he or she may render to the Villas Association. However, any committee member may be reimbursed for actual expenses incurred in the performance of his or duties as a committee member.

5.6. Declarant Control Period. Notwithstanding anything herein to the contrary, committee members serving during the Declarant Control Period shall be appointed by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant. There shall be no requirement for the election of committee members as forth in Article 6 until the termination of the Declarant Control Period unless the Declarant expressly provides otherwise in writing.

ARTICLE 6  
NOMINATION AND ELECTION OF COMMITTEE MEMBERS

6.1. Nomination. Nominations for election to the Management Committee may be made from the floor at the annual meeting of Members. In addition, the Management Committee may establish a nominating committee to nominate qualified Members for election to the Management Committee. If established, the Nominating Committee shall consist of a chairman, who shall be a member of the Management Committee, and two (2) or more Members of the Villas Association. The Nominating Committee shall be appointed by the Management Committee at least sixty (60) days prior to each annual meeting of the Members, to serve through such annual meeting. The nominating committee shall make as many nominations for election to the Management Committee as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

6.2. Election; Voting. Election to the Management Committee shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

6.3. Voting by Mail. Election of committee members may be handled by mail voting in the following manner, which may be, at the determination of the Management Committee, the sole method of voting or used in conjunction with in-person voting. Ballots shall be sent to each Member by the Secretary not more than sixty (60) days and not fewer than thirty (30) days before the date set for election. Ballots shall instruct Members to seal their ballot in a ballot envelope and then place the sealed envelope into a larger envelope along with a signed paper, provided by the Secretary, identifying the Member whose vote is contained in the inner envelope. Ballots may be delivered to the Secretary in person or by mail; provided however, that ballots must be received by the Secretary prior to the election. Upon receiving the ballots, the corporate secretary shall open the outer envelope, remove the identification paper and record which Members have voted. The identification paper and outer envelope shall then be separated from the ballot envelope. The ballot envelope shall be retained by the Secretary until opened on the election date.

#### ARTICLE 7

##### MANAGEMENT COMMITTEE MEETINGS

7.1. Regular Meetings. The first meeting of the Management Committee will follow the annual meeting of the Members at which a Management Committee is first elected by the Members. Thereafter, regular meetings of the Management Committee shall be held at such date, time and place as may be determined from time to time by resolution of the Management Committee. Written notification of each regular Management Committee meeting shall be delivered or mailed to all Directors at least seven (7) days prior to any regular Management Committee meeting. Meetings of the Management Committee shall be open to all Members, unless litigation or potential litigation, contract negotiation or employment or personnel matters are being discussed.

7.2. Special Meetings. Special meetings of the Management Committee shall be held when called by the President of the Management Committee or by any two (2) committee members, after not less than two (2) days' notice to each committee members.

7.3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Management Committee, unless a greater number is required by law, the Articles or these Bylaws.

7.4. Action Without a Meeting. Whenever the Directors are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all Directors.

7.5. Place of Meetings. Regular or special meetings of the Management Committee during the Declarant Control Period may be held in or out of the State of Utah. Regular or special meetings of the Management Committee who are elected by the Members shall be held in Washington County, Utah.

7.6. Presence of Directors at Meetings. The Management Committee may allow any director to participate in a regular or special meeting *by*, or conduct the meeting through the use of, any means of communication by which all directors participating in the meeting may hear each other during the meeting. A director participating in a meeting through means permitted under this section shall be considered to be present in person at the meeting.

ARTICLE 8

POWERS AND DUTIES OF THE MANAGEMENT COMMITTEE

8.1. Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Villas Association managed under the direction of, the Management Committee, subject to any limitations set forth in the Villas Declaration, the Act, or the Articles.

8.2. Duties. It shall be the duty of the Management Committee to manage the affairs of the Villas Association in accordance with the terms of the Act, the Articles, the Villas Declaration, and these Bylaws, and other Governing Documents.

8.3. Limited Common and Common Areas. All limited common and common areas and related facilities shall be managed according to the Villas Declaration. It shall be the duty of the Management Committee to assess Members to cover the Common Expenses. The Management Committee shall have the rights in Common Areas and Facilities as set forth in the Villas Declaration.

ARTICLE 9

OFFICERS AND THEIR DUTIES

9.1. Enumeration of Offices. The officers of this Villas Association shall be a President and Vice-President, who shall at all times be Members of the Management Committee, a secretary and a treasurer, who need not be Members of the Management Committee nor of the Villas Association, and such other officers as the Management Committee may from time to time create by resolution.

9.2. Election of Officers. The election of officers shall take place at the first meeting of the Management Committee following each annual meeting of the Members.

9.3. Term. The Management Committee shall elect the officers of the Villas Association annually and each shall hold office for one (1) year unless the officer shall sooner resign, or be removed, or otherwise be disqualified to serve.

9.4. Special Appointments. The Management Committee may elect such other officers as the affairs of the Villas Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Management Committee may, from time to time, determine.

9.5. Resignation and Removal. The Management Committee may remove any officer from office with or without cause. Any officer may resign at any time by giving notice to the Management Committee, or any officer of the Management Committee. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise necessary to make it effective.

9.6. Vacancies. A vacancy in any office may be filled by appointment by the Management Committee. The officer appointed to such vacancy shall serve for the remainder of the term of the officer being replaced.

9.7. Multiple Offices. The same person may hold the offices of secretary and treasurer. No person shall simultaneously hold more than one of any of the other offices except in the case of special office created pursuant to Section 9.4.

9.8. Duties. The officers and their duties are as follows:

(a) President. The president shall preside at all meetings of the Management Committee; shall see that orders and resolutions of the Management Committee are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) Vice President. The vice-president shall act in the place and stead of the president in the event of absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Management Committee.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Management Committee and the Villas Association together with their addresses, and shall perform such other duties as required by the Management Committee.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Villas Association and disburse such funds as directed by resolution of the Management Committee; sign all checks and promissory notes of the Villas Association; maintain a roster of all Members, assessments and payments; keep proper books of account; issue certificates of payment of assessments; notify the Management Committee of Members who are delinquent in paying assessments; prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting; and deliver a copy of the budget and statement to the Members at said meeting.

9.9. Compensation. No salary or other compensation for services shall be paid to any officer of the Villas Association for services rendered by such officer, but this shall not preclude an officer of the Villas Association from performing any other service for the Villas Association as an employee and receiving compensation therefor.

9.10. Declarant Control Period. Officers serving during the Declarant Control Period shall serve at the pleasure of the Management Committee and need not be elected on an annual basis as set forth herein.

#### ARTICLE 10 COMMITTEES

10.1. Generally. The Management Committee may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Management Committee may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

10.2. Architectural Control Committee. The Architectural Control Committee created and functioning under the Master Declaration shall approve building plans, styles, architecture and other matters set forth by the Master Association's Design Code within The Villas at Sand Hollow Resort. Upon recommendation of the Management Committee, the Board of Directors of the Master Association may approve a separately-constituted Architectural Control Committee for the Villas Association.

10.3. Additional Committees. The Management Committee may create such committees as it deems necessary and appropriate to perform such tasks as the Management Committee may designate by resolution. The Management Committee shall have the authority to appoint members of each committee it creates. Each committee shall operate in accordance with the terms of such resolution.

#### ARTICLE 11 INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each Director and officer of the Association now or hereafter serving as such shall be indemnified by the Association against any and all claims and liabilities to which he has or shall become subject while or after serving by reason of serving as Director or officer, or by reason of any action alleged to have been taken, omitted, or neglected by him as such Director or officer; and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such

claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for any expense incurred in connection with, any claim or liability arising out of his own willful misconduct or gross negligence. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any Director or officer of the Association may otherwise be entitled by law.

ARTICLE 12  
FINANCIAL MATTERS

12.1. Depositories. The Management Committee shall select such depositories as it considers proper for the funds of the Villas Association. All checks and drafts against such deposited funds shall be signed and countersigned by persons authorized by these Bylaws or by Management Committee resolution to sign such checks and drafts.

12.2. Contracts; Management Contract. The Management Committee may authorize any officer or officers, agent or agents, in addition to those specified in these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Villas Association, and such authority may be general or confined to specific instances. Unless so authorized by the Management Committee, no officer, agent or employee shall have any power or authority to bind the Villas Association by any contract or engagement or to pledge its credit or render it liable for any purpose or for any amount.

12.3. Fiscal Year. The fiscal year of the Villas Association shall be determined by the Management Committee of the Villas Association.

12.4. Annual Report. The Management Committee shall present at the annual meeting of the Members the report of the Treasurer, giving the annual budget and a statement of income and expenses, and a report of other affairs of the Villas Association during the preceding year. The Management Committee shall provide all Members, at the expense of the Villas Association, copies of said annual budget and statement of income and expense.

ARTICLE 13  
BOOKS AND RECORDS

13.1. Villas Association Records. The Villas Association shall keep and maintain those records required by the Villas Declaration, the Act, and these Bylaws. Such records shall be maintained in written form or in another form capable of conversion into written form within a reasonable time.

13.2. Inspection of Books and Records. The books, records, and papers of the Villas Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Articles and these Bylaws shall be available for inspection by any Member at the principal office of the Villas Association, where copies may be purchased at reasonable cost.

ARTICLE 14  
RULES AND REGULATIONS

The Management Committee shall have the power to adopt and establish by resolution such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the Property, equipment, facilities and utility systems of the Villas Association. The Management Committee may alter from time to time such rules and regulations. The Members shall at all times obey such regulations and use their best efforts to see that they are faithfully observed by the persons with whom they reside, their family, guests, tenants, invitees and others over whom they may exercise control or supervision.

ARTICLE 15  
AMENDMENT

15.1. By the Management Committee. These Bylaws may be altered, amended or repealed, in whole or in part, by a majority vote of the Management Committee at any regular Management Committee meeting or at a special Management Committee meeting called for that purpose.

15.2. By the Members. These Bylaws and any amendments thereto may be altered, amended or repealed, in whole or in part, by a majority vote of Members present at any annual meeting of the Members or at any special meeting of the Members called for that purpose.

15.3. By Declarant. Declarant has the right to unilaterally alter, amend or repeal these Bylaws, in whole or in part, for any purpose during the Declarant Control Period, with or without notice to the Members. Thereafter, Declarant may unilaterally amend these Bylaws if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on any Lot; (c) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans to make, purchase, insure, or guarantee mortgage loans on any Lot; (d) to satisfy the requirements of any local, state, or federal governmental agency; or (e) to correct any scrivener's error.

15.4. Validity. No amendment made by the Management Committee or the Members during the Declarant Control Period shall be effective unless the Declarant provides its prior express written consent to such amendment, which consent is within Declarant's sole and absolute discretion. No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant. Any procedural challenge to an amendment must be made within six months of the effective date of the amendment or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

15.5. Effective Date. Any amendment to these Bylaws shall be effective upon the date such amendment is duly adopted as provided for herein, which date the Secretary shall certify on the amendment and file with the Villas Association's records. The Management Committee shall provide notice to Members of any amendment to these Bylaws, however, the receipt of such notice shall not be a prerequisite to the validity of the amendment.

ARTICLE 16  
GENERAL PROVISIONS

16.1. Notices; Electronic Notice. Any notice required to be sent under the provisions of these Bylaws shall be deemed to have been properly sent when deposited in the U.S. Mail, postpaid, to the last known address of the person who is entitled to receive it. Members are required to maintain a current mailing address with the Villas Association. In the absence of specific instruction from the Member, the Members current mailing address will be deemed to be the mailing address for the Lot owned by the Member. The Management Committee may, by resolution, adopt a policy for notification via electronic communication or transmission (such as e-mail) to Members in lieu of notice by mail. In addition, the Management Committee may require that Members maintain a current e-mail address with the Management Committee for such purpose.

16.2. Dates and Times. In computing any period of time prescribed or allowed by these Bylaws, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a legal holiday (either federal or Utah state), in which event the period runs until the end of the next day that is not a Saturday, a Sunday, or a legal holiday. The deadline of the last day of the period so computed shall be 5:00 P.M., Mountain Time.

16.3. Waivers. No provision contained in these Bylaws shall be deemed to have been waived by reason of any



failure to enforce or follow it, irrespective of the number of violations which may occur.

16.4. Construction and Interpretation. These Bylaws shall be construed wherever possible as consistent with the Villas Declaration, Master Declaration and the Act. Conflicts between documents shall be resolved as set forth in the Master Declaration.

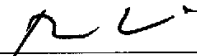
16.5. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each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

16.6. Titles and Headings. The titles and headings contained in these Bylaws are for convenience only and do not define, limit, or construe the contents of these Bylaws.

CERTIFICATION

The undersigned hereby certifies that he is the duly elected/appointed Secretary of The Villas at Sand Hollow Owners Association, a Utah non-profit corporation, and the foregoing Bylaws constitute the Bylaws of said Association as duly adopted by the Management Committee on the 6 day of April, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand this 6 day of April, 2010

  
\_\_\_\_\_  
Secretary

## EXHIBIT C

### [Description of Units and Buildings]

#### Unit Numbers and Square Footage

<u>Building #</u>	<u>Unit #</u>	<u>Unit Square Footage</u>	<u>Patio/Balcony Square Footage</u>
1	A1	2336	682
1	B1	1528	239
1	C1	1528	244
1	D1	2244	770
1	E2	2336	675
1	F2	1528	238
1	G2	1527	244
1	H2	2244	762
1	K3	3903	1591
1	J3	3996	1496
2	A1	2336	682
2	B1	1528	239
2	C1	1528	244
2	D1	2244	770
2	E2	2336	675
2	F2	1528	238
2	G2	1527	244
2	H2	2244	762
2	K3	3903	1591
2	J3	3996	1496

#### Description of Buildings

Each Building will be three storeys above ground in height, and will include a basement (garage) level for underground parking, as more particularly described on the Condominium Plat. Each Building will contain ten (10) Units. The Buildings will be of steel, concrete and wood frame construction, of primarily stucco exterior with a single-ply membrane roof.

**EXHIBIT D**

**[Legal Description - Expansion Area]**

**Legal Descriptions for Parcels H-4205-H; H-4205-H-5 and H-4209-H as found in the Washington County  
Utah Recorders Office**

**Parcel H-4205-H**

SEC 22 T42S R14W LESS: BEG AT NW COR SEC 22, TH S89°49'38" E, 2,312.02 FT ALG N LN SD SEC 22; TH S00°02'03" E 330.74 FT; TH N89°52'17" W, 329.85 FT; TH S00°02'35" E, 661.53 FT; TH S89°50'59" E, 659.88 FT TO PT ON C/S/L; TH S00°01'30" E, 330.89 FT ALG SD C/S/L; TH S89°48'35" E, 26.14 FT; TH S45°44'12" W, 306.16 FT; TH S01°24'18" E, 752.26 FT; TH S21°39'41" E, 751.48 FT; TH S16°04'50" W, 367.64 FT TO PT ON C/S/L; TH S00°01'30" E, 629.40 FT ALG SD C/S/L; TH N89°56'06" W, 1,977.78 FT; TH S00°05'11" E, 1,325.30 FT TO PT ON S LN SEC 22; TH N89°59'32" W, 658.79 FT ALG SD SEC/L, TO SW COR OF SD SEC 22; TH N00°06'24" W, 2,651.91 FT ALG W LN SD SEC 22, W1/4 COR SEC 22; TH S89°41'32" W, 538.34 FT; TH N33°28'31" E, 973.48 FT TO PT ON W LN SD SEC 22; TH N00°05'51" W 1,839.95 FT ALG SD SEC/L TO POB. LESS: COM AT NE COR SEC 22, TH S00°05'25" W, DIST OF 1,320.41 FT ALG E SEC/L TO N 1/16 COR; TH N89°48'35" W, DIST OF 40.00 FT ALG 1/16 LN TO POB; TH S00°05'25" W, DIST OF 692.41 FT ALG SD 1/16 LN; TH S77°48'08" W, DIST OF 495.71 FT; TH N85°25'06" W, DIST OF 500.18 FT; TH S39°22'50" W, DIST OF 635.61 FT; TH S21°15'26" W, DIST OF 529.92 FT; TH S00°28'35" E, DIST OF 742.21 FT; TH S88°09'54" W, DIST OF 1,028.47 FT; TH N00°01'30" W, DIST OF 508.63 FT; TH N16°04'50" E, DIST OF 367.64 FT; TH N21°39'41" W, DIST OF 751.48 FT; TH N01°24'18" W, DIST OF 752.26 FT; TH N45°44'12" E, DIST OF 306.16 FT; TH S89°48'35" E, DIST OF 304.14 FT; TH S00°00'44" E, DIST OF 661.58 FT; TH S89°50'38" E, DIST OF 660.25 FT; TH N00°00'49" E, DIST OF 661.19 FT; TH S89°48'35" E, DIST OF 1,611.66 FT TO POB. LESS: COM AT NE COR SEC 22, T42S, R14W; TH S00°05'25" W, DIST OF 1,320.34 FT TO TRUE POB SD PT BEING NE COR OF SE1/4NE1/4 OF SD SEC 22; TH S00°05'25" W, DIST OF 791.09 FT ALG SEC/L; TH N89°59'32" W, DIST OF 68.65 FT, TO PT OF CURV RGT HAV RAD OF 335.00 FT; TH WLY ALG ARC OF SD CUR DIST OF 80.77 FT, THRU CTL ANG OF 13°48'50", TO PT OF RVSE CUR LFT HAV RAD OF 1,465.00 FT; TH WLY ALG ARC OF SD CUR, DIST OF 568.59 FT, THRU CTL ANG OF 22°14'15"; TH S81°35'03" W, DIST OF 368.28 FT, TO PT OF CURV RGT HAV RAD OF 535.00 FT; TH WLY ALG ARC OF SD CUR, DIST OF 19.39 FT, THRU CTL ANG OF 02°04'34"; TH S16°01'13" W, DIST OF 52.68 FT; TH S42°01'19" W, DIST OF 123.37 FT; TH N45°17'13" W, DIST OF 6.84 FT; TH S37°10'47" W, DIST OF 231.92 FT; TH N49°14'31" W, DIST OF 5.29 FT; TH S34°32'05" W, DIST OF 112.17 FT; TH S30°16'41" W, DIST OF 105.22 FT; TH S54°01'04" E, DIST OF 7.74 FT; TH S20°26'52" W, DIST OF 306.12 FT; TH N68°51'48" W, DIST OF 6.03 FT; TH S20°15'02" W, DIST OF 119.45 FT; TH S12°14'36" W, DIST OF 88.70 FT; TH S01°39'07" E, DIST OF 95.71 FT; TH N72°16'17" W, DIST OF 7.41 FT; TH S00°54'56" E, DIST OF 218.29 FT; TH N89°39'55" W, DIST OF 6.99 FT; TH S00°06'33" E, DIST OF 300.24 FT; TH S48°33'09" W, DIST OF 113.30 FT; TH S34°23'37" W, DIST OF 40.00 FT, TO PT OF CURV OF NON-TANG CUR RGT, RAD PT LIES N34°23'37" E, RADL DIST OF 400.00 FT; TH NWLY ALG ARC OF SD CUR, DIST OF 63.32 FT, THRU CTL ANG OF 09°04'14"; TH S43°27'51" W, DIST OF 40.00 FT; TH N89°20'56" W DIST OF 312.04 FT; TH S00°44'39" E, DIST OF 7.50 FT; TH N89°20'51" W, DIST OF 307.46 FT; TH S00°04'06" E, DIST OF 6.50 FT; TH N89°34'21" W, DIST OF 133.97 FT; TH N41°42'39" W, DIST OF 184.86 FT; TH N09°09'44" E, DIST OF 95.04 FT; TH S89°00'02" E, DIST OF 9.93 FT; TH N05°26'04" E, DIST OF 224.92 FT; TH S87°51'48" E, DIST OF 6.86 FT; TH N09°26'43" E, DIST OF 273.61 FT; TH N11°12'05" E, DIST OF 81.51 FT; TH N00°59'16" W, DIST OF 48.56 FT; TH N65°23'20" E, DIST OF 8.30 FT; TH N02°49'52" W, DIST OF 94.43 FT; TH N22°14'02" W, DIST 159.51 FT;

TH N53°23'57" E, DIST OF 7.30 FT; TH N25°46'21" W, DIST OF 205.53 FT; TH N65°24'16" E, DIST OF 7.00 FT; TH N27°17'17" W, DIST OF 141.78 FT; TH N12°26'31" W, DIST OF 178.70 FT; TH N03°14'32" W, DIST OF 203.19 FT; TH N88°33'45" E, DIST OF 5.49 FT; TH N03°32'22" W, DIST OF 193.73 FT; TH N88°33'45" E, DIST OF 5.46 FT; TH N03°50'58" W, DIST OF 215.99 FT; TH N00°57'17" E, DIST OF 59.87 FT; TH N89°05'43" E, DIST OF 8.99 FT; TH N00°21'00" E, DIST OF 133.39 FT; TH N09°07'04" E, DIST OF 80.28 FT; TO PT OF CURV OF NON-TANG CUR LFT, RAD PT LIES N19°44'02" E, RADL DIST OF 540.00 FT; TH ELY ALG ARC OF SD CUR, DIST OF 184.21 FT, THRU CTL ANG OF 19°32'43" TO PT 80.00 FT SLY OF S LN OF N1/2 N1/2 OF SD SEC 22; TH S89°48'41" E, DIST OF 330.64 FT ALG SD LN, TO PT ON W LN W1/2 SW1/4 NE1/4 OF SD SEC 22; TH S00°00'38" E, DIST OF 581.59 FT TO SW COR W1/2 NW1/4 W1/4 OF SD SEC 22; TH S89°50'38" E, DIST OF 660.29 FT TO SE COR W1/2 NE1/4 SW1/4 NE1/4 OF SD SEC 22; TH N00°01'05" E, DIST OF 661.22 FT TO NE COR OF W1/2 NW1/4 SW1/4 NE1/4 OF SD SEC 22; TH S89°48'41" E, DIST OF 1,651.55 FT TO POB. LESS: BEG SE COR SEC 22, T42S, R14W, TH N00°04'32" E 580 FT ALG SEC/L, TH N89°59'32" W 751.03 FT, TH S00°04'32" W 580 FT TO PT ON S LN SD SEC 22, TH S89°59'32" E 751.03 FT TO POB. LESS: COM SE COR SEC 22, T42S, R14W; TH N89°59'33" W, ALG S SEC/L, 1,192.68 FT; TH N, 939.24 FT, TO PT ON N LN 3580 S (VILLAS NORTH DR) & POB; SD PT ALSO BEING BEG OF CUR RGT, RAD PT LIES N00°12'28" W, RADL DIST OF 925.00 FT; TH ALG SD RD FOL 7 CRSES: WLY ALG ARC, THRU CTL ANG OF 03°51'44", DIST OF 62.35 FT- TH N86°20'44" W, 182.96 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 210.00 FT & CTL ANG OF 50°22'31"; TH WLY ALG ARC OF SD CUR 184.63 FT; TH S43°16'45" W, 111.21 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 20.00 FT & CTL ANG OF 120°24'44"; TH WLY ALG ARC OF SD CUR 42.03 FT, TO PT OF CURV OF NON-TNGT CUR LFT, RAD PT LIES S73°26'48" W, RADL DIST OF 425.00 FT SD CUR HAV CTL ANG OF 07°0'19"; TH NLY ALG ARC OF SD CUR 54.43 FT, TO PT OF RVSE CURV OF CUR RGT HAV RAD OF 20.00 FT & CTL ANG OF 85°50'07"; TH NLY ALG ARC OF SD CUR 29.96 FT, TO PT ON W LN OF 3600 SOUTH ST (CLUB HOUSE DR) TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 625.00 FT & CTL ANG OF 42°00'05"; TH & ALG SD RD FOL 3 CRSES: NELY ALG ARC OF SD CUR 458.16 FT, TO PT OF RVSE CURV OF CUR RGT HAV RAD OF 20.00 FT & CTL ANG OF 35°29'30"; TH NELY ALG ARC OF SD CUR 29.84 FT, TO PT ON S LN OF 3400 SOUTH 2ND EXT (SAND HOLLOW RESORT PKWY) TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 1,040.00 FT & CTL ANG OF 07°27'41"; TH ALG SD RD FOL 2 CSSES: ELY ALG ARC OF SD CUR 135.43 FT; TH S82°01'40" E, 129.54 FT; TH S13°44'50" W, 143.54 FT; TH N87°49'50" E, 13.08 FT; TH S12°33'48" W, 121.26 FT TO POB. LESS: THE DUNES AT SAND HOLLOW RESORT. LESS: (PROPOSED CLUBHOUSE DR) COM AT SE COR SEC 22, T42S, R14W; TH N89°59'32" W, ALG S SEC/L, 1,406.08 FT; TH N 1,241.92 FT TO PT ON S R/W/L 3400 SOUTH 2ND EXT, & PT OF BEG, SD PT ALSO BEING BEG OF CUR LFT, RAD PT LIES S15°26'01" W, RADL DIST OF 20.00 FT; TH SWLY ALG ARC, THRU CTL ANG OF 85°29'30", DIST OF 29.84 FT, TO PT OF RVSE CURV OF CUR RGT HAV RAD OF 625.00 FT CTL ANG OF 45°44'47"; TH SWLY ALG ARC OF SD CUR 499.01 FT; TH S65°41'18" W, 219.93 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,300.00 FT & CTL ANG OF 24°29'21"; TH WLY ALG ARC OF SD CUR 555.64 FT; TH N89°49'21" W, 437.18 FT; TH N00°10'39" E, 50.00 FT, TH S89°49'21" E, 437.18 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 1,250.00 FT & CTL ANG OF 24°29'21"; TH ELY ALG ARC OF SD CUR 534.27 FT; TH N65°41'18" E, 219.93 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 575.00 FT & CTL ANG OF 45°24'36"; TH NELY ALG ARC OF SD CUR 455.72 FT, TO PT OF CMPD CURV OF CUR LFT HAV RAD OF 20.00 FT & CTL ANG OF 89°58'30", TH NWLY ALG ARC OF SD CUR, 31.41 FT, TO PT OF CURV OF NON-TNGT CUR LFT, RAD PT LIES N20°18'12" E, RADL DIST OF 1,040.00 FT, SD CUR HAV CTL ANG OF 04° 52'12"; TH ELY ALG ARC OF SD CUR 88.40 FT TO POB. LESS: LAND IN 3400 SOUTH 2ND EXT. LESS: (PROPOSED NORTH VILLAS RDWY) COM SE COR SEC 22,

T42S, R14W; TH N89°44'55" E, ALG S SEC/L, 1,258.69 FT; TH N, 880.73 FT, TO PT ON PROP ROAD & POB; TH N89°55'54" W, 46.36 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 225.00 FT & CTL ANG OF 06°30'58"; TH WLY ALG ARC OF SD CUR 25.59 FT; TH N83°24'56" W, 40.73 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 1,475.00 FT & CTL ANG OF 11°39'51"; TH WLY ALG ARC OF SD CUR 300.27 FT; TH S84°55'13" W, 48.24 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,525.00 FT & CTL ANG OF 09°31'14"; TH WLY ALG ARC OF SD CUR 253.40 FT; TH N85°33'33" W, 124.01 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 1,475.00 FT & CTL ANG OF 08°05'53"; TH WLY ALG ARC OF SD CUR 208.48 FT; TH S86°20'34" W, 71.01 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,025.00 FT & CTL ANG OF 08°02'05"; TH WLY ALG ARC OF SD CUR 143.74 FT; TH N85°37'21" W, 25.09 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 475.00 FT & CTL ANG OF 10°47'42"; TH WLY ALG ARC OF SD CUR 89.49 FT; TH S83°34'56" W, 167.59 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 825.00 FT & CTL ANG OF 17°46'16"; TH WLY ALG ARC OF SD CUR 255.88 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 375.00 FT & CTL ANG OF 22°14'14"; TH WLY ALG ARC OF SD CUR 145.54 FT; TH S79°06'58" W, 51.98 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 425.00 FT & CTL ANG OF 24°15'49"; TH WLY ALG ARC OF SD CUR 179.98 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 475.00 FT & CTL ANG OF 17°28'44"; TH WLY ALG ARC OF SD CUR 144.91 FT; TH S85°54'03" W, 71.85 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 975.00 FT & CTL ANG OF 07°45'13"; TH WLY ALG ARC SD CUR 131.94 FT; TH N86°20'44" W, 182.96 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 160.00 FT & CTL ANG OF 50°22'31"; TH WLY ALG ARC SD CUR 140.67 FT; TH S43°16'45" W, 119.31 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 125.00 FT & CTL ANG OF 18°46'30"; TH SWLY ALG ARC SD CUR 40.96 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 20.00 FT & CTL ANG OF 74°26'50"; TH SWLY ALG ARC OF SD CUR 25.99 FT; TH S77°36'25" W, 50.00 FT; TH N12°23'35" W, 66.64 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 375.00 FT & CTL ANG OF 11°10'13"; TH NLY ALG ARC OF SD CUR 73.11 FT, TO PT OF CMPD CURV OF CUR LFT HAV RAD OF 20.00 FT & CTL ANG OF 90°44'54"; TH WLY ALG ARC OF SD CUR, 31.68 FT; TH N65°41'18" E, 47.89 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 625.00 FT & CTL ANG OF 03°44'42"; TH NELY ALG ARC OF SD CUR 40.85 FT, TO PT OF CURV OF NON-TNGT CUR LFT, RAD PT LIES S28°03'24" E, RADL DIST OF 20.00 FT SD CUR HAV CTL ANG OF 85°50'07"; TH SLY ALG ARC OF SD CUR 29.96 FT, TO PT OF RVSE CURV OF CUR RGT HAV RAD OF 425.00 FT & CTL ANG OF 07°20'19"; TH SLY ALG ARC OF SD CUR 54.43 FT, TO PT OF CURV OF NON-TNGT CUR LFT, RAD PT LIES N73°41'30" E, RAD DIST OF 20.00 FT SD CUR HAV CTL ANG OF 120°24'44"; TH ELY ALG ARC OF SD CUR 42.03 FT; TH N43°16'45" E, 111.21 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 210.00 FT & CTL ANG OF 50°22'31"; TH ELY ALG ARC OF SD CUR 184.63 FT; TH S86°20'44" E, 182.96 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 925.00 FT & CTL ANG OF 07°45'13"; TH ELY ALG ARC OF SD CUR 125.18 FT; TH N85°54'03" E, 71.85 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 525.00 FT & CTL ANG OF 17°28'44"; TH ELY ALG ARC OF SD CUR 160.16 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 375.00 FT & CTL ANG OF 24°15'49"; TH ELY ALG ARC OF SD CUR 158.81 FT; TH N79°06'58" E, 51.98 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 425.00 FT & CTL ANG OF 22°14'14"; TH ELY ALG ARC OF SD CUR 164.95 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 775.00 FT & CTL ANG OF 17°46'16"; TH ELY ALG ARC OF SD CUR 240.38 FT; TH N83°34'56" E, 167.59 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 525.00 FT & CTL ANG OF 10°47'42"; TH ELY ALG ARC OF SD CUR 98.91 FT; TH S85°37'21" E, 25.09 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 975.00 FT & CTL ANG OF 08°02'05"; TH ELY ALG ARC OF SD CUR 136.72 FT; TH N86°20'34" E, 71.01 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,525.00 FT & CTL ANG OF 08°05'53"; TH ELY ALG ARC OF SD CUR 215.54 FT; TH S85°33'33" E, 124.01 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 1,475.00 FT

AND CTL ANG OF 09°31'14"; TH ELY ALG ARC OF SD CUR 245.10 FT; TH N84°55'13" E, 48.24 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,525.00 FT & CTL ANG OF 11°39'51"; TH ELY ALG ARC OF SD CUR 310.45 FT; TH S83°24'56" E, 40.73 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 175.00 FT & CTL ANG OF 06°30'58"; TH ELY ALG ARC OF SD CUR 19.90 FT; TH S89°55'54" E, 46.36 FT; TH S00°04'06" W, 50.00 FT TO POB.

Containing 100.80 Acres

**Parcel H-4205-H-5**

COM SE COR SEC 22, T42S, R14W; TH N89°44'55" E, ALG S SEC/L, 1,258.69 FT; TH N, 880.73 FT, TO PT ON PROP ROAD & POB; TH N89°55'54" W, 46.36 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 225.00 FT & CTL ANG OF 06°30'58"; TH WLY ALG ARC OF SD CUR 25.59 FT; TH N83°24'56" W, 40.73 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 1,475.00 FT & CTL ANG OF 11°39'51"; TH WLY ALG ARC OF SD CUR 300.27 FT; TH S84°55'13" W, 48.24 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,525.00 FT & CTL ANG OF 09°31'14"; TH WLY ALG ARC OF SD CUR 253.40 FT; TH N85°33'33" W, 124.01 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 1,475.00 FT & CTL ANG OF 08°05'53"; TH WLY ALG ARC OF SD CUR 208.48 FT; TH S86°20'34" W, 71.01 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,025.00 FT & CTL ANG OF 08°02'05"; TH WLY ALG ARC OF SD CUR 143.74 FT; TH N85°37'21" W, 25.09 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 475.00 FT & CTL ANG OF 10°47'42"; TH WLY ALG ARC OF SD CUR 89.49 FT; TH S83°34'56" W, 167.59 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 825.00 FT & CTL ANG OF 17°46'16"; TH WLY ALG ARC OF SD CUR 255.88 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 375.00 FT & CTL ANG OF 22°14'14"; TH WLY ALG ARC OF SD CUR 145.54 FT; TH S79°06'58" W, 51.98 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 425.00 FT & CTL ANG OF 24°15'49"; TH WLY ALG ARC OF SD CUR 179.98 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 475.00 FT & CTL ANG OF 17°28'44"; TH WLY ALG ARC OF SD CUR 144.91 FT; TH S85°54'03" W, 71.85 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 975.00 FT & CTL ANG OF 07°45'13"; TH WLY ALG ARC SD CUR 131.94 FT; TH N86°20'44" W, 182.96 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 160.00 FT & CTL ANG OF 50°22'31"; TH WLY ALG ARC SD CUR 140.67 FT; TH S43°16'45" W, 119.31 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 125.00 FT & CTL ANG OF 18°46'30"; TH SWLY ALG ARC SD CUR 40.96 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 20.00 FT & CTL ANG OF 74°26'50"; TH SWLY ALG ARC OF SD CUR 25.99 FT; TH S77°36'25" W, 50.00 FT; TH N12°23'35" W, 66.64 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 375.00 FT & CTL ANG OF 11°10'13"; TH NLY ALG ARC OF SD CUR 73.11 FT, TO PT OF CMPD CURV OF CUR LFT HAV RAD OF 20.00 FT & CTL ANG OF 90°44'54"; TH WLY ALG ARC OF SD CUR, 31.68 FT; TH N65°41'18" E, 47.89 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 625.00 FT & CTL ANG OF 03°44'42"; TH NELY ALG ARC OF SD CUR 40.85 FT, TO PT OF CURV OF NON-TNGT CUR LFT, RAD PT LIES S28°03'24" E, RADL DIST OF 20.00 FT SD CUR HAV CTL ANG OF 85°50'07"; TH SLY ALG ARC OF SD CUR 29.96 FT, TO PT OF RVSE CURV OF CUR RGT HAV RAD OF 425.00 FT & CTL ANG OF 07°20'19"; TH SLY ALG ARC OF SD CUR 54.43 FT, TO PT OF CURV OF NON-TNGT CUR LFT, RAD PT LIES N73°41'30" E, RAD DIST OF 20.00 FT SD CUR HAV CTL ANG OF 120°24'44"; TH ELY ALG ARC OF SD CUR 42.03 FT; TH N43°16'45" E, 111.21 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 210.00 FT & CTL ANG OF 50°22'31"; TH ELY ALG ARC OF SD CUR 184.63 FT; TH S86°20'44" E, 182.96 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 925.00 FT & CTL ANG OF 07°45'13"; TH ELY ALG ARC OF SD CUR 125.18 FT; TH N85°54'03" E, 71.85 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 525.00 FT & CTL ANG OF 17°28'44"; TH

ELY ALG ARC OF SD CUR 160.16 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 375.00 FT & CTL ANG OF 24°15'49"; TH ELY ALG ARC OF SD CUR 158.81 FT; TH N79°06'58" E, 51.98 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 425.00 FT & CTL ANG OF 22°14'14"; TH ELY ALG ARC OF SD CUR 164.95 FT, TO PT OF RVSE CURV OF CUR LFT HAV RAD OF 775.00 FT & CTL ANG OF 17°46'16"; TH ELY ALG ARC OF SD CUR 240.38 FT; TH N83°34'56" E, 167.59 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 525.00 FT & CTL ANG OF 10°47'42"; TH ELY ALG ARC OF SD CUR 98.91 FT; TH S85°37'21" E, 25.09 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 975.00 FT & CTL ANG OF 08°02'05"; TH ELY ALG ARC OF SD CUR 136.72 FT; TH N86°20'34" E, 71.01 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,525.00 FT & CTL ANG OF 08°05'53"; TH ELY ALG ARC OF SD CUR 215.54 FT; TH S85°33'33" E, 124.01 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 1,475.00 FT AND CTL ANG OF 09°31'14"; TH ELY ALG ARC OF SD CUR 245.10 FT; TH N84°55'13" E, 48.24 FT, TO PT OF CURV OF CUR RGT HAV RAD OF 1,525.00 FT & CTL ANG OF 11°39'51"; TH ELY ALG ARC OF SD CUR 310.45 FT; TH S83°24'56" E, 40.73 FT, TO PT OF CURV OF CUR LFT HAV RAD OF 175.00 FT & CTL ANG OF 06°30'58"; TH ELY ALG ARC OF SD CUR 19.90 FT; TH S89°55'54" E, 46.36 FT; TH S00°04'06" W, 50.00 FT TO POB.

Containing 2.23 Acres

**Parcel H-4209-H**

BEG SE COR SEC 22, T42S, R14W, TH N00°04'32" E 580 FT ALG SEC/L, TH N89°59'32" W 751.03 FT, TH S00°04'32" W 580 FT TO PT ON S LN SD SEC 22, TH S89°59'32" E 751.03 FT TO POB.

Containing 10.00 Acres

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